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As confidentially submitted to the Securities and Exchange Commission on December 5, 2019.
This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

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

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

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

Delaware	**7389**	**01-0969591**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1201 Third Avenue, Suite 1700
Seattle, WA 98101
(206) 926-8100
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Rajeev Singh
Chief Executive Officer
Accolade, Inc.
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(206) 926-8100
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Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

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

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

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

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒	Smaller reporting company o Emerging growth company ☒

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price[1][2]	Amount of Registration Fee
Common Stock, $0.0001 par value per share	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes offering price of shares that the underwriters have the option to purchase from us.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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

Subject to Completion. Dated , 2020.

Shares

Common Stock

This is an initial public offering of shares of common stock of Accolade, Inc.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We intend to list our common stock on under the symbol " ."

Upon the completion of this offering, the members of our Board of Directors, our executive officers and our 5% or greater stockholders will beneficially own, in the aggregate, approximately % of our outstanding common stock.

We are an "emerging growth company" as defined under the federal securities laws and, as such, we intend to comply with reduced disclosure and regulatory requirements.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 18 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount[(1)]	$	$
Proceeds, before expenses, to Accolade, Inc.	$	$

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

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from us at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2020.

Goldman Sachs & Co. LLC **Morgan Stanley** **BofA Securities**

Piper Jaffray **Credit Suisse** **William Blair**

Baird **SVB Leerink**

Prospectus dated , 2020.

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Prospectus

Neither we nor any of the underwriters have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor any of the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, results of operations and future growth prospects may have changed since that date.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Our fiscal year ends on the last day of February, and our fiscal quarters end on May 31, August 31, November 30, and the last day of February.

Unless the context otherwise requires, all references in this prospectus to "we," "us," "our," "our company" and "Accolade" refer to Accolade, Inc. and, where appropriate, its consolidated subsidiaries.

Our Mission

We envision a world where every person can live their "healthiest life" — a concept that encompasses physical, emotional, financial, and professional wellness. Our mission is to empower people through expertise, empathy, and technology to make the best decisions for their health and well-being.

Business Overview

We provide personalized, technology-enabled solutions that help people better understand, navigate, and utilize the healthcare system and their workplace benefits. Our customers are primarily employers that deploy Accolade in order to provide employees and their families (our "members") a single place to turn for their health, healthcare, and benefits needs. Our innovative platform combines open, cloud-based intelligent technology with multimodal support from a team of empathetic and knowledgeable Accolade Health Assistants and clinicians (including nurses, physician medical directors, and behavioral health specialists). We leverage our integrated capabilities, connectivity with providers and the broader healthcare ecosystem, and longitudinal data to engage across the entire member population, rather than focusing solely on high-cost claimants or those with chronic conditions. Our goal is to build trusted relationships with our members that ultimately position us to deliver personalized recommendations and interventions. We believe that our platform dramatically improves the member experience, encourages better health outcomes, and lowers costs for both our members and our customers.

The U.S. healthcare system is complex and places significant strain on consumers, who struggle to effectively use their healthcare and benefits, make informed decisions about their health, and navigate the fragmented network of providers and third-party benefit programs. Partly as a result of these challenges, the payers of healthcare, including managed care companies, the government, employers, and consumers, face significant and rising costs. For large employers in particular, the direct costs are substantial: the total annual employer cost for healthcare is estimated at more than $10,000 per employee. Over the past five years, this cost has increased roughly 6% per year and is expected to continue to grow at that rate. Employers also bear indirect costs in the form of absenteeism, decreased productivity, and diminished morale. Despite the significant and growing spend on care, health outcomes are not improving, and misaligned incentives among key constituents thwart meaningful change. A suboptimal consumer experience persists.

We believe the most effective way to improve health outcomes and control cost is to help consumers make better, data-driven healthcare and benefits-related decisions. Based on this belief,

we have developed a differentiated platform to support and influence consumer decision-making that is built on a foundation of mission-driven people and purpose-built technology:

- ***Accolade Health Assistants.*** Our Accolade Health Assistants develop trusted relationships with our members and serve as their primary and ongoing point of contact for all issues related to healthcare and benefits. Our Accolade Health Assistants are trained in our proprietary engagement approach and leverage our integrated technology platform to provide data-informed, personalized health and benefits support to members in friendly, simple terms.

- ***Clinicians.*** Our clinicians include registered nurses, physician medical directors, pharmacists, behavioral health specialists, and women's health specialists. When an Accolade Health Assistant identifies that a member may benefit from clinical support, they bring a nurse into the conversation. Our nurses have deep expertise, with on average more than 17 years of clinical experience across a wide variety of specializations. Our nurses work with our other clinicians to help members demystify their care needs through personalized, evidence-based, and data-driven protocols. Examples of our clinical services include helping members identify high-quality, cost-effective providers, assisting members as they prepare for visits and procedures, supporting members in understanding medication options and identifying prescription conflicts, coordinating with providers to close gaps in care, and providing complex case management to help members manage serious illness.

- ***Technology.*** Our technology platform was designed to deliver highly personalized member experiences at scale, leveraging data and machine learning to derive actionable insights, optimize our care team's workflows, and accelerate the pace of our innovation. We ingest and link disparate data points to Accolade-generated data to create a 360-degree member view which our Accolade Health Assistants and clinicians access in our purpose-built member CRM tool, InView. Our proprietary artificial intelligence engine informs recommended actions which guide our interactions with members and enhance the self-serve functionality on our member web portal and highly rated mobile application. We seamlessly integrate with the healthcare and benefits ecosystem, including providers and third-party applications (e.g., telemedicine, wellness programs, condition-specific point solutions), positioning us to further increase members' understanding, access, and utilization of these programs. In addition, our secure, open technology platform supports our continuous innovation and the development of additional capabilities to benefit our members.

Developing trusted relationships positions us to positively influence their healthcare and benefits-related decision-making and ultimately deliver on our value proposition. Engagement is therefore paramount to our success. We have consistently achieved and sustained annual engagement rates of greater than 50% across our member population, where engagement rate is defined as the percentage of member families who engaged (meaning they or someone on their behalf had at least one phone- or secure messaging-based "encounter" with an Accolade Health Assistant or clinician) at least once during a given year. Our proactive, long-term approach also encourages deep engagement across member spend bands: among the engaged group, we historically have averaged approximately five encounters per year with the least costly users of the healthcare system and approximately 25 encounters per year with the most. We achieve these engagement levels through our commitment to a set of core tenets:

- always do right by the member;

- reach every member;

- reinvent member support;

- support the member throughout their healthcare journey;
- predict healthcare needs and proactively intervene to support members; and
- innovate to deliver increasing value to members.

Our relentless focus on member engagement and the delivery of an outstanding member experience has resulted in our 94% average member satisfaction rating and average Net Promoter Score (NPS) of 60 over the past three years. In comparison, in a 2019 study, the median NPS for health insurance companies was 14. Through trusted, ongoing engagement, we can meaningfully influence member decisions and help increase valuable healthcare utilization (e.g., primary care visits, prescription refills) and reduce wasteful healthcare utilization (e.g., unnecessary emergency room visits, hospital readmissions, excessive inpatient stays). We further enhance the member experience by educating members on relevant, available benefits, such as wellness programs and telemedicine. In raising awareness of these benefits and seamlessly integrating them into our platform, we can significantly increase their utilization rates.

Our approach results in real, measurable, actuarially validated savings for our customers, starting with average savings of approximately 4% of total employer healthcare spend during a customer's first year and often increasing to more than 10% per year for our more tenured customers, amounts significantly higher than the fee we charge our employer customers. In a 2018 study by Aon, Accolade's primary offering was shown to reduce claims costs for an employer with more than 10,000 members by 6.5%, or $782 per employee per year, and for an employer with more than 100,000 members it was able to generate a 4.7% reduction in claims costs, or $527 per employee per year, versus similar employer groups not using Accolade. These reductions were generated exclusive of plan design changes, were measured across the entire member population, started in year one, and were sustained over the respective study periods.

Our investments in a scalable technology platform have enabled us to implement a multi-offering strategy that meets the diverse needs of our existing and prospective customers. Buyers of our offerings have varying priorities and appetites for change to their existing health and benefits packages, and we have therefore developed a solutions portfolio that is designed to support a range of integrations for employers of all sizes. Our most comprehensive offering, Accolade Total Health and Benefits, provides fully integrated healthcare navigation and benefits management. Our technology platform has enabled us to unbundle aspects of this comprehensive offering to create two additional standalone offerings: Accolade Total Benefits (focused on member benefits engagement) and Accolade Total Care (focused on guiding members to high-quality, cost-effective providers). We have further leveraged our technology platform to develop add-on offerings, such as Accolade Boost and our Trusted Supplier Program, that target specific challenges faced by our customers.

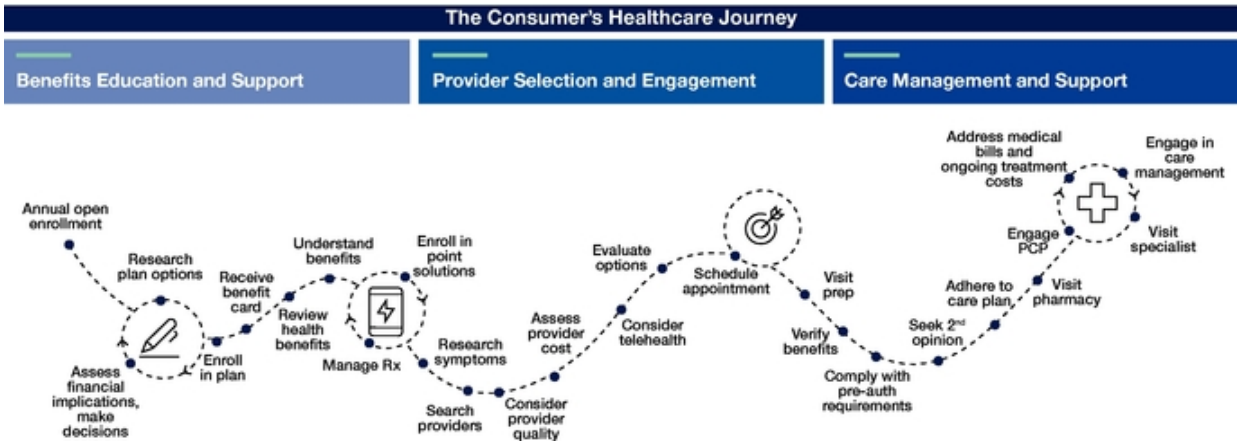
We currently have 47 customers across many industries, including media, technology, financial services, transportation, energy, and retail, comprising approximately 1.4 million members. We principally generate revenue from our customers on a contractually recurring per-member-per-month (PMPM) fee, which provides us with significant revenue visibility. Our typical customer contract length is three years, and we have experienced gross dollar retention for our employer customers of 100% and 95% for the fiscal years ended February 28, 2018 and 2019, respectively. For the fiscal years ended February 28, 2018 and 2019, our total revenue was $76.8 million and $94.8 million, respectively, representing 23% year-over-year growth. For the fiscal years ended February 28, 2018 and 2019, our net losses were $61.3 million and $56.5 million, respectively. As of February 28, 2019, our accumulated deficit was $269.5 million.

Industry Challenges

All stakeholders — including consumers, their employers, and providers — face myriad challenges given the increasing complexity, misaligned incentives, and rising costs of the healthcare system.

The Consumer's Healthcare Journey is Increasingly Complex

The consumer's healthcare journey, as depicted below, often starts with frustration during health plan enrollment that extends into provider selection, post-care follow-up, and ongoing care management. Further, many consumers operate from an information deficit or turn to unverified and potentially biased sources to learn about their conditions, which can lead them to seek too much, too little, or the wrong care for their needs.



Misaligned Incentives Result in a Suboptimal Consumer Experience

- **Payors:** Consumers' healthcare support is generally provided by large health plans whose core competencies are underwriting risk, managing claims, administering benefits, and developing provider networks on behalf of their insured populations. When a consumer turns to their health plan for help understanding administrative processes or how to navigate the healthcare system, the health plans typically default to a call-center approach that does not leverage integrated data, technology, or consumer-facing tools and therefore cannot support a holistic discussion.

- **Providers:** Providers have traditionally been compensated on a fee-for-service model, which incentivizes episodic care across a large number of patients rather than comprehensive, integrated care. This model has led to narrowly focused, limited, and often insufficient patient interactions, which can have a significant negative impact on the patient's use of the healthcare system. For example, negative patient experiences with a primary care provider have been associated with a higher likelihood of non-urgent use of emergency departments, contributing to inefficient and more expensive care delivery.

- **Employers:** Employers strive to build comprehensive, attractive benefits packages in order to recruit and retain a talented workforce, as well as to ensure that their employees' overall well-being is maintained so they remain engaged and productive. However, their human resource departments typically handle a wide range of responsibilities of which benefits are only a portion. As a result, employers are generally not equipped to provide comprehensive advice to help their employees navigate the healthcare system, nor do they employ the

resources to provide personalized clinical guidance to help their employees understand treatment and care options.

Employer and Consumer Healthcare Costs Continue to Increase

Approximately 80% of employers with more than 500 employees are self-insured. In 2019, large employer spending on healthcare is estimated at over $10,000 per employee per year. Annual cost increases of employer-sponsored healthcare are on an unsustainable trend, having consistently exceeded the annual rate of inflation, with approximately 6% per year increases over the past few years. This trend is expected to continue.

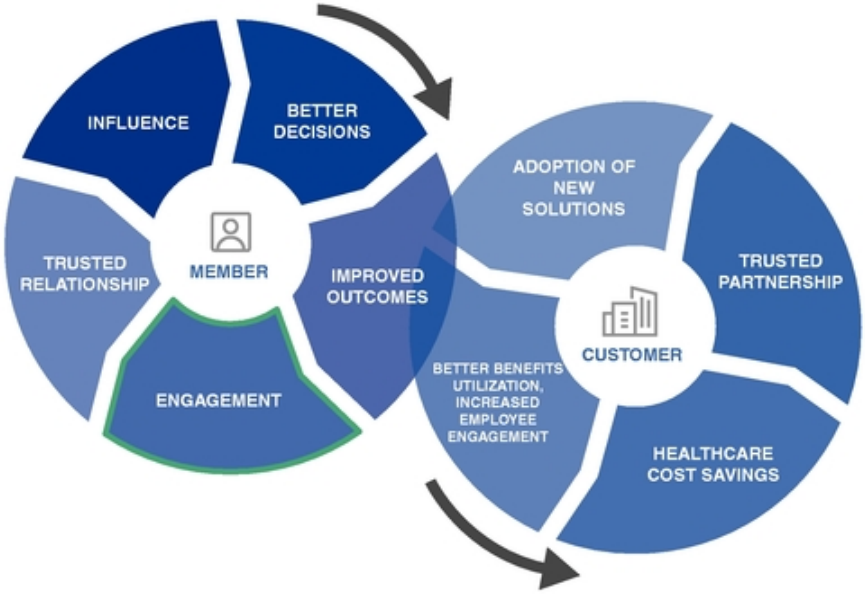
As costs continue to rise, employers are increasingly focused on managing their healthcare expense, in many cases shifting more of the cost burden to employees in the form of increased premiums, deductibles, and coinsurance. The average premium for family coverage has increased 54% over the last ten years, while the average deductible has more than doubled (both rates significantly outpacing growth in wages and inflation).

Our Value Proposition

Accolade provides consumers a single place to turn for their health, healthcare, and benefits needs. Our innovative platform combines open, cloud-based intelligent technology with multimodal support from a team of empathetic and knowledgeable Accolade Health Assistants and clinicians. Foundational to our success is our ability to effectively engage with our members, which allows us to form trusted relationships and influence members' decisions for the better, ultimately leading to better outcomes and ongoing engagement: our "member flywheel."

The aggregate impact of this deep engagement across a customer's employee population is improved healthcare and benefits awareness, knowledge, and decision-making, a healthier and more engaged workforce, and healthcare cost savings. We become a trusted partner to our customers and gain the opportunity to support them on their population health strategies and benefits procurement. This position allows us to identify additional solutions that may meet our customers' needs, which, when implemented, result in additional opportunities for member engagement and better health outcomes. Thus, our member flywheel drives our "customer flywheel."

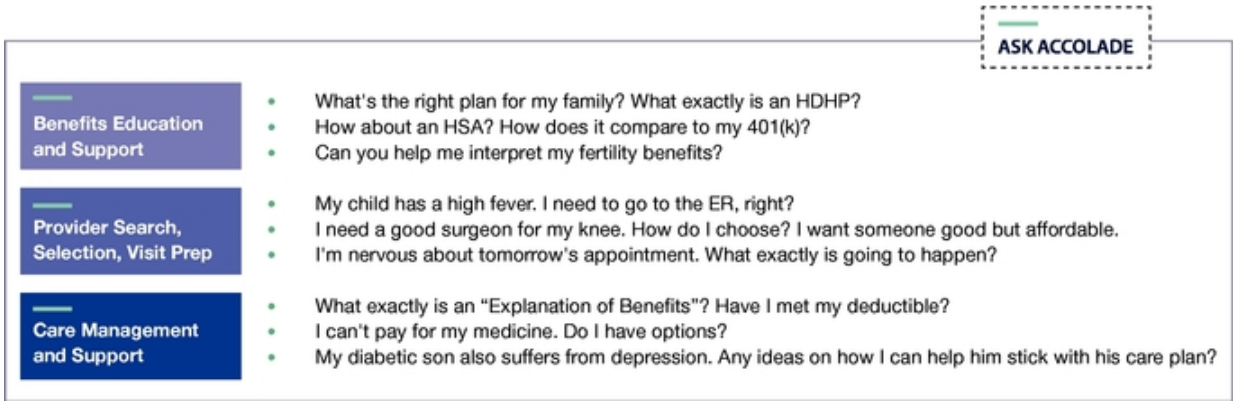
Accolade's Member and Customer Flywheels



Member Value Proposition

Our members face structural, clinical, financial, and administrative challenges in managing their health and wellness. Our engagement model simplifies and streamlines the healthcare and benefits experience for our members by making guidance from our Accolade Health Assistants and clinicians available via phone, mobile application, and web portal whenever it is needed.

Frequently, the holistic approach of our empathetic care team will uncover that a simple transactional concern exposes much greater support and care needs. Examples of the types of questions that might prompt our members to initially turn to us include:



Once we establish a connection, our Accolade Health Assistants help to resolve the member's often basic transactional issue, and then expand the conversation as appropriate based on our proprietary, technology-enabled engagement framework, LEARN2 (Listen, Engage, Assess, Resolve,

INfluence, ENhance), to grow the value proposition for the member. Expansion in action may look like:

- turning a request for a replacement health plan ID card into a discussion about a member's new diagnosis, including identifying unmet behavioral health and social needs and connecting the member with recommended clinical and non-clinical resources for education and ongoing support;
- expanding a search for an in-network provider into a dialogue about identifying the right provider for the member based on quality and cost data, as well as coordinating care between providers to avoid unnecessary duplication of services;
- migrating a discussion about the details of a bill to a review of options for lowering a member's overall out-of-pocket costs, including through the use of generic medications and lower cost sites of care; and
- evolving a review of benefits into a detailed discussion about different treatment options and their associated cost and then a connection to a nurse so the member can make informed decisions about treatment options based on their preferences.

For a representative interaction between an Accolade Total Health and Benefits member and an Accolade Health Assistant, please see the section titled "Business — Results."

Customer Value Proposition

We provide dual value for our customers, serving both as a valuable benefit that is well liked by their employees and a tool to help reduce healthcare costs and increase adoption of existing benefits. By engaging repeatedly and meaningfully with members across the spectrum of healthcare spending, our model has demonstrated significant healthcare cost savings for our customers by increasing valuable healthcare utilization and decreasing wasteful utilization.

In a recent study by Aon of Accolade's primary offering's impact on two self-insured employer groups of 10,000+ (Employer A) and 100,000+ (Employer B) members, the results were dramatic: savings of $782 and $527 per employee per year, respectively, compared to similar employer groups not using Accolade, and demonstrated savings significantly greater than the fee we charge our employer customers. The study analyzed data for these two employers against a control group of typical employer members based on similar demographic, geographic, and comorbidity profiles. The study showed improvements in total cost and cost trends resulting from multiple factors, including lowered inpatient, outpatient, and professional medical spend, as well as lower brand-name and specialty pharmacy spend. Savings were generated across the subject employee populations, leading to lower costs across age ranges, comorbidity groups (as defined by number of chronic conditions), and cost distributions. These results were independent of any significant changes to the benefits or plan design of the respective subject employer.

In addition to achieving healthcare cost savings, our platform can also be a valuable tool for promoting member engagement with additional benefits. Through our Trusted Supplier Program, we serve as a strategic partner in helping our customers navigate the complexity of the growing ecosystem of potential benefits to identify and procure high-quality solutions that would be valuable to their employees.

Our Market Opportunity

We believe our market opportunity is substantial and estimate the total addressable market for our current solutions to be approximately $24 billion. Our core market is currently comprised of self-insured employers, inclusive of state and local governments and unions. Based on the

estimated number of addressable employees and the PMPM fee opportunity of our current offerings, we believe the self-insured employer market alone represents at least an $11.7 billion addressable market.

We have begun to explore new opportunities in the fully insured market and have recently added customers that we believe are indicative of our potential to expand in this market. We estimate that these employers represent an additional $1.7 billion addressable market opportunity. In addition to employer-sponsored plans, we believe our solutions address critical pain points that also exist in government-sponsored programs including Medicare, Medicaid, Tricare, and Veterans Affairs. We estimate that the government-sponsored programs market represents an additional $10.7 billion addressable market opportunity. We intend to grow our addressable market through the introduction of new offerings and expansion into longer-term adjacent opportunities, including with risk-bearing provider organizations and health plans, as well as a direct-to-consumer offering.

Competitive Strengths

Our operational and financial success is based on the following key strengths:

Commitment to a differentiated member engagement model. We fundamentally believe in engaging the *entire* member population to have a sustainable impact on health outcomes and cost. Once engaged, our members frequently have a dedicated Accolade Health Assistant, and, when a member may benefit from clinical support, a dedicated nurse. Our engagement model is self-reinforcing, such that we are continuously learning about our members and developing an increasingly effective set of strategic interventions to better serve them.

Highly qualified and empathetic team with deep clinical experience. Our engagement model integrates "human touch" with a proprietary technology platform to encourage better outcomes for our members. Our care team is highly qualified: two-thirds of our Accolade Health Assistants are degreed professionals, with approximately 15% holding advanced degrees, and our nurses have on average more than 17 years of clinical experience. This care team supports members through their entire healthcare experience, accounting for our holistic member view and utilizing our data-driven processes to better understand and anticipate a member's healthcare needs in order to proactively intervene to support members.

Long-term strategic partner to our customers. We are engaged by employers to solve real issues around the design, coordination, and utilization of their employee benefits programs. Because we help their employees live their healthiest lives, our customers view us as a strategic partner that can provide population health insights and help them manage healthcare benefit costs and complexity. This position allows us to recommend new, targeted offerings to our customers, which can help further reduce their costs, and, when implemented, result in additional opportunities for member engagement and expand our role as the customer's trusted partner.

Significant investment in our purpose-built, scalable technology platform. Our offerings are built on an open, cloud-based intelligent platform designed to deliver a highly personalized member experience at scale. Our technology platform supports seamless integration with the healthcare and benefits ecosystem, which allows us to recommend additional point solutions and programs to our customers that can provide additional value to their employees.

Attractive operating model supported by a PMPM recurring revenue model, providing a high degree of visibility. We currently have 47 customers that collectively purchase access to our solutions for approximately 1.4 million members. We principally generate revenue from our customers on a recurring PMPM fee basis, with contracts averaging three years in length, which together provide us with significant revenue visibility.

Deeply experienced management team dedicated to cultivating a mission-driven culture. Our senior leadership team has extensive healthcare, technology, and business-scaling expertise from decades of leadership experience at world-class organizations. Some members of our senior leadership team have worked together for over 20 years. We foster a culture of transparency and alignment whereby we educate our employees on how their contributions each day drive us toward the achievement of our mission. We work together to solve complex problems, and we strive to "do well and do good."

Our Growth Strategy

Grow our customer base. We believe there is a substantial opportunity to further grow our customer base in our large and under-penetrated market of approximately 22,000 self- and fully-insured employers. Our sales and marketing team draws on advanced demand-generation strategies to reach and educate the market about our offerings and increase the opportunities to grow our customer base. We maintain a cohort of highly referenceable customers in support of new customer acquisition.

Retain and expand relationships with our customers. By delivering measurable outcomes to our customers, we can achieve strong customer retention, which enables us to expand and deepen these relationships. Accolade Boost and our Trusted Supplier Program are examples of new add-on offerings that target specific challenges faced by our customers, complement our existing solutions, and provide cross-sell opportunities to drive incremental revenue.

Invest in technology. We have made significant investments in our technology platform to expand our capabilities with respect to how we engage with our members and deliver our solutions and care interventions. By leveraging our technology in areas such as machine learning, predictive analytics, and multimodal communication, we believe we can generate more efficiencies in our operating model while simultaneously improving our ability to deliver better health outcomes and lowers costs for both our members and our customers.

Continue to develop new offerings. We are constantly innovating to enhance our model and develop new offerings, including our recently introduced standalone offerings, Accolade Total Benefits and Accolade Total Care. Our technology platform also allows us to efficiently add new applications on top of our existing solutions, such as Accolade Boost and our Trusted Supplier Program. We believe that as we expand our customer base and enter into new markets, we will be adept at identifying and deploying innovative new solutions, whether developed internally or through acquisitions.

Expand into adjacent markets. We see further opportunity to enter adjacent markets, including government-sponsored health plans, such as Medicare Advantage and Managed Medicaid, as well as traditional Medicare and Medicaid. We believe that we can leverage our existing platform and scalable solutions to successfully expand into these markets.

Opportunistically pursue partnerships. We have historically integrated new and complementary capabilities into our offerings by forming strategic partnerships and other relationships with third parties. We believe our partners choose us because of our entrepreneurial and collaborative culture and dedication to continuous innovation. For example, in March 2019 we partnered with Humana to form a joint go-to-market strategy that integrates our respective capabilities to create a differentiated healthcare and benefits experience for employees and employers.

Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "Risk Factors." These risks include the following:

- We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability.
- We derive a significant portion of our revenue from our largest customers. The loss of any of these customers, or renegotiation of any of our contracts with these customers, could negatively impact our results.
- We have a limited operating history with our current offerings, which makes it difficult to evaluate our current and future business prospects and increases the risk of your investment.
- Our business, results of operations, and financial condition may fluctuate on a quarterly and annual basis, which may result in a decline in our stock price if such fluctuations result in a failure to meet any projections that we may provide or the expectations of securities analysts or investors.
- Our sales cycle can be long and unpredictable and requires considerable time and expense. As a result, our sales, revenue, and cash flows are difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.
- Certain of our operating results and financial metrics may be difficult to predict as a result of seasonality and due to the fact that a portion of our revenue is subject to the achievement of performance metrics and healthcare cost savings.
- If we fail to effectively manage our growth and organizational change, our mission-driven culture could be impacted, and our business could be harmed.
- If we are unable to attract, integrate, and retain additional qualified personnel, especially for Accolade Health Assistant, clinical, and various product and technology roles, our business could be adversely affected.
- We may face intense competition, which could limit our ability to maintain or expand market share within our industry, and if we do not maintain or expand our market share our business and operating results will be harmed.
- If we fail to comply with healthcare laws and regulations, we could face substantial penalties and our business could be harmed.
- Upon completion of this offering, our executive officers, directors, and holders of 5% or more of our common stock will collectively beneficially own approximately % of the outstanding shares of our common stock and continue to have substantial control over us, which will limit your ability to influence the outcome of important transactions, including a change in control.

Corporate Information

We were formed under the laws of the state of Delaware in January 2007 under the name Accretive Care LLC, and we converted to a Delaware corporation under the name Accolade, Inc. in June 2010. Our principal executive offices are located at 1201 Third Avenue, Suite 1700, Seattle, WA 98101, and we have co-headquarters at 660 West Germantown Pike, Suite 500, Plymouth Meeting, PA 19462. Our telephone number is (206) 926-8100. Our website address is

www.accolade.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

The Accolade design logo, "Accolade," and our other registered or common law trademarks, service marks, or trade names appearing in this prospectus are the property of Accolade, Inc. Other trade names, trademarks, and service marks used in this prospectus are the property of their respective owners.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (JOBS Act) enacted in April 2012. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include:

- not being required to comply for a certain period of time with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a stockholder advisory vote on executive compensation and any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common stock in this offering. However, if certain events occur prior to the end of such five-year period, including if: (i) we become a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (ii) our annual gross revenue exceeds $1.07 billion; or (iii) we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information in this prospectus and that we provide to our stockholders in the future may be different from what you might receive from other public reporting companies in which you hold equity interests.

In addition, pursuant to the JOBS Act, as an emerging growth company we have elected to take advantage of an extended transition period for complying with new or revised accounting standards. This effectively permits us to delay adoption of certain accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our common stock less attractive to investors.

THE OFFERING

Common stock offered by us	shares
Option to purchase additional shares	We have granted to the underwriters the option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock.
Common stock to be outstanding after this offering	shares (shares if the underwriters exercise their option to purchase additional shares of common stock in full).
Use of proceeds	We estimate that our net proceeds from the sale of our common stock will be approximately $ million (or approximately $ million if the underwriters' option to purchase additional shares of our common stock is exercised in full), assuming an initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses payable by us. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures, and which may include the repayment of indebtedness. We may also use a portion of the net proceeds for acquisitions or strategic investments in complementary businesses, products, services, or technologies, although we do not currently have any plans or commitments for any such acquisitions or investments. See the section titled "Use of Proceeds" for additional information.
Risk factors	See the section titled "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed trading symbol	" "

The number of shares of our common stock that will be outstanding after this offering is based on shares of our common stock (including preferred stock on an as-converted basis based on the assumptions described below) outstanding as of February 28, 2019, and excludes:

- 40,737,537 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of February 28, 2019, with a weighted-average exercise price of $0.88 per share;
- 800,000 shares of our common stock issuable upon the exercise of an outstanding warrant as of February 28, 2019, with an exercise price of $2.75 per share;
- shares of our common stock reserved for future issuance under our 2020 Equity Incentive Plan (2020 Plan), which includes an annual evergreen increase and will become

effective in connection with this offering, including the shares of common stock reserved for issuance as of February 28, 2019 under our Amended and Restated 2007 Stock Option Plan, as amended (2007 Plan), which shares will be added to the shares reserved under the 2020 Plan;

- shares of our common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan (ESPP), which includes an annual evergreen increase and will become effective in connection with this offering;
- 4,365,191 shares of our Series F preferred stock issued subsequent to February 28, 2019;
- the issuance of shares of common stock issuable upon the automatic net exercise of warrants issued subsequent to February 28, 2019, with a weighted-average exercise price of $1.48 per share, immediately prior to the closing of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus; and
- the issuance of shares of common stock, and the reservation for issuance of up to additional shares of our common stock, pursuant to an acquisition completed subsequent to February 28, 2019.

Unless otherwise indicated, the information in this prospectus assumes:

- the completion of the one-for reverse stock split of our common stock, which will occur prior to the completion of this offering;
- the filing of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the automatic conversion of all outstanding shares of our preferred stock as of February 28, 2019, into an aggregate of 93,204,800 shares of our common stock, which will occur immediately prior to the completion of this offering;
- additional shares of common stock to be issued upon the conversion of all outstanding shares of our Series A-1 preferred stock, Series A-2 preferred stock, Series B preferred stock, Series C preferred stock, Series D preferred stock, and Series E preferred stock immediately prior to the completion of this offering pursuant to provisions of our amended and restated certificate of incorporation as currently in effect, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus;
- shares of common stock to be issued upon the automatic net exercise of warrants outstanding as of February 28, 2019, with a weighted-average exercise price of $0.06 per share, immediately prior to the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus;
- no exercise of the outstanding options or warrants described above (other than the net exercises described above); and
- no exercise by the underwriters of their option to purchase up to an additional shares of common stock from us.

Additional Preferred Stock Conversion and Warrant Net Exercise Shares

The number of shares of our common stock to be issued upon the conversion of all outstanding shares of our Series A-1 preferred stock, Series A-2 preferred stock, Series B preferred stock, Series C preferred stock, Series D preferred stock, and Series E preferred stock depends in part on the initial public offering price of our common stock. The terms of such series of preferred stock provide that the ratio at which each share of such series converts into shares of our common stock in connection with this offering will be 1:1 plus a fraction of a share equal to the quotient of the original issue price of such series of preferred stock divided by the initial public offering price of our common stock, which will result in additional shares of our common stock being issued upon conversion of such series of preferred stock upon the completion of this offering. Based upon an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, the outstanding shares of our Series A-1 preferred stock, Series A-2 preferred stock, Series B preferred stock, Series C preferred stock, Series D preferred stock, and Series E preferred stock will convert into an aggregate of shares of our common stock upon the completion of this offering. The ratio at which each share of Series F preferred stock converts into shares of our common stock in connection with this offering will be 1:1 and the aggregate number of shares of our common stock to be issued upon conversion of all outstanding shares of our Series F preferred stock will be shares. For illustrative purposes only, the table below shows the conversion ratio for each series of preferred stock at various initial public offering prices, the total number of shares of common stock issuable upon conversion of the preferred stock as a result, the total number of shares of common stock issuable upon the automatic net exercise of the warrants as described above, and the resulting total number of outstanding shares of our common stock upon the completion of this offering, assuming that the number of shares to be offered by us, as set forth on the cover page of this prospectus, remains the same:

Assumed Initial Public Offering Price ($)	Preferred Stock Conversion Ratio							Total Shares of Common Stock Issuable Upon Conversion of the Preferred Stock	Total Shares of Common Stock Issuable Upon Automatic Net Exercise of the Warrants	Total Shares of Common Stock Outstanding After this Offering
	Series A-1	Series A-2	Series B	Series C	Series D	Series E	Series F			

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary consolidated statements of operations data for the fiscal years ended February 28, 2018 and 2019, and the summary consolidated balance sheet data as of February 28, 2019, have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the consolidated financial and other data set forth below in conjunction with our consolidated financial statements and the accompanying notes and the information in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus. Our fiscal year ends on the last day of February, and our fiscal quarters end on May 31, August 31, November 30, and the last day of February.

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands, except share and per share data)	
Consolidated statements of operations:		
Revenue	$ 76,828	$ 94,811
Cost of revenue, excluding depreciation and amortization[1]	53,435	60,568
Operating expenses:		
Product and technology[1]	31,487	35,708
Sales and marketing[1]	22,263	23,456
General and administrative[1]	21,122	19,665
Depreciation and amortization	7,982	9,391
Total operating expenses	82,854	88,220
Loss from operations	(59,461)	(53,977)
Interest expense, net	(1,799)	(2,374)
Other expense	(26)	(90)
Loss before income taxes	(61,286)	(56,441)
Income tax expense	—	(55)
Net loss	$ (61,286)	$ (56,496)
Net loss per common share, basic and diluted[2]	$ (3.28)	$ (2.43)
Weighted-average shares used to compute net loss per common share, basic and diluted[2]	18,659,570	23,206,587
Pro forma net loss per common share, basic and diluted (unaudited)[2]	$	$
Weighted-average shares used to compute pro forma net loss per common share, basic and diluted (unaudited)[2]		

(1) The stock-based compensation expense included above was as follows:

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands)	
Cost of revenue, excluding depreciation and amortization	$ 376	$ 255
Product and technology	1,420	1,108
Sales and marketing	1,750	1,199
General and administrative	4,860	3,159
Total stock-based compensation	$ 8,406	$ 5,721

(2) See Note 11 to our consolidated financial statements appearing elsewhere in this prospectus for an explanation of the method used to calculate the historical and pro forma basic and diluted net loss per common share and the number of shares used in the computation of the per share amounts.

	As of February 28, 2019		
	Actual	Pro Forma[1]	Pro Forma[2] As Adjusted
		(unaudited)	
		(in thousands)	
Consolidated balance sheet data:			
Cash and cash equivalents	$ 42,701	$	$
Working capital	(9,780)		
Total assets	65,762		
Deferred revenue (current and noncurrent)	22,908		
Total liabilities	81,719		
Convertible preferred stock	214,664		
Accumulated deficit	(269,503)		
Total stockholders' (deficit) equity	(230,621)		

(1) The pro forma column reflects (i) the automatic conversion of all outstanding shares of our preferred stock as of February 28, 2019, into an aggregate of shares of our common stock immediately prior to the completion of this offering assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (ii) the issuance of shares of common stock issuable upon the automatic net exercise of warrants outstanding as of February 28, 2019, with a weighted-average exercise price of $0.06 per share, immediately prior to the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, in each case as if such conversion, issuance, filing, and effectiveness had occurred on February 28, 2019. For additional information on the conversion ratio of the preferred stock, which depends in part on the actual initial public offering price of our common stock, see the section titled "— The Offering."

(2) The pro forma as adjusted column reflects the pro forma adjustments set forth above plus the receipt of the estimated net proceeds from the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discount and estimated offering expenses payable by us. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discount and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of our common stock offered by us would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by approximately $ million, assuming that the assumed initial public offering price remains the same, after deducting the underwriting discount and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and the other terms of this offering determined at pricing.

Key Metrics

We regularly monitor a number of financial and operating metrics in order to measure our current performance and estimate our future performance. For a description of how we calculate these financial and operating metrics as well as their uses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Metrics."

	As of February 28,	
	2018	2019
Annual Contract Value (in millions)	$ 90.1	$ 121.5
Customer Count	15	20

	Fiscal Year Ended February 28,	
	2018	2019
Gross Dollar Retention	100%	95%

Certain Non-GAAP Financial Measures

In addition to our financial results determined in accordance with generally accepted accounting principles in the United States (GAAP), we use the following non-GAAP financial measures to help us evaluate trends, establish budgets, measure the effectiveness and efficiency of our operations, and determine employee incentives. For additional information and reconciliations of our non-GAAP financial measures to the most directly comparable financial measures stated in accordance with GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Non-GAAP Financial Measures."

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands, except percentages)	
Adjusted Gross Profit	$ 23,769	$ 34,498
Adjusted Gross Margin	30.9%	36.4%
Adjusted EBITDA	$ (43,073)	$ (38,865)

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our common stock. Our business, results of operations, financial condition, and prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of the risks actually occur, our business, results of operations, financial condition, and prospects could be materially and adversely affected. Unless otherwise indicated, references in these risk factors to our business being harmed will include harm to our business, reputation, brand, financial condition, results of operations, and prospects. In such event, the market price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Our Business and Industry

We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability.

We have incurred net losses in every period since our inception. We incurred net losses of $61.3 million and $56.5 million for the fiscal years ended February 28, 2018 and 2019, respectively. We had an accumulated deficit of $269.5 million as of February 28, 2019. We expect our costs will increase substantially in the foreseeable future and our losses will continue as we expect to invest significant additional funds towards growing our business and operating as a public company and as we continue to invest in increasing our customer base, expanding our operations, hiring additional employees, and developing future offerings. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. We are unable to accurately predict when, or if, we will be able to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. To date, we have financed our operations principally from the sale of our equity, revenue from sales of our offerings, and the incurrence of indebtedness. Our cash flow from operations was negative for the fiscal years ended February 28, 2018 and 2019, and we may not generate positive cash flow from operations in any given period. If we are not able to achieve or maintain positive cash flow in the long term, we may require additional financing, which may not be available on favorable terms or at all and/or which would be dilutive to our stockholders. If we are unable to successfully address these risks and challenges as we encounter them, our business may be harmed. Our failure to achieve or maintain profitability or positive cash flow could negatively impact the value of our common stock.

We derive a significant portion of our revenue from our largest customers. The loss of any of these customers, or renegotiation of any of our contracts with these customers, could negatively impact our results.

Historically, we have relied on a limited number of customers for a significant portion of our revenue. Our three largest customers (Comcast, Lowe's and United Airlines) in the aggregate comprised 60% of our revenue for the fiscal year ended February 28, 2019, and our future revenue may be similarly concentrated. The loss of any of our largest customers or the renegotiation of any of our largest customer contracts could adversely affect our results of operations. Although we typically enter into three-year contracts with our customers, after a specified period, certain of these contracts, including existing contracts with some of our largest customers, are terminable for convenience by our customers after an initial period and a notice period has passed. In the ordinary course of business, including in connection with renewals or extensions of these

agreements, we engage in active discussions and renegotiations with our customers in respect of the solutions we provide and the terms of our customer agreements, including our fees. In addition, as our customers' businesses respond to market dynamics and financial pressures, and as our customers make decisions with respect to the health and other benefits they provide to their employees, our customers may seek to renegotiate or terminate their agreements with us. These discussions and future discussions could result in reductions to the fees and changes to the scope of offerings contemplated by our original customer contracts and consequently could negatively impact our business. In addition, because we rely on a limited number of customers for a significant portion of our revenue, delayed payments by a few of our largest customers could result in a reduction of our available cash, which in turn may cause fluctuation in our liquidity. We also depend on the creditworthiness of these customers. If the financial condition of our largest customers declines, our credit risk could increase. Should one or more of our largest customers declare bankruptcy, it could adversely affect the collectability of our accounts receivable and affect our bad debt reserves and net income.

We have a limited operating history with our current offerings, which makes it difficult to evaluate our current and future business prospects and increases the risk of your investment.

While we served our first customer in 2009, we have significantly altered our offerings and executive management team over the last five years. Our limited operating history with respect to our current offerings and current executive management team makes it difficult to effectively assess or forecast our future prospects. For example, we recently began offering Accolade Total Benefits and Accolade Total Care, and our sales efforts with respect to these offerings may not be as successful as our sales of Accolade Total Health and Benefits and our primary offering. You should consider our business and prospects in light of the risks and difficulties we encounter or may encounter. These risks and difficulties include our ability to cost-effectively acquire new customers, retain existing customers and expand the scope of solutions we sell to new and existing customers. Furthermore, in pursuit of our growth strategy, we may enter into new partnerships to further penetrate our targeted markets and adoption of our solutions, but it is uncertain whether these efforts will be successful. If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above, our business may be harmed.

Our business, results of operations, and financial condition may fluctuate on a quarterly and annual basis, which may result in a decline in our stock price if such fluctuations result in a failure to meet any projections that we may provide or the expectations of securities analysts or investors.

Our operating results have in the past and could in the future vary significantly from quarter-to-quarter and year-to-year and may fail to match our past performance, our projections or the expectations of securities analysts because of a variety of factors, many of which are outside of our control and, as a result, should not be relied upon as an indicator of future performance. As a result, we may not be able to accurately forecast our operating results and growth rate. Any of these events could cause the market price of our common stock to fluctuate. Factors that may contribute to the variability of our operating results include:

- our ability to attract new customers and engage new members, and retain existing customers and members;
- achievement of performance metrics and the realization of savings in healthcare spend by our customers resulting from the utilization of our solutions;
- the upfront costs in our customer, member and trusted supplier relationships;
- the enrollment cycles and employee benefit practices of our customers;

- the financial condition of our current and potential customers;
- changes in our sales and implementation cycles;
- introductions and expansions of our offerings, or challenges with their introduction;
- changes in our pricing or fee structures or those of our competitors;
- the timing and success of new offering introductions by us or our competitors or any other change in the competitive landscape of our industry, including consolidation among our competitors;
- increases in operating expenses that we may incur to grow and expand our operations and to remain competitive;
- our ability to successfully expand our business;
- breaches of information security or privacy;
- changes in stock-based compensation expenses;
- the amount and timing of operating costs and capital expenditures related to the expansion of our business;
- adverse litigation judgments, settlements, or other litigation-related costs;
- changes in the structure of healthcare provider and payment systems;
- changes in the legislative or regulatory environment, including with respect to healthcare, privacy, or data protection, or enforcement by government regulators, including fines, orders, or consent decrees;
- the cost and potential outcomes of ongoing or future regulatory investigations or examinations, or of future litigation;
- changes in our effective tax rate;
- our ability to make accurate accounting estimates and appropriately recognize revenue for our existing and future offerings;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- instability in the financial markets;
- general economic conditions, both domestic and international;
- volatility in the global financial markets;
- political, economic, and social instability, including terrorist activities, and any disruption these events may cause to the global economy; and
- changes in business or macroeconomic conditions.

The impact of one or more of the foregoing and other factors may cause our operating results to vary significantly. As such, we believe that quarter-to-quarter and year-to-year comparisons of our operating results may not be meaningful and should not be relied upon as an indication of future performance.

Our sales cycle can be long and unpredictable and requires considerable time and expense. As a result, our sales, revenue, and cash flows are difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.

The timing of our sales, revenue, and cash flows is difficult to predict because of the length and unpredictability of our sales cycle. The sales cycle for our solutions from initial contact to launch varies widely by potential customer. Some of our potential customers, especially in the case of our prospective strategic and enterprise customers, undertake a significant and prolonged evaluation process, including to determine whether our solutions meet the specific needs of their group health plan, employee benefits programs, corporate budgets, and other goals, which frequently involves evaluation of not only our solutions but also an evaluation of other available solutions. Such evaluations have in the past resulted in extended sales cycles that, due to changes in corporate objectives, leadership involved in the selection process, and other factors, may result in delayed or suspended decision-making in awarding the sale. During the sales cycle, we expend significant time and money on sales and marketing activities, which lowers our operating margins, particularly if no sale occurs. For example, there may be unexpected delays in a potential customer's internal procurement processes, which involve intensive financial, operational, and security reviews, and for which our solutions represent a significant purchase. In addition, the significance and timing of our offering enhancements, and the introduction of new products by our competitors, may also affect our potential customers' purchases. For all of these reasons, it is difficult to predict whether a sale will be completed, the particular period in which a sale will be completed, or the period in which revenue from a sale will be recognized.

Certain of our operating results and financial metrics may be difficult to predict as a result of seasonality.

We believe there are significant seasonal factors that may cause us to record higher revenue in some quarters compared with others. We believe this variability is largely due to our focus on the healthcare industry. For example, with respect to our customers, in particular our Accolade Total Heath and Benefits customers with contract years commencing at the beginning of a calendar year, we record a disproportionate amount of revenue from such customers during the fourth quarter of our fiscal year relative to the first three quarters of our fiscal year. This timing is caused, in part, by the measurement, achievement, and associated revenue recognition of performance metrics and healthcare costs savings components of certain of our customer contracts during the fourth quarter of each fiscal year. While we believe we have visibility into the seasonality of our business, our rapid growth rate over the last several years may have made seasonal fluctuations more difficult to detect. If our rate of growth slows over time, seasonal or cyclical variations in our operations may become more pronounced, and our business may be harmed.

The recognition of a portion of our revenue is subject to the achievement of performance metrics and healthcare cost savings and may not be representative of revenue for future periods.

We price our services based upon a per-member-per-month (PMPM) fee times the number of members served, typically with a portion of the PMPM fee fixed (base PMPM fee) and the remainder of the fee variable (variable PMPM fee). Revenue from variable PMPM fees can be earned through either, or a combination of, the achievement of certain performance metrics or the realization of healthcare savings resulting from the utilization of our services. Although we have typically achieved these performance metrics and realization in savings of healthcare spend, resulting in our earning over 95% of the aggregate maximum potential revenue under our customer contracts (measured on the corresponding calendar year basis in fiscal years 2018 and 2019), our

revenue and financial results in the future may be variable based on whether we earn this performance-based revenue. In addition, since our customers typically pay the full PMPM fee in advance on a periodic basis, any required refund as a result of our failure to earn the performance-based revenue could have a negative impact on cash flows. Under U.S. generally accepted accounting principles (GAAP), we recognize revenue when control of the promised services is transferred to our customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. The majority of the fees we earn are considered to be variable consideration under GAAP. We typically invoice our customers on a periodic basis for the base PMPM fees and variable PMPM fees in advance of performing the services, and these advances are classified as deferred revenue on our consolidated balance sheet until such time that the associated revenue can be recognized. As of February 28, 2019, we had $22.9 million of deferred revenue recorded as a liability on our consolidated balance sheet. Due to the need for us to satisfy performance metrics and healthcare savings requirements, deferred revenue at any particular date may not be representative of actual revenue for any current or future period.

If we fail to effectively manage our growth and organizational change, our mission-driven culture could be impacted, and our business could be harmed.

We have experienced, and may continue to experience, growth and organizational change, which has placed, and may continue to place, significant demands on our management, operational, and financial resources. For example, our headcount has grown from 679 as of February 28, 2016, to 1,035 as of February 28, 2019. Most of our employees have been with us for fewer than three years as a result of our rapid growth. We believe that our mission-driven culture has been an important contributor to our success, which we believe fosters empathy, innovation, teamwork, and passion for providing high levels of customer satisfaction and member engagement. If we fail to successfully integrate, develop, and motivate new employees, it could harm our mission-driven culture. In addition, as we grow and develop the infrastructure of a public company, we may find it difficult to maintain the important aspects of our mission-driven culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to retain and recruit personnel, maintain our performance, or execute on our business strategy.

To manage our current and anticipated future growth and organizational change effectively, we must also continue to maintain, and may need to enhance, our information technology infrastructure and financial and accounting systems and controls, as well as manage expanded operations in geographically distributed locations, which will place additional demands on our resources and operations. Failure to manage our growth and organizational change effectively could lead us to over-invest or under-invest in technology and operations; result in weaknesses in our infrastructure, systems, or controls; give rise to operational mistakes, losses, or loss of productivity or business opportunities; reduce customer or member satisfaction; limit our ability to respond to competitive pressures; and result in loss of team members and reduced productivity of remaining team members. Our growth and organization change could require significant capital expenditures and may divert financial resources and management attention from other projects, such as the development of new or enhanced solutions or the acquisition of suitable businesses or technologies. If our management is unable to effectively manage our growth and organizational change, our expenses may increase more than expected, our revenue could decline or may grow more slowly than expected, and we may be unable to implement our business strategy.

If we are unable to attract, integrate, and retain additional qualified personnel, especially for Accolade Health Assistant, clinical, and various product and technology roles, our business could be adversely affected.

Our future success depends in part on our ability to identify, attract, integrate, and retain empathetic and knowledgeable Accolade Health Assistants and clinicians, as well as highly qualified and motivated product developers and engineers, who embody our mission-driven culture. We seek to employ Accolade Health Assistants and clinicians who demonstrate empathy and problem-solving skills and hire from diverse professional backgrounds, including social work, teaching, customer care, and benefits. We have from time to time in the past experienced, and may in the future experience, difficulty in hiring and retaining employees with appropriate qualifications. Qualified individuals in the regions where we have offices are in high demand, and we may incur significant costs to attract them. For example, the market for software engineers in the Seattle area is particularly competitive. In addition, with a current shortage of certain qualified nurses in many areas of the United States, competition for the hiring of these professionals remains intense. We compete for qualified individuals with numerous other companies, many of whom have greater financial and other resources than we do. In addition, in the future, we may experiment with different staffing and scheduling models to help attract and retain qualified personnel, including hiring individuals that work remotely, incorporating more flexible work schedules, or deploying a temporary workforce. If we fail to effectively manage our hiring needs or successfully integrate new hires, our employee morale and retention could suffer. Any of these events could also adversely affect our customer and member satisfaction and harm our business.

Attracting, integrating, and retaining personnel will require us to invest in and commit significant financial, operational, and management resources to grow and change in these areas without undermining the mission-driven culture that has been critical to our growth so far. For example, newly hired Accolade Health Assistants and clinicians require significant training and, in many cases, take significant time before they achieve full productivity. We train Accolade Health Assistants and clinicians in our proprietary engagement approach and integrated technology platform to provide data-informed, personalized health and benefit support to members in friendly, simple terms. This new hire training process lasts approximately two months, including classroom sessions and supervised live call training. If we do not achieve the benefits anticipated from these investments, or if the realization of these benefits is delayed, our results of operations may be adversely affected and our reputation could suffer.

We also may also incur significant costs to attract and retain qualified personnel, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. Additionally, we have granted certain, but not all of, our employees equity-based awards under our equity incentive plans and expect to continue this practice. However, if we do not grant equity awards, or if we reduce the value of the equity awards we grant, we may not be able to attract and retain key personnel. Volatility in the price of our common stock underlying equity awards may adversely affect our ability to attract or retain key personnel. If we grant more equity awards to attract and retain key personnel, the expenses associated with such additional equity awards could affect our results of operations.

Further, 61% of our U.S. based labor force are hourly employees, including Accolade Health Assistants and certain clinicians, who are paid wage rates that currently are above the applicable U.S. federal and state minimum wage requirements. These employees are classified as non-exempt, overtime eligible under U.S. federal and state law. If we fail to effectively manage these hourly employees, then we may face claims alleging violations of wage and hour employment laws, including claims of back wages, unpaid overtime pay, and missed meal and rest periods. For

example, we recently entered into a settlement agreement (subject to final court approval) related to a matter brought by a class of our Accolade Health Assistants employed from August 2014 through August 2017 alleging misclassification of exemption status and a failure to pay appropriate overtime wages. Any such employee litigation could be attempted on a class or representative basis. Such litigation can be expensive and time-consuming regardless of whether the claims against us are valid or whether we are ultimately determined to be liable and could divert management's attention from our business. We also could be adversely affected by negative publicity, litigation costs resulting from the defense of these claims, and the diversion of time and resources from our operations. Although we have historically maintained a good relationship with our employees, our employees could unionize or any of our employees could engage in a strike, work stoppage, or other slowdown that would adversely affect our operations and could result in higher labor costs, which would harm our business.

We may face intense competition, which could limit our ability to maintain or expand market share within our industry, and if we do not maintain or expand our market share our business and operating results will be harmed.

The market for our offerings is underpenetrated, competitive, and characterized by rapidly evolving technology standards, customer and member needs, and the frequent introduction of new products and services. Our competitors range from smaller niche companies to large, well-financed health plans. As costs fall and technology improves, increased market saturation may change the competitive landscape in favor of competitors with greater scale than we currently possess. We compete on the basis of several factors, including level of member engagement, ability to influence members to improve health and financial incomes, customer and member satisfaction, and price. Some of our competitors have greater name recognition, longer operating histories, and significantly greater resources than we do. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements.

In addition to new niche vendors, who offer stand-alone products and services, we also face competition from health plans, which may have existing systems in place at customers in our target market. These competitors may now, or in the future, offer or promise products or services similar to ours, and which offer ease of integration with existing systems and which leverage existing customer and vendor relationships.

In addition, current and potential competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, our trusted suppliers, or other third parties, technologies, or services to increase the availability of their products to the marketplace. For example, our current competitors may persuade our trusted suppliers to terminate their relationship with us and engage exclusively with our competitors. Accordingly, new competitors or alliances may emerge that have greater market share, larger customer bases, more widely adopted proprietary technologies, greater marketing expertise, greater financial resources, and larger sales forces than we have, which could put us at a competitive disadvantage. Further, in light of these advantages, even if our offerings are more effective than the product or service offerings of our competitors, current or potential customers might accept competitive products and services in lieu of purchasing our solutions.

Our partners, including our trusted suppliers, could become our competitors by offering similar services. Some of our partners may begin to offer services in the same or similar manner as we do. For example, a trusted supplier may expand their business model from a point solution into an engagement model similar to ours. Although there are many potential opportunities for, and applications of, these services, our partners may seek opportunities or target new customers in areas that may overlap with those that we have chosen to pursue. In such cases, we may

potentially compete against our partners. Competition from our partners may adversely affect our business and results from operations. In addition, some of the terms of our partner relationships may include exclusivity or other restrictive clauses. Any agreements with partners that include exclusivity or other restrictive provisions may limit our ability to partner with or provide services to potential customers or other third parties, which could harm our business.

We also compete on the basis of price. We may be subject to pricing pressures as a result of, among other things, competition within the industry, practices of managed care organizations, government action, and financial stress experienced by our customers. If our pricing experiences significant downward pressure, our business will be less profitable, and our results of operations will be adversely affected. We cannot be certain that we will be able to retain our current customers or expand our customer base in this competitive environment. If we do not retain current customers or expand our customer base, or if we have to renegotiate existing contracts, our business will be harmed.

Moreover, we expect that competition will continue to increase as a result of consolidation in both the healthcare information technology and healthcare industries. If one or more of our competitors or potential competitors were to merge or partner with another of our competitors or one of our trusted suppliers, the change in the competitive landscape could also adversely affect our ability to compete effectively and could harm our business. In addition, as the healthcare industry consolidates, competition to provide services to this segment will become more intense. These healthcare industry participants may try to use their market power to negotiate price reductions for our existing and future offerings. If we reduce our prices because of consolidation in the healthcare industry, our revenue would decrease, which could harm our business.

The growth of our business relies, in part, on the growth and success of our customers and the number of members with access to our offerings, which are difficult to predict and are affected by factors outside of our control.

We enter into agreements with our customers under which our fees are generally dependent upon the number of their employees enrolled in in-scope health plans and those employees' enrolled dependents each month. If the number of members covered by one or more of our customers' health and other benefits programs were to decline, such decrease would lead to a decrease in our revenue. Some of our fees are also subject to credits if certain performance criteria are not met, which in some cases depend on the behavior of our members, such as their continued engagement with our existing and future offerings, and other factors outside of our control. See "— The recognition of a portion of our revenue is subject to achievement of performance metrics and healthcare cost savings and may not be representative of revenue for future periods." In addition, some of our customers' members may request to opt out of our service, which could cause our customers to only pay for those members that have not opted out, and as a result, may result in utilization-based pricing, which could lead to a decrease in revenue from that customer and harm our business.

We may be unable to successfully execute on our growth initiatives, business strategies, or operating plans.

We are continually executing on growth initiatives, strategies, and operating plans designed to enhance our business and extend our existing and future offerings to address evolving needs. For example, we recently developed add-on offerings that target specific challenges faced by our customers, including Accolade Boost and our Trusted Supplier Program. The anticipated benefits from these efforts are based on several assumptions that may prove to be inaccurate. Moreover, we may not be able to successfully complete these growth initiatives, strategies, and operating plans and realize all of the benefits, including growth targets and cost savings, that we expect to achieve,

or it may be more costly to do so than we anticipate. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include, among others, delays in the anticipated timing of activities related to such growth initiatives, strategies, and operating plans, increased difficulty and cost in implementing these efforts, including difficulties in complying with new regulatory requirements, the incurrence of other unexpected costs associated with operating our business, and lack of acceptance by our customers. Moreover, our continued implementation of these programs may disrupt our operations and performance. As a result, we cannot assure you that we will realize these benefits. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies, and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our business may be harmed.

We may acquire other companies or technologies, which could divert our management's attention, result in dilution to our stockholders, and otherwise disrupt our operations, and we may have difficulty integrating any such acquisitions successfully or realizing the anticipated benefits therefrom, any of which could have an adverse effect on our business, financial condition, and results of operations.

We may seek to acquire or invest in businesses, applications, services, or technologies that we believe could complement or expand our existing and future offerings, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have limited experience in acquiring other businesses and may have difficulty integrating acquired businesses. For example, in July 2019, we acquired MD Insider, which we are in the process of integrating with our offerings. If we acquire additional businesses, we may not be able to integrate the acquired operations and technologies successfully, or effectively manage the combined business following the acquisition. Integration may prove to be difficult due to the necessity of integrating personnel with disparate business backgrounds and accustomed to different corporate cultures.

We also may not achieve the anticipated benefits from any acquired business due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- unanticipated costs or liabilities, including legal liabilities, associated with the acquisition;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business into our current and future offerings and contract terms, including disparities in the revenue model of the acquired company;
- diversion of management's attention or resources from other business concerns;
- adverse effects on our existing business relationships with customers, members, or strategic partners as a result of the acquisition;
- the potential loss of key employees; and
- use of substantial portions of our available cash to consummate the acquisition.

We may issue equity securities or incur indebtedness to pay for any such acquisition or investment, which could adversely affect our business, results of operations, or financial condition. Any such issuances of additional capital stock may cause stockholders to experience significant

dilution of their ownership interests and the per share value of our common stock to decline. In addition, a significant portion of the purchase price of any companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could adversely affect our results of operations.

If we do not continue to innovate and provide offerings that are useful to customers and members that achieve and maintain market acceptance, we may not remain competitive, and our revenue and results of operations could suffer.

Our success depends on our ability to keep pace with technological developments, satisfy increasingly sophisticated customer and member requirements, and achieve and maintain market acceptance on our existing and future offerings in the rapidly evolving market for healthcare and benefits in the United States. In addition, market acceptance and adoption of our existing and future offerings depends on the acceptance by employers, payors, health plans, and government entities as to the distinct features, cost savings, and other perceived benefits of our existing and future offerings as compared to competitive solutions. Our competitors are constantly developing products and services that may become more efficient or appealing to our customers or members. As a result, we must continue to invest significant resources in research and development in order to enhance our existing offerings and introduce new offerings that customers and members will want, while offering our existing and future offerings at competitive prices. If we are unable to predict customer and member preferences or industry changes, or if we are unable to modify our existing and future offerings on a timely or cost-effective basis, we may lose customers. If we are not successful in demonstrating to existing and potential customers the benefits of our existing and future offerings, or if we are not able to achieve the support of employers, healthcare providers, and insurance carriers for our existing and future offerings, our revenue may decline or we may fail to increase our revenue in line with our forecasts. Our results of operations also would suffer if our innovations are not responsive to the needs of our customers and members, are not timed to match the corresponding market opportunity, or are not effectively brought to market, including as the result of delayed releases or releases that are ineffective or have errors or defects.

The growth of our business and future success relies in part on our partnerships and other relationships with third parties and our business could be harmed if we fail to maintain or expand these relationships.

We selectively form partnerships and engage with a range of third parties, including brokers, agents, benefits consultants, carriers, third-party administrators, trusted suppliers, and co-marketing and co-selling partners to grow our customer base and adoption of our offerings. For example, in March 2019, we partnered with Humana and formed a joint go-to-market strategy, which we launched in two initial geographic markets. In October 2019, concurrent with an equity investment from Humana, we expanded our partnership to add a broader base of solutions targeting self- and fully-insured customer prospects and significantly expand our target geographic markets. We may fail to retain and expand these partnerships and other third-party relationships for various reasons, and any such failure could harm our relationship with our customers, our reputation and brand, our prospects, and our business.

In order to grow our business, we anticipate that we will continue to depend on our relationships with our partners. As we seek to form additional partnerships and other third-party relationships, it is uncertain whether these efforts will be successful, or that these relationships will result in increased customer or member use of our solutions or increased revenue. In the event that we are unable to effectively utilize, maintain, and expand these partnerships and other third-party

relationships, our revenue growth could slow. Additionally, our partnerships and other third-party relationships may demand, or demand greater, referral fees or commissions.

If the estimates and assumptions we use to determine the size of our total addressable market are inaccurate, our future growth rate may be impacted and our business would be harmed.

Market estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. Even if the market in which we compete meets our size estimates and forecasted growth, our business could fail to grow at similar rates, if at all. The principal assumptions relating to our market opportunity include the number of self- and fully-insured employers, which is estimated to be approximately 22,000 employers. Our market opportunity is also based on the assumption that our existing and future offerings will be more attractive to our customers and potential customers than competing solutions. If these assumptions prove inaccurate, our business, financial condition, and results of operations could be adversely affected. For more information regarding our estimates of market opportunity and the forecasts of market growth included in this prospectus, see the section titled "Market and Industry Data."

We depend on our senior management team, and the loss of one or more of these employees, or an inability to attract and retain qualified key personnel, could adversely affect our business.

Our success depends, in part, on the skills, working relationships and continued services of Rajeev Singh (Chief Executive Officer), other senior management team members and other key personnel. We do not currently maintain key-person insurance on the lives of any of our key personnel. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives, which could disrupt our business. The replacement of one or more of our executive officers or other key employees would likely involve significant time and costs and may significantly delay or prevent the achievement of our business objectives.

While we have entered into offer letters or employment agreements with certain of our executive officers, all of our employees are "at-will" employees, and their employment can be terminated by us or them at any time, for any reason and without notice, subject, in certain cases, to severance payment rights. In order to retain valuable employees, in addition to salary and cash incentives, we may provide equity awards that vest over time or based on performance. The value to employees of equity awards that vest over time or based on performance will be significantly affected by movements in our stock price that are beyond our control and may at any time be insufficient to counteract offers from other organizations. The departure of key personnel could adversely affect the conduct of our business. In such event, we would be required to hire other personnel to manage and operate our business, and there can be no assurance that we would be able to employ a suitable replacement for the departing individual, or that a replacement could be hired on terms that are favorable to us. In addition, volatility or lack of performance in our stock price may affect our ability to attract and retain replacements should key personnel depart. If we are not able to retain any of our key personnel, our business could be harmed.

If we are not able to maintain and enhance our reputation and brand recognition, our business and results of operations will be harmed.

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with our existing customers and partners, including our trusted suppliers, and to our ability to attract new customers and partners. The promotion of our brand may require us to make substantial investments and we anticipate that, as our market becomes increasingly

competitive, these marketing initiatives may become increasingly difficult and expensive. Brand promotion and marketing activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our results of operations could be harmed. In addition, any factor that diminishes our reputation or that of our management, including failing to meet the expectations of customers, members, and partners, and failure to maintain high-quality support, could harm our reputation and brand and make it substantially more difficult for us to attract new customers and trusted suppliers or form new partnerships. Additionally, the performance of third parties with whom we have a relationship, including our trusted suppliers, may also affect our brand and reputation, particularly if our customers and members do not have a positive experience with our trusted suppliers or other third parties. In addition, our sales process is highly dependent on the reputation of our offerings and business and on positive recommendations from our existing customers. If we do not successfully maintain and enhance our reputation and brand recognition, our business may not grow and we could lose our relationships with existing and prospective customers, which would harm our business.

Any failure to offer high-quality customer and member support services could adversely affect our relationships with our customers and partners and our operating results.

Our customers and members depend on our support to assist members with their healthcare and other benefits needs. We may be unable to accurately predict our members' demand for services or respond quickly enough to accommodate short-term increases in customer or member demand for services. Increased customer or member demand for services, without a corresponding increase in productivity or revenue, could increase costs and adversely affect our operating results. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, our relationships with third parties and our ability to form new partnerships, and our business and operating results.

If our existing customers do not continue to renew their contracts with us, renew at lower fee levels, decline to purchase additional offerings from us, or terminate their contracts for convenience, our business could be harmed.

We expect to derive a significant portion of our revenue from the renewal of existing customers' contracts and sales of additional solutions to existing customers. As part of our growth strategy, for instance, we have recently focused on expanding our solutions among current customers. For example, we recently launched Accolade Boost, which leverages our technology platform's decision influence models to identify member population segments for multichannel messaging to encourage additional engagement and member utilization of benefit programs, and our Trusted Supplier Program, which simplifies a customer's vetting and procurement processes for point solutions (including financial, information security, and clinical audits). Achieving a high customer retention rate and selling additional applications and solutions are critical to our future business, revenue growth, and results of operations. Factors that may affect our retention rate and our ability to sell additional applications and solutions include the following:

- the price, performance, and functionality of our existing and future offerings;
- the availability, price, performance, and functionality of competing solutions;
- our ability to develop and sell complementary applications and solutions;
- changes in healthcare laws, regulations, or trends; and
- the business environment of our customers.

We typically enter into contracts with our customers with a stated initial term of three years and various termination rights, which if invoked may cause such contracts to be terminated before the term expires. For example, after a specified period, certain of these contracts are terminable for convenience by our customers after a notice period has passed, including existing contracts with some of our largest customers. Approximately 30% of our customer contracts are up for renewal in any given year. If any of our contracts with our customers is terminated, we may not be able to recover all fees due under the terminated contract, which may adversely affect our operating results. Should any of our customers terminate their relationship with us after implementation of our solutions has begun, we not only would lose our time, effort, and resources invested in that implementation, but also we would have lost the opportunity to leverage those resources to build a relationship with other customers over that same period of time. Our customers may negotiate terms less advantageous to us upon renewal, which may reduce our revenue from these customers and may decrease our annual revenue. Mergers and acquisitions involving our customers have in the past and may in the future lead to non-renewal or termination of our contracts with those customers or by the acquiring or combining companies. If our customers fail to renew their contracts, renew their contracts upon less favorable terms or at lower fee levels, or fail to purchase new solutions from us, our revenue may decline or our future revenue growth may be constrained.

The healthcare industry is rapidly evolving and the market for technology-enabled solutions that empower healthcare consumers is relatively immature and unproven. If we are not successful in promoting the benefits of our existing and future offerings, our growth may be limited.

The market for our solutions is subject to rapid and significant changes. The market for technology-enabled solutions that empower healthcare consumers is characterized by rapid technological change, new product and service introductions, increasing consumer financial responsibility, consumerism and engagement, and the entrance of non-traditional competitors. In addition, there may be a limited-time opportunity to achieve and maintain a significant share of this market due in part to the rapidly evolving nature of the healthcare and technology industries and the substantial resources available to our existing and potential competitors. The market for technology-enabled solutions that empower healthcare consumers is relatively new and unproven, and it is uncertain whether this market will achieve and sustain high levels of demand and market adoption. In order to remain competitive, we are continually involved in a number of projects to compete with new market entrants by developing new offerings, growing our customer base, and expanding into adjacent markets. For example, the Accolade Boost solution and our Trusted Supplier Program are examples of add-on offerings we have recently deployed to complement our traditional offerings and generate additional value to our customers. These projects carry risks, such as cost overruns, delays in delivery, performance problems, and lack of acceptance by our customers. If we cannot adapt to rapidly evolving industry standards, technology, and increasingly sophisticated customers and their employees, our existing technology could become undesirable, obsolete, or harm our reputation.

We must continue to invest significant resources in our personnel and technology in a timely and cost-effective manner in order to enhance our existing offerings and introduce new offerings that existing customers and potential new customers will want. If our new or modified offerings are not responsive to the preferences of customers and their employees, emerging industry standards, or regulatory changes, are not appropriately timed with market opportunity, or are not effectively brought to market, we may lose existing customers or be unable to obtain new customers, and our results of operations may suffer.

Our success also depends to a substantial extent on the ability of our existing and future offerings to increase member engagement and our ability to demonstrate the value of our existing

and future offerings to customers. If our existing customers do not recognize or acknowledge the benefits of our existing and future offerings or our offerings do not increase member engagement, then the market for our solutions might not develop at all, or it might develop more slowly than we expect, either of which could adversely affect our operating results. In addition, we have limited insight into trends that might develop and affect our business, which could lead to errors in our predicting and reacting to relevant business, legal, and regulatory trends and healthcare reform. If any of these events occur, it could harm our business.

We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations.

As a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Prior to this offering, we were a private company and have limited accounting and financial reporting personnel and other resources with which to address our internal controls and procedures. In connection with the audit of our financial statements for the fiscal year ended February 28, 2019, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We determined that we had a material weakness because we lacked internal controls related to the review and approval of manual journal entries. This material weakness could result in a misstatement of account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected. To address this material weakness, we plan to hire additional accounting personnel and implement process level and management review controls. While we intend to implement a plan to remediate this material weakness, we cannot predict the success of such plan or the outcome of our assessment of this plan at this time. If our steps are insufficient to successfully remediate the material weakness and otherwise establish and maintain an effective system of internal control over financial reporting, the reliability of our financial reporting, investor confidence in us, and the value of our common stock could be materially and adversely affected. We can give no assurance that this implementation will remediate this deficiency in internal control or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements, or cause us to fail to meet our periodic reporting obligations. Effective internal control over financial reporting is necessary for us to provide reliable and timely financial reports and, together with adequate disclosure controls and procedures, are designed to reasonably detect and prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our periodic reporting obligations. For as long as we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. We could be an "emerging growth company" for up to five years. An independent assessment of the effectiveness of our internal control over financial reporting could detect problems that our management's assessment might not. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation.

We have been and may in the future become subject to litigation, which could harm our business.

Our business entails the risk of liability claims against us, and we have been and may in the future become subject to litigation. Claims against us may be asserted by or on behalf of a variety of parties, including our customers, our members, vendors of our customers, government agencies, our current or former employees, or our stockholders. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, covered by adequate insurance. Although we carry professional errors and omissions insurance in amounts that we believe are appropriate in light of the risks attendant to our business, successful claims could result in substantial damage awards that exceed the limits of our insurance coverage. In addition, any determination that we are acting in the capacity of a healthcare provider, or exercising undue influence or control over a healthcare provider, may subject us to claims not covered by our professional errors and omissions insurance coverage, or could result in significant sanctions against us and our clinicians, additional compliance requirements, expense, and liability to us. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our solutions. As a result, adequate professional liability insurance may not be available to us or to our partners in the future at acceptable costs or at all. We generally intend to defend ourselves vigorously; however, we cannot be certain of the ultimate outcomes of any claims that may arise in the future. Resolution of some of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby harming our business and per share trading price of our common stock. For example, fines or assessments could be levied against us under domestic or foreign data privacy laws (such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the General Data Protection Regulation (GDPR), or the California Consumer Privacy Act of 2018 (CCPA)) or under authority of privacy enforcing governmental entities (such as the Federal Trade Commission (FTC), or the U.S. Department of Health and Human Services (HHS)) or as a result of private actions, such as class actions based on data breaches or based on private rights of action (such as that contained in the CCPA). Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured and adversely impact our ability to attract directors and officers. In addition, such litigation could result in increased scrutiny by government authorities having authority over our business, such as the FTC, the HHS, Office for Civil Rights (OCR), and state attorney generals.

Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business, customers, members, or partners, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we collect, store, use, and disclose sensitive data, including protected health information (PHI), and other types of personal data or personally identifiable information (PII). We also process and store, and use additional third parties to process and store, sensitive information including intellectual property and other proprietary business information, including that of our customers and members. We manage and maintain our technology platform and data utilizing a combination of on-site systems, mobile applications, managed data center systems, and cloud-based computing center systems. We are highly dependent on information technology networks, mobile applications, and systems, including the Internet, to securely process, transmit, and store this critical information. Security breaches of this infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers, and

similar breaches, and employee or contractor error, negligence, or malfeasance, can create system disruptions, shutdowns, or unauthorized disclosure or modifications of confidential information, causing member health information to be accessed or acquired without authorization or to become publicly available. We utilize third-party service providers for important aspects of the collection, storage, and transmission of customer and member information, and other confidential and sensitive information, and therefore rely on third parties to manage functions that have material cybersecurity risks. Our technology platform also utilizes artificial intelligence and machine learning technology to provide services, and this technology is susceptible to cybersecurity threats, as PHI, PII, and other confidential and sensitive information may be integrated into the platform. Because of the sensitivity of the PHI, other PII, and other confidential information we and our service providers collect, store, transmit, and otherwise process, the security of our technology platform and other aspects of our solutions, including those provided or facilitated by our third-party service providers, are important to our operations and business strategy.

We take certain administrative, physical, and technological safeguards to address these risks, such as by requiring outsourcing subcontractors and partners, including trusted suppliers, who handle customer and member information for us to enter into agreements that contractually obligate those subcontractors and partners to comply with applicable privacy laws, such as HIPAA, and otherwise use reasonable efforts to safeguard PHI, other PII, and other sensitive information. For those subcontractors and partners who handle PHI on our behalf, we enter into business associate agreements as required by HIPAA. Measures taken to protect our systems, those of our subcontractors and partners, or the PHI, other PII, or other sensitive data we, our subcontractors, or our partners process or maintain, may not adequately protect us from the risks associated with the collection, storage, and transmission of such information.

Although we take steps to help protect confidential and other sensitive information from unauthorized access or disclosure, our information technology and infrastructure has been in the past and may be vulnerable in the future to attacks by hackers or viruses, failures, or breaches due to third-party action, employee negligence or error, malfeasance, or other incidents or disruptions. A security incident or privacy violation that we experience (or that occurs at a trusted supplier or customer) that leads to disclosure or unauthorized use or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or integrity of, member information, including PHI or other PII, or other sensitive information we, our subcontractors, or our partners maintain or otherwise process, could harm our reputation, compel us to comply with breach notification laws, cause us to incur significant costs for remediation, fines, penalties, notification to customers, affected individuals, including regulatory authorities and the media, and for measures intended to repair or replace systems or technology and to prevent future occurrences, potential increases in insurance premiums, handling of contractual claims (including breach of contract or breach of confidentiality issues), and require us to verify the accuracy of database contents, resulting in increased costs or loss of revenue. In the event of a security breach, we may also be subject to private causes of action and/or statutory penalties under certain state laws, such as the CCPA, which provides a private right of action for data breaches of certain unencrypted or unredacted personal information and establishes statutory penalties for violations of the law. If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our technology platform, and we could suffer a loss of customers, members, or trusted suppliers or a decrease in the use of our existing and future offerings, and we may suffer loss of reputation, adverse impacts on customer, member, partner, and investor confidence, financial loss, governmental investigations or other actions, regulatory or contractual penalties, and other claims and liability. In addition, health plans, benefits administrators, customers, members, and our trusted suppliers may then refuse to provide data to us, or restrict our ability to use such data, in which event our business could be harmed.

In addition, security incidents and other inappropriate access to, or acquisition or processing of, information can be difficult to detect or may occur outside of our network (such as in our supply chain or at our customers or trusted suppliers), and any delay in identifying or responding to such incidents or in providing any notification of such incidents may lead to increased harm. Any such breach or interruption of our systems, or the systems of any of our third-party information technology partners, could compromise our networks or data security processes and sensitive information could be inaccessible or could be accessed by unauthorized parties, publicly disclosed, lost, or stolen. Any such interruption in access, improper access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws and regulations that protect the privacy of member information or other personal information, such as HIPAA, CCPA, or GDPR, and regulatory penalties.

Unauthorized access, loss, or dissemination could also disrupt our operations, including our ability to perform our services, provide member assistance services, conduct research and development activities, collect, process, and prepare company financial information, provide information about our current and future solutions, and engage in other member and clinician education and outreach efforts. Any such breach could also result in the compromise of our trade secrets and other proprietary information, which could adversely affect our business and competitive position. Additionally, actual, potential, or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants. Although we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and, in any event, insurance coverage would not address the reputational damage that could result from a security incident.

If we fail to provide accurate and timely information, or if our Accolade Health Assistants and clinicians, our content, or any other element of our existing and future offerings is associated with faulty administrative or clinical decisions or treatment, we could have liability to customers or members, which could adversely affect our results of operations.

Our Accolade Health Assistants and clinicians, our member web portal, and our mobile application all use our technology platform to support our members in making healthcare and benefits-related decisions. In addition, our Accolade Health Assistants and clinicians use our technology platform to help guide interactions with members. Our technology platform applies artificial intelligence and machine learning tactics to generate predictive insights about our members, which are then translated into recommended interventions for our Accolade Health Assistants and clinicians and used to enhance our member self-service capabilities. For example, our Accolade Health Assistants can leverage our technology platform to provide quotes to a member about that member's healthcare benefits, including in-network services, balance billing, or claims quotes. If we fail to provide accurate and timely information regarding these benefits or if the data generated by our technology platform (including the artificial intelligence and machine learning components) are inaccurate, fail, or are subject to security incidents, this could lead to claims against us that could result in substantial costs to us or cause demand for our solutions to decline. If our Accolade Health Assistants, clinicians, or technology platform guide people to care settings and providers resulting in faulty clinical decisions or treatment, then our customers or our members could assert claims against us that could result in substantial costs to us, harm our reputation in the industry, and cause demand for our existing and future offerings to decline. For example, our nurses have access to extensive intelligence on provider quality and cost, which allows them to present various options to members when they are selecting a primary care physician or specialist. If the member relies on this provider recommendation, and that provider subsequently makes faulty clinical decisions or treatment recommendations, we could be subject to claims by such member. In addition, if our Accolade Health Assistants or clinicians make recommendations outside of our

standard protocol that result in faulty clinical decisions or treatments, then our customers or our members could assert claims against us.

The assertion of such claims and ensuing litigation, regardless of its outcome, could result in substantial cost to us, divert management's attention from operations, damage our reputation, and decrease market acceptance of our existing and future offerings. We maintain general liability and insurance coverage, but this coverage may not continue to be available on acceptable terms, may not be available in sufficient amounts to cover one or more large claims against us, or may not provide coverage if our Accolade Health Assistants or clinicians were to engage in the unlicensed practice of medicine. In addition, the insurer might disclaim coverage as to any future claim. One or more large claims could exceed our available insurance coverage. Adequate professional liability insurance may not be available to our providers or to us in the future at acceptable costs or at all. Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us, and divert the attention of our management and our providers from our operations, which may harm our business. In addition, any claims may adversely affect our business or reputation.

Our technology platform may contain errors or failures that are not detected until after the software is introduced or updates and new versions are released. From time to time, we have discovered defects or errors in our software, and such defects or errors can be expected to appear in the future. Defects and errors that are not timely detected and remedied could expose us to risk of liability to customers and members and cause delays in introduction of new solutions, result in increased costs and diversion of development resources, require design modifications, or decrease market acceptance or customer satisfaction with our solutions. If any of these risks occur, they could harm our business.

We rely on Internet infrastructure, bandwidth providers, data center providers, other third parties, and our own systems for providing solutions to our customers, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation and negatively impact our relationships with customers, adversely affecting our brand and our business.

Our ability to deliver our solutions is dependent on the development and maintenance of the infrastructure of the Internet and other telecommunications services by third parties. We currently host our technology platform, serve our customers and members, and support our operations primarily using third-party data centers and telecommunications solutions, including cloud infrastructure services such as Amazon Web Services (AWS) and Google Cloud. We also use a third-party call center for off-hours clinical support. We do not have control over the operations of the facilities of our data and call center providers, AWS, or Google Cloud. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures, and similar events. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions in our solution. The facilities also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. Any errors, failures, interruptions, or delays experienced in connection with these third-party technologies and information services or our own systems could negatively impact our relationships with customers and adversely affect our business and could expose us to third-party liabilities.

For some of these services, we may not maintain redundant systems or facilities. Our technology platform's continuing and uninterrupted performance is critical to our success. Members may become dissatisfied by any system failure that interrupts our ability to provide our solutions to them. We may not be able to easily switch our AWS and Google Cloud operations to another cloud

service provider if there are disruptions or interference with our use of AWS or Google Cloud. Sustained or repeated system failures would reduce the attractiveness of our technology platform to customers and members and result in contract terminations, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our existing and future offerings. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. Neither our third-party data and call center providers nor AWS or Google Cloud have an obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with these providers on commercially reasonable terms, if our agreements with our providers are prematurely terminated, or if in the future we add additional data or call center providers or cloud service providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new providers. If these providers were to increase the cost of their services, we may have to increase the price of our existing and future offerings, and our business may be harmed.

Natural or man-made disasters, events outside our reasonable control, and other similar events may significantly disrupt our operations and negatively impact our business, financial condition, and results of operations.

Our offices, third-party data and call centers, or cloud infrastructure services may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, power outages, fires, floods, nuclear disasters, acts of terrorism or other criminal activities, or other events outside our reasonable control such as a general and widespread failure of the Internet or telecommunications, which may render it difficult or impossible for us to operate our business for some period of time. Any disruptions in our operations related to the repair or replacement of our offices, third-party data and call centers, or cloud infrastructure services could negatively impact our business and results of operations and harm our reputation. Insurance may not be sufficient to compensate for losses that may occur. Any such losses or damages could harm our business.

Risks Related to Governmental Regulation

Changes in the health insurance market, ERISA laws, state insurance laws, or other laws could harm our business.

The market for private health insurance in the United States is evolving and, as our customers are primarily employers that deploy our offerings to employees and their families, our future financial performance will depend in part on the growth in this market. Changes and developments in the health insurance system in the United States could reduce demand for our existing and future offerings and harm our business. For example, there has been an ongoing national debate relating to the healthcare reimbursement system in the United States. Some members of Congress and presidential candidates have introduced proposals that would create a new single payor national health insurance program for all United States residents; others have proposed more incremental approaches, such as creating a new public health insurance plan option as a supplement to private sources of coverage. In the event that laws, regulations or rules that eliminate or reduce private sources of health insurance or require such benefits to be taxable are adopted, the subsequent impact on the workplace benefits provided by our customers may in turn have an adverse effect on our business and results of operations.

In addition, changes in laws or regulations regarding the Employee Retirement Income Security Act of 1974 (ERISA), changes in state insurance laws, or other changes in laws could materially impact the self-insured employer healthcare and benefits markets, or the markets in which our other existing or potential customers procure and provide benefits.

If we fail to comply with healthcare laws and regulations, we could face substantial penalties and our business could be harmed.

Our existing and future offerings, as well as our business activities, including our relationships with our commercial partners and customers, are or may be in the future subject to a complex set of regulations and rigorous enforcement, including by the HHS, Office of the Inspector General and Office of Civil Rights, U.S. Food and Drug Administration (FDA), U.S. Department of Justice, and numerous other federal and state governmental authorities. In addition, our employees, consultants, and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements. Certain aspects of our business model may also trigger scrutiny under healthcare and related laws. Federal and state healthcare and related laws and regulations that may now or in the future affect our ability to conduct business include:

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and its implementing regulations, which impose certain requirements relating to the privacy, security and transmission of protected health information on certain healthcare providers, health plans and healthcare clearinghouses, and their business associates that access or otherwise process individually identifiable health information on their behalf. HIPAA also created criminal liability for knowingly and willfully falsifying or concealing a material fact or making a materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;

- state laws governing the privacy and security of personal information, including health information and state breach notification requirements, many of which differ from each other in significant ways with respect to scope, application, and requirements, and which often exceed the standards under HIPAA, thus complicating compliance efforts;

- foreign laws governing the privacy and security of personal information, such as GDPR;

- laws that regulate how businesses operate online, including measures relating to privacy and data security and how such information is communicated to customers (a) under the FTC's unfair and deceptive trade practice authority from the FTC Act and (b) from state attorneys general under state consumer protection laws and data privacy laws;

- state laws governing the corporate practice of medicine and other healthcare professions and related fee-splitting laws;

- the federal Anti-Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs, such as the CMS programs, including Medicare and Medicaid;

- the federal civil false claims and civil monetary penalties laws, including the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government;

- federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- the federal Physician Payments Sunshine Act, or Open Payments, created under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or Affordable Care Act, and its implementing regulations,

which requires manufacturers of drugs, medical devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to CMS information related to payments or other transfers of value made to licensed physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

The Affordable Care Act, among other things, amends the intent requirement of the federal Anti-Kickback Statute and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the Affordable Care Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act.

Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our activities could be subject to challenge under one or more of such laws. For example, there is a risk that regulatory authorities in some states may find that certain of our contractual relationships with healthcare providers are in violation of state anti-kickback or fee-splitting laws. Any action brought against us for violations of these laws or regulations, even if successfully defended, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. We may be subject to private "qui tam" actions brought by individual whistleblowers on behalf of the federal or state governments, with potential liability under the federal False Claims Act including mandatory treble damages and significant per-claim penalties.

Although we have adopted policies and procedures designed to comply with these laws and regulations and conduct internal reviews of our compliance with these laws, our compliance is also subject to governmental review. The growth of our business and sales organization may increase the potential of violating these laws or our internal policies and procedures. The risk of our being found in violation of these or other laws and regulations is further increased by the fact that many have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of the federal, state and foreign laws described above or any other current or future fraud and abuse or other healthcare laws and regulations that apply to us, we may be subject to penalties, including significant criminal, civil and administrative penalties, damages and fines, disgorgement, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, imprisonment for individuals and exclusion from participation in government programs, such as Medicare and Medicaid, as well as contractual damages and reputational harm. We could also be required to curtail or cease our operations. Any of the foregoing consequences could seriously harm our business and our financial results.

Our use, disclosure, and other processing of PII and PHI is subject to HIPAA and other federal, state, and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, a material adverse effect on our customer base, member base and revenue.

Numerous state and federal laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of PHI and PII. These laws and regulations include HIPAA, which establishes a set of national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services. We are considered a business associate under HIPAA, and we execute business associate agreements with our customers, subcontractors, and trusted suppliers. HIPAA requires covered entities and business associates, such as us, to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical and technical safeguards to protect such information.

Some of our business activities require that we or our partners obtain permissions consistent with HIPAA to provide certain marketing and data aggregation services as well as those activities that require the creation and use of de-identified information. We may also require large sets of de-identified information to enable us to continue to develop and enhance our data and analytics platform. If we or our partners are unable to secure these rights, or if there is a future change in law, we may face limitations on the use of PHI and our ability to provide marketing services and use de-identified information, which could harm our business or subject us to potential government actions or penalties. Also, there are ongoing public policy discussions regarding whether the standards for de-identified, anonymous or pseudonomized health information are sufficient, and the risk of re-identification sufficiently small, to adequately protect patient privacy. These discussions may lead to further restrictions on the use of such information or create additional regulatory burdens. There can be no assurance that these initiatives or future initiatives will not adversely affect our ability to access and use data or to develop or market current or future services.

In addition, we could be subject to periodic audits for compliance with the HIPAA Privacy and Security Standards by HHS and our customers. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims. HIPAA imposes mandatory penalties for certain violations. Penalties for violations of HIPAA and its implementing regulations start at $100 per violation and are not to exceed $50,000 per violation, subject to a cap of $1.5 million for violations of the same standard in a single calendar year. However, a single breach incident can result in violations of multiple standards. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

In addition to HIPAA, numerous other federal, state, and foreign laws and regulations protect the confidentiality, privacy, availability, integrity, and security of PHI and other types of PII. In the case of our European subsidiary, Accolade may have obligations under GDPR and related EU privacy laws and regulations related to the use, transfer, and protection of employee-related data. These laws and regulations in many cases may be more restrictive than, and may not be preempted by, HIPAA and its implementing rules. These laws and regulations may also require additional compliance obligations relating to the transfer of data between Accolade and its subsidiaries. There is a risk that regulatory authorities may determine that we have not implemented

our compliance obligations in a timely or appropriate manner. Penalties for noncompliance under GDPR and related EU privacy laws may include significant monetary fines. These laws and regulations are often uncertain, contradictory, and subject to changed or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future.

Such new regulations and legislative actions (or changes in interpretation of existing laws or regulations regarding data privacy and security together with applicable industry standards) may increase our costs of doing business. In this regard, we expect that there will continue to be new laws, regulations, and industry standards relating to privacy and data protection in the United States, the EU and other jurisdictions, such as the CCPA which has been characterized as the first "GDPR-like" privacy statute to be enacted in the United States, and we cannot determine how broadly or narrowly regulators will interpret and enforce such new laws, regulations, and standards and the corresponding impact it may have on our business. Although we are modifying our data collection, use and processing practices and policies in an effort to comply with the law, there is a risk that the California Attorney General does not find our practices or policies to be compliant with the CCPA, which would potentially subject us to civil penalties or an inability to use information collected from California consumers.

This complex, dynamic legal landscape regarding privacy, data protection, and information security creates significant compliance issues for us and our customers and potentially exposes us to additional expense, adverse publicity and liability. Although we take steps to help protect confidential and other sensitive information from unauthorized access or disclosure, our information technology and infrastructure has been in the past and may be vulnerable in the future to attacks by hackers or viruses, failures, or breaches due to third-party action, employee negligence or error, malfeasance, or other incidents or disruptions. For example, we have been the target of phishing attacks seeking confidential information regarding our employees. Furthermore, while we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations relating to privacy and data protection, some PHI and other PII or confidential information is transmitted to us by third parties, who may not implement adequate security and privacy measures, and it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of third parties who transmit PHI and other PII or confidential information to us. If we or these third parties are found to have violated such laws, rules or regulations, it could result in government-imposed fines, orders requiring that we or these third parties change our or their practices, or criminal charges, which could adversely affect our business.

We outsource important aspects of the storage and transmission of customer and member information, and thus, rely on third parties to manage functions that have material cyber-security risks. A breach of privacy or security of such information by a subcontractor may result in an enforcement action against us. We attempt to address these risks by requiring outsourcing subcontractors who handle such information to sign business associate agreements contractually requiring those subcontractors to adequately safeguard such information. However, we cannot be assured that these contractual measures and other safeguards will adequately protect us from the risks associated with the storage and transmission of such information on our behalf by our subcontractors.

Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices, systems and compliance procedures in a manner adverse to our business. We also publish statements to our customers and members that describe how we handle and protect PHI (for example, through our privacy policies connected with our website, mobile applications and other digital tools). If federal or state regulatory authorities, such as the FTC or state attorneys general, or private litigants consider any portion of these statements

to be untrue, we may be subject to claims of deceptive practices, which could lead to significant liabilities and consequences, including costs of responding to investigations, defending against litigation, settling claims, and complying with regulatory or court orders. Any of the foregoing consequences could seriously harm our business and our financial results. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our existing and future offerings. Any of the foregoing consequences could harm our business.

Our employment and use of nurses, physician medical directors and our other clinicians may subject us to licensing and other regulatory risks.

Our employment and use of nurses, physician medical directors, and our other clinicians may subject us to state and other licensing and regulatory risks. For example, there may be restrictions on the ability of our clinicians to provide services to our members residing in states outside of the state or states in which such clinicians are licensed or registered. The services provided by our clinicians may be subject to review by state or other regulatory bodies. In addition, any activities conducted by our clinicians that are in violation of practice rules could subject us to fines or other penalties. For example, our clinicians could be found to be practicing outside the scope of their respective licenses in violation of applicable laws. Further, if one of our clinicians is found to be acting outside the scope of their professional license in violation of the applicable state's practice laws, such activity could result in disciplinary action against the clinician by the applicable licensing agency. The definition of what constitutes the practice of medicine, nursing or other health professions varies by state.

In addition, there is a risk that we may be found in violation of the prohibition of the corporate practice of a health profession under certain state laws, which may result in the imposition of civil or criminal penalties. Certain states prevent corporations from being licensed as practitioners and prohibit physicians from practicing medicine in partnership with non-physicians, such as business corporations. Activities other than those directly related to the delivery of healthcare may be considered an element of the practice of medicine in certain states. These laws, which vary by state, may also prevent the sharing of professional services income with non-professional or business interests. Any determination that we are acting in the capacity as a healthcare provider, exercising undue influence or control over a healthcare provider or impermissibly sharing fees with a healthcare provider, may result in significant sanctions against us and our clinicians, including civil and criminal penalties and fines, additional compliance requirements, expense, and liability to us, and require us to change or terminate some portions of our contractual arrangements or business.

Evolving government regulations may require increased costs or adversely affect our results of operations.

In a regulatory climate that is uncertain, our operations may be subject to direct and indirect adoption, expansion, or reinterpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our practices at an undeterminable and possibly significant initial monetary and annual expense. These additional monetary expenditures may increase future overhead, which could harm our business. For example, since the Affordable Care Act was enacted, there have been judicial and Congressional challenges to certain aspects of the law, as well as efforts by the Trump administration to repeal or replace certain aspects of Affordable Care Act. Since January 2017, President Trump has signed two Executive Orders and other directives designed to delay the implementation of certain provisions of the Affordable Care Act or otherwise circumvent some of the requirements for health insurance mandated by the Affordable Care Act. Concurrently, Congress has considered legislation that would repeal or repeal

and replace all or part of the Affordable Care Act. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the Affordable Care Act have been signed into law. The Tax Cuts and Jobs Act of 2017 (Tax Act), included a provision which repealed, effective January 1, 2019, the tax-based shared responsibility payment imposed by the Affordable Care Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate."

On January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share, and the medical device excise tax on non-exempt medical devices. The Bipartisan Budget Act of 2018, among other things, amended the Affordable Care Act, effective January 1, 2019, to close the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." On December 14, 2018, a Texas U.S. District Court Judge ruled that the Affordable Care Act is unconstitutional in its entirety because the "individual mandate" was repealed by Congress as part of the Tax Act. While the Texas U.S. District Court Judge, as well as the Trump administration and CMS, have stated that the ruling will have no immediate effect pending appeal of the decision, it is unclear how this decision, subsequent appeals, and other efforts to repeal and replace the Affordable Care Act will impact the Affordable Care Act. We continue to evaluate the potential impact of the Affordable Care Act and its possible repeal or replacement on our business.

There could be laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us. In the states in which we operate, we believe we are in compliance with all applicable material regulations, but, due to the uncertain regulatory environment, certain states may determine that we are in violation of their laws and regulations. In the event that we must remedy such violations, we may be required to modify our existing and future offerings and solutions in such states in a manner that undermines our existing and future offerings' attractiveness to partners, customers or members, we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such states are overly burdensome, we may elect to terminate our operations in such states. In each case, our revenue may decline and our business, financial condition, and results of operations could be adversely affected.

Additionally, the introduction of new solutions may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate state medical board licenses or certificates, increasing our security measures and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and regulations may delay or possibly prevent our existing and future offerings from being offered to partners, customers and members, which could harm our business.

Individuals may claim our outbound engagement techniques, including outbound telephone calls and digital outreach, are not compliant with HIPAA or federal marketing laws.

Several federal laws are designed to protect consumers from various types and modes of marketing. HIPAA prohibits certain types of marketing to individuals using PHI, except for certain treatment and healthcare operations, including communications made to describe a health-related product or service (or payment for such product or service) that is provided by, or included in, a plan of benefits. Our solutions may be subject to review by HHS or OCR and deemed in violation of HIPAA, which could subject us to fines or other penalties. In addition, the Telephone Consumer Protection Act (TCPA), is a federal statute that protects consumers from unwanted telephone calls and faxes. Since its inception, the TCPA's purview has extended to text messages sent to

consumers. We may communicate with and perform outreach to members through multiple modes of communication, including phone, email, and secure messaging. We must ensure that our solutions that leverage telephone and secure messaging comply with TCPA regulations and agency guidance. While we strive to adhere to strict policies and procedures, the Federal Communications Commission (FCC), as the agency that implements and enforces the TCPA, may disagree with our interpretation of the TCPA and subject us to penalties and other consequences for noncompliance. Determination by a court or regulatory agency that our solutions violate the TCPA could subject us to civil penalties, could invalidate all or portions of some of our customer contracts, could require us to change or terminate some portions of our offerings, could require us to refund portions of our fees, and could have an adverse effect on our business. Even an unsuccessful challenge by consumers or regulatory authorities of our activities could result in adverse publicity and could require a costly response from us. Other laws focus on unsolicited email, such as the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, (CAN-SPAM Act), which establishes requirements for the transmission of commercial email messages and specifies penalties for unsolicited commercial email messages that follow a recipient's opt-out request or deceive the receiving consumer.

In addition, some of our marketing activities require that we obtain permissions consistent with HIPAA and applicable state health information privacy laws. If we are unable to secure such permissions, or if there is a future change in law, we may face limitations on the use of such information, which may harm our business.

The U.S. Food and Drug Administration may in the future determine that our technology solutions are subject to the Federal Food, Drug, and Cosmetic Act, and we may face additional costs and risks as a result.

There is a risk that our existing and future offerings, including the operational/technical component of our business model, such as our decision support software incorporating machine learning, meets the definition of a medical device under the Federal Food, Drug, and Cosmetic Act (FDCA). Medical devices are subject to extensive regulation by the FDA under the FDCA. Under the FDCA, medical devices include any instrument, apparatus, machine, contrivance, or other similar or related articles that is intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease. FDA regulations govern among other things, product development, testing, manufacture, packaging, labeling, storage, clearance or approval, advertising and promotion, sales and distribution, and import and export.

Failure to appropriately seek FDA approval or noncompliance with applicable FDA requirements can result in, among other things, public warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure of the FDA to grant marketing approvals, withdrawal of marketing approvals, a recommendation by the FDA to disallow us from entering into government contracts, and criminal prosecutions. The FDA also has the authority to request repair, replace, or refund of the cost of any device.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition, or results of operations.

The Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our U.S. operations, and the deductibility of expenses under the Tax Act or future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges in the current or future taxable years, and could increase our future U.S. tax expense. The foregoing items, as well as any other future changes in tax laws, could have a material adverse effect on our business, cash flow, financial condition, or results of operations. In addition, it is uncertain if and to what extent various states will conform to the Tax Act or any newly enacted federal tax legislation.

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

We do not collect sales and use, value-added, and similar taxes in all jurisdictions in which we have sales, based on our understanding that such taxes are not applicable. Sales and use, value-added, and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, or jurisdictions in which we collect sales tax may assert that we have under-collected sales tax, either of which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. Although our customer contracts typically provide that our customers must pay all applicable sales and similar taxes, our customers may be reluctant to pay back-taxes and associated interest and penalties, or we may determine that it would not be commercially feasible to seek reimbursement from such customers, in which event any such tax assessments, penalties, and interest, or future requirements may adversely affect our results of operations.

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

As of February 28, 2019, we had U.S. federal net operating loss carryforwards (NOLs), of $198.9 million and state NOLs of $189.6 million. Unused NOLs for the fiscal year ended February 28, 2019 and prior tax years will carry forward to offset future taxable income, if any, until such unused losses expire. Unused losses generated in taxable years beginning after December 31, 2017, which would be our tax year ending February 28, 2018 and thereafter, pursuant to the Tax Act, will not expire and may be carried forward indefinitely but will only be deductible to the extent of 80% of current year taxable income in any given year. It is uncertain if and to what extent various states will conform to the Tax Act. As a result, if we earn net taxable income in future years, our NOLs arising in tax years ending February 28, 2018 and earlier may expire prior to being used and our NOLs generated in later tax years will be subject to a percentage limitation. Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOLs and other tax attributes and to offset its post-change income and taxes may be limited. In general, an "ownership change" occurs if there is a cumulative change in our ownership by "5% stockholders" that exceed 50 percentage points over a rolling three-year period. Our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs could be further limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. The existing NOLs of one of our subsidiaries may be subject to limitations arising from ownership changes prior to, or in connection with, their acquisition by us. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities, including for state tax purposes. For these reasons, we may not be able to utilize some portion of our NOLs, none of which are currently reflected on our balance sheet, even if we attain profitability.

Risks Related to our Intellectual Property

Failure to protect or enforce our intellectual property rights could harm our business and results of operations.

Our intellectual property includes our processes, methodologies, algorithms, applications, technology platform, software code, website content, user interfaces, graphics, registered and

unregistered copyrights, trademarks, trade dress, databases, domain names, and patents and patent applications. We believe that our intellectual property is an essential asset of our business. If we do not adequately protect our intellectual property, our brand and reputation could be harmed and competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our technology, and delay or render impossible our achievement of profitability. A failure to protect our intellectual property in a cost-effective and meaningful manner could have a material adverse effect on our ability to compete. We regard the protection of our trade secrets, copyrights, trademarks, trade dress, databases, domain names, and patents as critical to our success.

We strive to protect our intellectual property rights by relying on federal, state, and common law rights and other rights provided under foreign laws. These laws are subject to change at any time and could further restrict our ability to protect or enforce our intellectual property rights. In addition, the existing laws of certain foreign countries in which we operate may not protect our intellectual property rights to the same extent as do the laws of the United States.

We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with other parties, with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, we may not be successful in executing these agreements with every party who has access to our confidential information or contributes to the development of our intellectual property.

The agreements that we execute may be breached, and we may not have adequate remedies for any such breach. These contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our intellectual property or deter independent development of similar intellectual property by others.

Obtaining and maintaining effective intellectual property rights is expensive, including the costs of monitoring unauthorized use of our intellectual property and defending our rights. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. We strive to protect certain of our intellectual property rights through filing applications for trademarks, patents, and domain names in a number of jurisdictions, a process that is expensive and may not be successful in all jurisdictions. However, there is no assurance that any resulting patents or other intellectual property rights will adequately protect our intellectual property, or provide us with any competitive advantages. Moreover, we cannot guarantee that any of our pending patent or trademark applications will issue or be approved. Even where we have intellectual property rights, they may later be found to be unenforceable or have a limited scope of enforceability. In addition, we may not seek to pursue such protection in every jurisdiction. The United States Patent and Trademark Office also requires compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and after a patent has issued. Noncompliance with such requirements and processes may result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to develop and commercialize substantially similar and competing applications, which would harm our business.

We believe it is important to maintain, protect and enhance our brands. Accordingly, we pursue the registration of domain names and our trademarks and service marks in the United States. Third parties may challenge our use of our trademarks, oppose our trademark applications, or otherwise impede our efforts to protect our intellectual property in certain jurisdictions. In the event that we are unable to register our trademarks in certain jurisdictions, we

could be forced to rebrand our solutions, which would result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. Our competitors and others could also attempt to capitalize on our brand recognition by using domain names or business names similar to ours. Domain names similar to ours have been registered in the United States and elsewhere. We may be unable to prevent third parties from acquiring or using domain names and other trademarks that infringe on, are similar to, or otherwise decrease the value of, our brands, trademarks, or service marks. We also may incur significant costs in enforcing our trademarks against those who attempt to imitate our brand and other valuable trademarks and service marks.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. We may not be able to detect infringement or unauthorized use of our intellectual property rights, and defending or enforcing our intellectual property rights, even if successfully detected, prosecuted, enjoined, or remedied, could result in the expenditure of significant financial and managerial resources. Litigation has in the past and may be necessary in the future to enforce our intellectual property rights, protect our proprietary rights, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could harm our business. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, countersuits, and adversarial proceedings such as oppositions, inter partes review, post-grant review, re-examination, or other post-issuance proceedings, that attack the validity and enforceability of our intellectual property rights. An adverse determination of any litigation proceedings could put our patents at risk of being invalidated or interpreted narrowly and could put our related pending patent applications at risk of not issuing. Further, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. In addition, during the course of litigation there could be public announcements of the results of hearings, motions, or other interim proceedings or developments. 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. If we fail to maintain, protect, and enhance our intellectual property rights, our business may be harmed and the market price of our common stock could decline.

Our competitors also may independently develop similar technology that does not infringe on or misappropriate our intellectual property rights. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our solutions or technology are developed. Further, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. The laws in the United States and elsewhere change rapidly, and any future changes could adversely affect us and our intellectual property. Our failure to meaningfully protect our intellectual property could result in competitors offering solutions that incorporate our most technologically advanced features, which could seriously reduce demand for existing and future offerings.

Third parties may initiate legal proceedings alleging that we are infringing or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could harm our business.

Our success depends in part on our ability to develop and commercialize our offerings and use our proprietary technology without infringing the intellectual property or proprietary rights of third parties. Intellectual property disputes can be costly to defend and may cause our business,

operating results, and financial condition to suffer. As the market for healthcare in the United States expands and more patents are issued, the risk increases that there may be patents issued to third parties that relate to our offerings and technology of which we are not aware or that we must challenge to continue our operations as currently contemplated. Whether merited or not, we may face allegations that we, our partners, our licensees, or parties indemnified by us have infringed or otherwise violated the patents, trademarks, copyrights, or other intellectual property rights of third parties. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties.

Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like ours. We may also face allegations that our employees have misappropriated the intellectual property or proprietary rights of their former employers or other third parties. We have in the past initiated, and it may in the future be necessary for us to initiate, litigation to defend ourselves in order to determine the scope, enforceability, and validity of third-party intellectual property or proprietary rights, or to establish our respective rights. Regardless of whether claims that we are infringing patents or other intellectual property rights have merit, such claims can be time-consuming, divert management's attention and financial resources, and can be costly to evaluate and defend. Results of any such litigation are difficult to predict and may require us to stop commercializing or using our solutions or technology, obtain licenses, modify our solutions and technology while we develop non-infringing substitutes, or incur substantial damages, settlement costs, or face a temporary or permanent injunction prohibiting us from marketing or providing the affected solutions. If we require a third-party license, it may not be available on reasonable terms or at all, and we may have to pay substantial royalties, upfront fees, or grant cross-licenses to intellectual property rights for our solutions. We may also have to redesign our solutions so that they do not infringe third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time, during which our technology and solutions may not be available for commercialization or use. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not obtain a third-party license to the infringed technology, license the technology on reasonable terms, or obtain similar technology from another source, our revenue and earnings could be adversely impacted.

From time to time, we have been and may be subject to legal proceedings and claims in the ordinary course of business with respect to intellectual property. Some third parties may be able to sustain the costs of complex litigation more effectively than we can because they have substantially greater resources. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, 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 material adverse effect on the price of our common stock. Moreover, any uncertainties resulting from the initiation and continuation of any legal proceedings could have a material adverse effect on our ability to raise the funds necessary to continue our operations. Assertions by third parties that we violate their intellectual property rights could therefore harm our business.

Our use of open source software could adversely affect our ability to offer our solutions and subject us to possible litigation.

We use open source software in connection with our existing and future offerings. Some of these licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such

modifications or derivative works under the terms of a particular open source license or other license granting third-parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software and to make our proprietary software available under open source licenses, if we combine and/or distribute our proprietary software with open source software in certain manners. Although we monitor our use of open source software, we cannot be sure that all open source software is reviewed prior to use in our proprietary software, that our programmers have not incorporated open source software into our proprietary software, or that they will not do so in the future. Additionally, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our existing and future offerings to our customers and members. In addition, the terms of open source software licenses may require us to provide software that we develop using such open source software, to others, including our competitors, on unfavorable license terms. As a result of our current or future use of open source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our technology, discontinue sales in the event re-engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from our development efforts, any of which could harm our business.

Any restrictions on our ability to obtain or use data could harm our business.

Our business depends in part on data provided to us by, among other sources, health plans, benefits administrators, data warehouses, electronic data interchange (EDI) transaction data providers, and our trusted suppliers. Any errors or defects in any third-party data or other technology could result in errors in our existing and future offerings that could harm our business and damage our reputation and cause losses in revenue, and we could be required to spend significant amounts of additional resources to fix any problems. In addition, certain of our offerings, including Accolade Total Care and Accolade Total Health and Benefits, depend on maintaining our data and analytics technology platform, which is populated with data provided by third parties. While our existing agreements with these data providers have multiple-year terms, these providers could become our competitors in the future. Any loss of the right to use of data provided by any health plan providers, benefits administrators, or other entities that provide us data, could result in delays in producing or delivering our solutions until equivalent data, other technology, or intellectual property is identified and integrated, which delays could harm our business. In this situation we would be required to either redesign our solutions to function with technology, data, or intellectual property available from other parties or to develop these components ourselves, which would result in increased costs. Furthermore, we might be forced to limit the features available in our existing or future offerings. If we fail to maintain or renegotiate any of these technology or intellectual property licenses, we could face significant delays and diversion of resources in attempting to develop similar or replacement offerings or to license and integrate a functional equivalent of the technology or intellectual property. The occurrence of any of these events may harm our business.

In addition, some of our business activities require that we obtain permissions consistent with HIPAA to provide certain marketing and data aggregation solutions as well as those activities that require the creation and use of de-identified information. We also require large sets of de-identified information to enable us to continue to develop and enhance our data and analytics platform. If we are unable to secure these rights, or if there is a future change in law, we may face limitations on the use of PHI and our ability to use de-identified information that could harm our business. There is also a risk that we may fail to properly de-identify PHI and/or PII under applicable state laws, some of which impose different standards for de-identification than those imposed by HIPAA.

Risks Related to Ownership of Our Common Stock and this Offering

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, results of operations, and financial condition.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), the listing standards of and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems and resources. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations, and financial condition. Although we have already hired additional employees and engaged outside consultants to assist us in complying with these requirements, we will need to hire more employees in the future or may need to engage additional outside consultants, which will increase our operating expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. These factors could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which may result in pricing pressure from customers or an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, results of operations, and financial condition.

We are an "emerging growth company," and our election to comply with the reduced disclosure requirements as a public company may make our common stock less attractive to investors.

For as long as we remain an "emerging growth company," as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies," including not being required to comply with

the independent auditor attestation requirements of Section 404 the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, being permitted to provide fewer years of audited financial statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We would cease to be an "emerging growth company" upon the earliest to occur of: (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (ii) the date we qualify as a large accelerated filer, with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have, in any three-year period, issued more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens, and we have taken advantage of certain reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock. In addition, the JOBS Act also provides that an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to take advantage of this extended transition period under the JOBS Act. As a result, our operating results and consolidated financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards as of the public company effectiveness dates. It is possible that some investors will find our common stock less attractive as a result, which may result in a less active trading market for our common stock and higher volatility in our stock price. Investors may find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile and may decline.

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

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of . We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly and place significant strain on our personnel, systems, and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting, which includes hiring additional accounting and financial personnel to implement such processes and controls. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls. See "— We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations." Our current controls and

any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future.

Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on . We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K. Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an "emerging growth company" as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business and results of operations and could cause a decline in the price of our common stock.

Sales of substantial amounts of our common stock in the public markets, or the perception that such sales could occur, could reduce the price that our common stock might otherwise attain.

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that such sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Based on the total number of outstanding shares of our capital stock as of , upon completion of this offering, we will have approximately shares of capital stock outstanding, assuming no exercise by the underwriters of their option to purchase additional shares. All of the shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any shares held by our "affiliates" as defined in Rule 144 under the Securities Act. As a result of the lock-up agreements and market standoff agreements described below, and subject to the provisions of Rule 144 or Rule 701, shares of our common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares of our common stock sold in this offering will be immediately available for sale in the public market; and
- beginning 181 days after the date of this prospectus (subject to the terms of the lock-up agreements and market standoff agreements described below), the remainder of the shares of our common stock will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144.

Our executive officers, directors, and substantially all holders of our capital stock and securities convertible into or exchangeable for our capital stock are subject to market standoff agreements with us or have agreed to enter into lock-up agreements with the underwriters agreeing, subject to certain exceptions, not to, without the prior written consent of Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, and BofA Securities, Inc., on behalf of the underwriters, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our capital stock for a period of 180 days after the date of this prospectus. When the lock-up period in the lock-up agreements expires, our locked-up security holders will be able to sell our shares in the public market, subject in some cases to the volume and other restrictions of Rule 144. In addition, Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, and BofA Securities, Inc., on behalf of the underwriters, may release all or some portion of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. See the section titled "Shares Eligible for Future Sale" for more information. Sales of a substantial number of such shares, or the perception that such sales may occur, upon expiration of, or early release of the securities subject to, the lock-up agreements, could cause our stock price to fall or make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

Upon completion of this offering, stockholders owning an aggregate of up to shares will be entitled, under our registration rights agreement, to require us to register shares owned by them for public sale in the United States. In addition, we intend to file a registration statement to register shares reserved for future issuance under our equity compensation plans. Upon effectiveness of that registration statement, subject to the satisfaction of applicable exercise periods and the expiration or waiver of the market standoff agreements and lock-up agreements referred to above, the shares issued upon exercise or vesting of outstanding equity awards will be available for immediate resale in the United States in the open market. Sales of our shares as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the trading price of our common stock to fall and make it more difficult for you to sell shares of our common stock.

Our debt agreements contain certain restrictions that may limit our ability to operate our business.

The terms of our existing loan and security agreement with Escalate Capital Partners SBIC III, LP and credit agreement with Comerica Bank and the related collateral documents contain, and any future indebtedness would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability, and the ability of our subsidiaries, to take actions that may be in our best interests, including, among others, disposing of assets, entering into change of control transactions, mergers or acquisitions, incurring additional indebtedness, granting liens on our assets, declaring and paying dividends, and agreeing to do any of the foregoing. These agreements require us to satisfy a specified minimum liquidity level at all times and to achieve certain minimum covenant revenue, as defined, on a trailing six-month basis. Our ability to meet financial covenants can be affected by events beyond our control, and we may not be able to continue to meet these covenants. A breach of any of these covenants or the occurrence of other events (including a material adverse effect) specified in these agreements and/or the related collateral documents would result in an event of default under such agreements. Upon the occurrence of an event of default, Escalate Capital Partners SBIC III, LP and Comerica Bank as administrative agent for the revolving lenders could elect to declare all amounts outstanding, if any, under these agreements to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, Escalate Capital Partners SBIC III, LP and/or Comerica Bank as administrative agent for the revolving lenders could proceed against the collateral granted to them to secure such indebtedness. We have pledged substantially all of our assets as collateral under the loan documents. If Escalate Capital Partners

SBIC III, LP and/or Comerica Bank as administrative agent for the revolving lenders accelerate the repayment of borrowings, if any, we may not have sufficient funds to repay our existing debt.

There has been no prior public trading market for our common stock, and an active trading market may not develop or be sustained following this offering.

We have been approved to list our common stock on under the symbol " ." However, prior to this offering, there has been no prior public trading market for our common stock. An active trading market for our common stock may not develop on such exchange or elsewhere or, if developed, any market may not be sustained. The initial public offering price of our common stock was determined through negotiations between us and the underwriters. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our common stock following this offering.

In addition, the market price of our common stock following this offering is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Accordingly, we cannot assure you of the liquidity of an active trading market, your ability to sell your shares of our common stock when desired, or the prices that you may obtain for your shares of our common stock. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares of our common stock and may impair our ability to acquire or make investments in complementary companies, products, or technologies by using shares of our common stock as consideration.

Upon completion of this offering, our executive officers, directors, and holders of 5% or more of our common stock will collectively beneficially own approximately % of the outstanding shares of our common stock and continue to have substantial control over us, which will limit your ability to influence the outcome of important transactions, including a change in control.

Upon completion of this offering, our executive officers, directors, and each of our stockholders who own 5% or more of our outstanding common stock and their affiliates, in the aggregate, will beneficially own approximately % of the outstanding shares of our common stock, based on the number of shares outstanding as of February 28, 2019. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions, or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing, or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company, and might ultimately affect the market price of our common stock.

In order to support the growth of our business, we may need to incur additional indebtedness under our current credit facilities or seek capital through new equity or debt financings, which sources of additional capital may not be available to us on acceptable terms or at all.

Our operations have consumed substantial amounts of cash since inception, and we intend to continue to make significant investments to support our business growth, respond to business challenges or opportunities, develop new applications and solutions, enhance our existing solutions, enhance our operating infrastructure, and potentially acquire complementary businesses and technologies. For the fiscal year ended February 28, 2019, our net cash used in operating activities was $16.5 million. As of February 28, 2019, we had $42.7 million of cash and cash

equivalents, which are held for working capital purposes. As of February 28, 2019, we had borrowings of $20.0 million under our previous loan and security agreement and the ability to borrow up to an additional $20.0 million under our revolving credit facility.

Our future capital requirements may be significantly different from our current estimates and will depend on many factors, including the need to:

- finance unanticipated working capital requirements;
- develop or enhance our technological infrastructure and our existing solutions;
- fund strategic relationships, including joint ventures and co-investments;
- fund additional implementation engagements;
- respond to competitive pressures; and
- acquire complementary businesses, technologies, products, or services.

Accordingly, we may need to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, or at all. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve additional restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, during times of economic instability, it has been difficult for many companies to obtain financing in the public markets or to obtain debt financing, and we may not be able to obtain additional financing on commercially reasonable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, it could harm our business.

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

The trading price of our common stock following this offering may fluctuate substantially and be higher or lower than the initial public offering price, depending on a number of factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of healthcare technology company stocks;
- changes in operating performance and stock market valuations of other healthcare technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;

- new product announcements by us or our competitors;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- changes in how customers perceive the benefits of our solutions, and future offerings;
- changes in the structure of healthcare payment systems;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- any significant data breach involving our technology platform or data stored by us or on our behalf;
- announced or completed acquisitions of businesses, commercial relationships, products, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- "flash crashes," "freeze flashes," or other glitches that disrupt trading on the securities exchange on which we are listed;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

In addition, if the market for healthcare technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition, or results of operations. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the trading price of a company's securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management's attention and resources from our business. This could harm our business.

If securities or industry analysts publish reports that are interpreted negatively by the investment community or publish negative or inaccurate research reports about our business, our share price and trading volume could decline.

The trading market for our common stock following the completion of this offering will depend, to some extent, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts or the information contained in their reports. Securities and industry analysts do not currently, and may never, publish research on our business. If one or more analysts commence coverage of us and publish research reports that are

interpreted negatively by the investment community, or have a negative tone regarding our business, financial condition, operating performance, industry, or end-markets, or downgrade our common stock, our share price could decline. In addition, if a majority of these analysts ceases coverage of our company or fails to regularly publish reports about us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

We cannot specify with certainty the particular uses of the net proceeds we will receive from this offering. Our management will have broad discretion in the application of the net proceeds, including for any of the purposes described in the section titled "Use of Proceeds." Accordingly, you will have to rely upon the judgment of our management with respect to the use of the net proceeds, with only limited information concerning management's specific intentions. Our management may spend a portion or all of the net proceeds from this offering in ways that our stockholders may not desire or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. In addition, the terms of our existing loan and security agreement with Escalate Capital Partners SBIC III, LP and credit agreement with Comerica Bank and the related collateral documents contain, and any future indebtedness would likely contain, prohibitions on our paying any cash dividends without the consent of the lenders. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in its value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

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 may limit the market price of our common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as they will be in effect upon the completion of this offering, may have the effect of rendering more difficult, delaying, or preventing a change of control or changes in our management. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws will include provisions:

- creating a classified board of directors whose members serve staggered three-year terms;
- authorizing "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend, and other rights superior to our common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;

- specifying that special meetings of our stockholders can be called only by our board of directors, the Chair of our board of directors, or our Chief Executive Officer;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- prohibiting cumulative voting in the election of directors;
- providing that our directors may be removed only for cause and by a two-thirds majority vote of the stockholders;
- providing that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- requiring the approval of our board of directors or the holders of at least 66% of our outstanding shares of capital stock to amend our amended and restated bylaws and certain provisions of our amended and restated 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, institutional stockholder representative groups, stockholder activists, and others may disagree with our corporate governance provisions or other practices, including anti-takeover provisions, such as those listed above. We generally will consider recommendations of institutional stockholder representative groups, but we will make decisions based on what our board and management believe to be in the best long-term interests of our company and stockholders; however, these groups could make recommendations to our stockholders against our practices or our board members if they disagree with our positions.

Finally, 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 of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our common stock in an acquisition.

Our amended and restated bylaws will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated bylaws, as will be in effect upon the completion of this offering, will provide that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

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

This exclusive forum provision will not apply to any causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. This exclusive 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 lawsuits against us and our directors, officers, and other employees. Furthermore, the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, the Court of Chancery of the State of Delaware recently determined that a provision stating that U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. However, this decision may be reviewed and ultimately overturned by the Delaware Supreme Court. If a court were to find the exclusive forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business.

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

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors, and consultants under our stock incentive plans. We also may raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Forward-looking statements in this prospectus include, statements about:

- our ability to achieve or maintain profitability;
- our reliance on a limited number of customers for a substantial portion of our revenue;
- our expectations and management of future growth;
- our market opportunity and our ability to estimate the size of our target market;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to retain our existing customers and to increase our number of customers;
- potential acquisitions and integration of complementary businesses and technologies;
- our ability to maintain and enhance our reputation and brand recognition;
- the uncertainty of the regulatory and political framework;
- our ability to comply with new or modified laws and regulations that currently apply or become applicable to our business;
- our ability to attract, integrate, and retain key personnel and highly qualified personnel;
- our financial performance and capital requirements;
- our ability to maintain, protect, and enhance our intellectual property;
- the increased expenses associated with being a public company; and
- our anticipated uses of net proceeds from this offering.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this prospectus. While we believe that such information provides a reasonable basis for

these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

MARKET AND INDUSTRY DATA

This prospectus contains estimates and information concerning our industry, including market position and the size and growth rates of the markets in which we participate, that are based on industry publications and reports and other information from our internal sources. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause results to differ materially from those expressed in these publications and reports.

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

- AON, *Accolade: The Effect of Personalized Advocacy on Claims Cost, A Case Study of Two Employer Groups*, September 2018 (commissioned by us). This analysis has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. The methods used in this report are described in the Data Sources and Methodology sections of this report.

- The Centers for Medicare & Medicaid Services, *NHE Fact Sheet*, April 2019.

- Willis Towers Watson*, Willis Towers Watson 23rd Annual Best Practices in Health Care Employer Survey*, March 2019.

- Schwartz A, Weiner SJ, Binns-Calvey A, *et al. Providers contextualise care more often when they discover patient context by asking: meta-analysis of three primary data sets. BMJ Quality & Safety*, 2016; 25: 159-163.

Certain information included in this prospectus concerning our industry and the markets we serve, including our market share, is also based on our good-faith estimates derived from management's knowledge of the industry and other information currently available to us.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares of our common stock in full) based on an assumed initial public offering price of $ per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discount and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting the estimated underwriting discount and estimated offering expenses payable by us. We do not expect that a change in the initial public offering price or the number of shares by these amounts would have a material effect on our uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

The principal purposes of this offering are to increase our capitalization and financial flexibility and create a public market for our common stock. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures, and which may include the repayment of indebtedness. We may also use a portion of the net proceeds for acquisitions or strategic investments in complementary businesses, products, services, or technologies. However, we do not have agreements or commitments to enter into any such acquisitions or investments at this time. We cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. We will have broad discretion over how to use the net proceeds to us from this offering. We intend to invest the net proceeds to us from the offering that are not used as described above in investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Our ability to pay dividends on our common stock is restricted by our credit facilities. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources." Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws, and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of February 28, 2019 as follows:

- on an actual basis;
- on a pro forma basis to reflect (i) the automatic conversion of all outstanding shares of our preferred stock as of February 28, 2019, into an aggregate of shares of common stock immediately prior to the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (ii) the issuance of shares of common stock issuable upon the automatic net exercise of warrants outstanding as of February 28, 2019, with a weighted-average exercise price of $0.06 per share, immediately prior to the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and (iii) the filing of our amended and restated certificate of incorporation upon the completion of this offering; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. For additional information on the conversion ratios of the preferred stock, see the section titled "Prospectus Summary — The Offering." You should read this information in conjunction with our consolidated financial statements and the related notes included in this prospectus and the section titled

"Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information contained in this prospectus.

	As of February 28, 2019		
	Actual	Pro Forma	Pro Forma as Adjusted[1]
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 42,701	$	$
Loans payable (current and noncurrent)	19,200		
Convertible preferred stock, $0.0001 par value per share; 93,204,800 shares authorized, issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	214,664	—	
Stockholders' (deficit) equity:			
Preferred stock, $0.0001 par value per share; no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—		
Common stock, $0.0001 par value per share; 165,000,000 shares authorized, 18,083,441 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	1		
Additional paid-in capital	38,881		
Accumulated deficit	(269,503)		
Total stockholders' (deficit) equity	(230,621)		
Total capitalization	$ (15,957)		

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share of common stock, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total stockholders' (deficit) equity, and total capitalization by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total stockholders' (deficit) equity, and total capitalization by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting the estimated underwriting discount and estimated offering expenses payable by us.

The outstanding share information in the table above is based on shares of our common stock (including preferred stock on an as-converted basis) outstanding as of February 28, 2019, and excludes:

- 40,737,537 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of February 28, 2019, with a weighted-average exercise price of $0.88 per share;
- 800,000 shares of our common stock issuable upon the exercise of an outstanding warrant as of February 28, 2019, with an exercise price of $2.75 per share;

- shares of our common stock reserved for future issuance under our 2020 Plan, which includes an annual evergreen increase and will become effective in connection with this offering, including the shares of common stock reserved for issuance as of February 28, 2019 under our 2007 Plan, which shares will be added to the shares reserved under the 2020 Plan;

- shares of our common stock reserved for future issuance under our ESPP, which includes an annual evergreen increase and will become effective in connection with this offering;

- 4,365,191 shares of our Series F preferred stock issued subsequent to February 28, 2019;

- the issuance of shares of common stock issuable upon the automatic net exercise of warrants issued subsequent to February 28, 2019, with a weighted-average exercise price of $1.48 per share, immediately prior to the closing of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus; and

- the issuance of shares of common stock, and the reservation for issuance of up to additional shares of our common stock, pursuant to an acquisition completed subsequent to February 28, 2019.

DILUTION

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

As of February 28, 2019, we had a pro forma net tangible book value (deficit) of $ million, or $ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding as of February 28, 2019, after giving effect to (i) the automatic conversion of all shares of our preferred stock outstanding as of February 28, 2019, into an aggregate of shares of our common stock immediately prior to the completion of this offering and (ii) the issuance of shares of common stock issuable upon the automatic net exercise of warrants outstanding as of February 28, 2019, with a weighted-average exercise price of $0.06 per share, immediately prior to the completion of this offering, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

After giving further effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discount and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of February 28, 2019, would have been approximately $ million, or approximately $ per share. This amount represents an immediate increase in pro forma net tangible book value of approximately $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $ per share to new investors purchasing shares of common stock in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution (without giving effect to any exercise by the underwriters of their option to purchase additional shares):

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of February 28, 2019	$	
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors participating in this offering		$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. For additional information on the conversion ratios of the preferred stock, see the section titled "Prospectus Summary — The Offering".

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by approximately $, and dilution in pro forma net tangible book value per share to new investors participating in this offering by approximately $, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million shares in the number of shares of common

stock offered by us would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by approximately $ per share and decrease (increase) the dilution to new investors participating in this offering by approximately $ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discount and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares of our common stock in full, the pro forma as adjusted net tangible book value after the offering would be $ per share, the increase in pro forma net tangible book value per share to existing stockholders would be $ per share and the dilution per share to new investors participating in this offering would be $ per share, in each case assuming an initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, as of February 28, 2019, on the pro forma as adjusted basis described above, the number of shares of common stock purchased or to be purchased from us, the total consideration paid or to be paid to us, and the average price per share paid or to be paid to us by existing stockholders and new investors participating in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, before deducting the estimated underwriting discount and estimated offering expenses payable by us. As the table below shows, new investors participating in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
			(in thousands)		
Existing stockholders		%	$	%	$
New investors					
Total		100%	$	100%	

The outstanding share information in the table above is based on shares of our common stock (including preferred stock on an as-converted basis) outstanding as of February 28, 2019, and excludes:

- 40,737,537 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of February 28, 2019, with a weighted-average exercise price of $0.88 per share;
- 800,000 shares of our common stock issuable upon the exercise of an outstanding warrant as of February 28, 2019, with an exercise price of $2.75 per share;
- shares of our common stock reserved for future issuance under our 2020 Plan, which includes an annual evergreen increase and will become effective in connection with this offering, including the shares of common stock reserved for issuance as of February 28, 2019 under our 2007 Plan, which shares will be added to the shares reserved under the 2020 Plan;
- shares of our common stock reserved for future issuance under our ESPP, which includes an annual evergreen increase and will become effective in connection with this offering;
- 4,365,191 shares of our Series F preferred stock issued subsequent to February 28, 2019;

- the issuance of shares of common stock issuable upon the automatic net exercise of warrants issued subsequent to February 28, 2019, with a weighted-average exercise price of $1.48 per share, immediately prior to the closing of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus; and

- the issuance of shares of common stock, and the reservation for issuance of up to additional shares of our common stock, pursuant to an acquisition completed subsequent to February 28, 2019.

To the extent any outstanding options or warrants are exercised, there will be further dilution to new investors. If all of such outstanding options and warrants (in addition to the warrants that will be net exercised in connection with this offering) had been exercised as of February 28, 2019, the pro forma as adjusted net tangible book value per share after this offering would be $, and total dilution per share to new investors would be $, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

If the underwriters exercise their option to purchase additional shares of our common stock in full, our existing stockholders would own %, and the investors purchasing shares of our common stock in this offering would own % of the total number of shares of our common stock outstanding immediately after completion of this offering.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected consolidated statements of operations data for the fiscal years ended February 28, 2018 and 2019, and the selected consolidated balance sheet data as of February 28, 2018 and February 28, 2019, have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the consolidated financial and other data set forth below in conjunction with our consolidated financial statements and the accompanying notes and the information in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus. Our fiscal year ends on the last day of February and our fiscal quarters end on May 31, August 31, November 30, and the last day of February.

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands, except share and per share data)	
Consolidated statements of operations:		
Revenue	$ 76,828	$ 94,811
Cost of revenue, excluding depreciation and amortization[1]	53,435	60,568
Operating expenses:		
Product and technology[1]	31,487	35,708
Sales and marketing[1]	22,263	23,456
General and administrative[1]	21,122	19,665
Depreciation and amortization	7,982	9,391
Total operating expenses	82,854	88,220
Loss from operations	(59,461)	(53,977)
Interest expense, net	(1,799)	(2,374)
Other expense	(26)	(90)
Loss before income taxes	(61,286)	(56,441)
Income tax expense	—	(55)
Net loss	$ (61,286)	$ (56,496)
Net loss per common share, basic and diluted[2]	$ (3.28)	$ (2.43)
Weighted-average shares used to compute net loss per common share, basic and diluted[2]	18,659,570	23,206,587
Pro forma net loss per common share, basic and diluted (unaudited)[2]	$	$
Weighted-average shares used to compute pro forma net loss per common share, basic and diluted (unaudited)[2]		

(1) The stock-based compensation expense included above was as follows:

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands)	
Cost of revenue, excluding depreciation and amortization	$ 376	$ 255
Product and technology	1,420	1,108
Sales and marketing	1,750	1,199
General and administrative	4,860	3,159
Total stock-based compensation	$ 8,406	$ 5,721

(2) See Note 11 to our consolidated financial statements appearing elsewhere in this prospectus for an explanation of the method used to calculate the historical and pro forma basic and diluted net loss per common share and the number of shares used in the computation of the per share amounts.

	As of February 28,	
	2018	2019
	(in thousands)	
Consolidated balance sheet data:		
Cash and cash equivalents	$ 13,534	$ 42,701
Working capital	(18,054)	(9,780)
Total assets	47,082	65,762
Deferred revenue (current and noncurrent)	10,086	22,908
Total liabilities	63,768	81,719
Convertible preferred stock	167,010	214,664
Accumulated deficit	(213,007)	(269,503)
Total stockholders' deficit	(183,696)	(230,621)

Key Metrics

We regularly monitor a number of financial and operating metrics in order to measure our current performance and estimate our future performance. For a description of how we calculate these financial and operating metrics as well as their uses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Metrics."

	As of February 28,	
	2018	2019
Annual Contract Value (in millions)	$ 90.1	$ 121.5
Customer Count	15	20

	Fiscal Year Ended February 28,	
	2018	2019
Gross Dollar Retention	100%	95%

Certain Non-GAAP Financial Measures

In addition to our financial results determined in accordance with generally accepted accounting principles in the United States (GAAP), we use the following non-GAAP financial measures to help us evaluate trends, establish budgets, measure the effectiveness and efficiency of our operations, and determine employee incentives. For additional information and reconciliations of our non-GAAP financial measures to the most directly comparable financial measures stated in accordance with GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Non-GAAP Financial Measures."

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands, except percentages)	
Adjusted Gross Profit	$ 23,769	$ 34,498
Adjusted Gross Margin	30.9%	36.4%
Adjusted EBITDA	$ (43,073)	$ (38,865)

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

The following discussion and analysis of our financial condition and results of our operations should be read together with our audited consolidated financial statements as of and for the years ended February 28, 2018 and 2019, together with related notes thereto, included elsewhere in this prospectus. The following discussion contains forward-looking statements. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" included elsewhere in this prospectus. Our fiscal year ends on the last day of February, and our fiscal quarters end on May 31, August 31, November 30, and the last day of February.

Overview

We provide personalized, technology-enabled solutions that help people better understand, navigate, and utilize the healthcare system and their workplace benefits. Our customers are primarily employers that deploy Accolade in order to provide employees and their families (our "members") a single place to turn for their health, healthcare, and benefits needs. Our innovative platform combines open, cloud-based intelligent technology with multimodal support from a team of empathetic and knowledgeable Accolade Health Assistants and clinicians (including nurses, physician medical directors, and behavioral health specialists). We leverage our integrated capabilities, connectivity with providers and the broader healthcare ecosystem, and longitudinal data to engage across the entire member population, rather than focusing solely on high-cost claimants or those with chronic conditions. Our goal is to build trusted relationships with our members that ultimately position us to deliver personalized recommendations and interventions. We believe that our platform dramatically improves the member experience, encourages better health outcomes, and lowers costs for both our members and our customers.

Accolade Total Health and Benefits is our most comprehensive offering and most closely aligns to our "Premier" solution on which the company was founded and which the majority of our customers are using today. Within the last year, we have introduced two new offerings, Accolade Total Benefits (formerly Accolade Connect) and Accolade Total Care, which package components of the Accolade Total Health and Benefits into more targeted, lower cost solutions with simpler implementations.

We were founded in 2007 and launched our initial offering in 2009. We have seen significant growth in recent years since the changes to our executive management team in 2015 and the subsequent investments we have made in product, technology, sales, and distribution. We have grown to 47 customers and approximately 1.4 million members from 11 customers and approximately 0.7 million members as of February 28, 2017. Our customers come from across industries, including media, technology, financial services, transportation, energy, and retail.

For the fiscal years ended February 28, 2018 and 2019, our total revenue was $76.8 million and $94.8 million, respectively, representing 23% year-over-year growth. For the fiscal years ended February 28, 2018 and 2019, our net losses were $61.3 million and $56.5 million, respectively. As of February 28, 2019, our accumulated deficit was $269.5 million.

Our Business Model

We provide our solutions primarily to employers that deploy Accolade offerings to our members. We earn revenue from providing personalized health guidance solutions to the members of our employer customers' health plans and to members of fully insured plans offered via health

insurance companies. Our solutions are priced based on a recurring per-member-per-month (PMPM) fee, typically consisting of both a base fee and a performance-based fee component. As a result, generally, a portion of our potential revenue is variable, subject to our achievement of performance metrics and the realization of savings in healthcare spend by our customers resulting from the utilization of our solutions. We typically achieve a substantial portion of the contractual performance metrics and realization in savings of healthcare spend. For the fiscal years ended February 28, 2018 and 2019, we earned approximately 98% and 96%, respectively, of the maximum potential revenue under our contracts measured for the corresponding calendar year.

We currently have 47 customers that collectively purchase access to our solutions for approximately 1.4 million members. The combination of our contracts having an average length of three years and our PMPM recurring revenue model provides us with significant revenue visibility. Our ability to deliver significant and measurable return on investment for our customers in the form of improved clinical and financial outcomes has led to a gross dollar retention of 100% and 95% for the fiscal years ended February 28, 2018 and 2019, respectively. Typically, when a customer engages Accolade, such customer deploys our offerings across their organization to all eligible employees. Therefore, our cross-sell and upsell ability depends on our ability to offer additional solutions or enhancements.

The primary cost of delivering our service includes the personnel costs of Accolade Health Assistants, clinicians, including registered nurses, physician medical directors, pharmacists, behavioral health specialists, and women's health specialists, as well as software and tools for telephony, business analytics, allocated overhead costs, and other expenses related to delivery and implementation of our solutions. As we support more customers with an increasing number of members over time, we expect that our support costs per member will decline due to economies of scale and improved operational efficiencies driven by continued enhancements of our technology platform and capabilities. We have experienced and expect to continue to achieve operational efficiencies realized from continued enhancements of our technology platform and capabilities.

We employ a multipronged go-to-market strategy to increase adoption of our solutions to new and existing customers. We principally sell our solutions through our direct salesforce which is stratified by account size (i.e., strategic (more than 35,000 employees), enterprise (5,000 to 35,000 employees), and mid-market (500 to 5,000 employees)), region, and existing versus prospective customer. Our sales team possesses deep domain expertise in health benefits management and brings substantial experience selling to key decision makers within our current and prospective customer organizations (CFOs, benefits executives, benefits consultants, and benefits brokers). We believe the effectiveness of our sales organization is evidenced by growing adoption of our platform by large strategic customers, recent traction with enterprise and mid-market customers and demonstrated demand for add-on offerings from existing customers.

We have chosen to invest significantly in growing our customer base, and plan to both continue adding new customers as well as expanding our relationships with existing customers, which we believe will allow us to increase margins over time. When a customer renews their contract or purchases additional solutions or enhancements, the value realized from that customer increases because we generally do not incur significant incremental acquisition or implementation costs for the renewal or expansion. We believe that as our customer base grows and a higher percentage of our revenue is attributable to renewals and upsells or cross-sells to existing customers, relative to acquisition of new customers, associated sales and marketing expenses and other upfront costs will decrease as a percentage of revenue.

In addition, we have strategically curated our offering portfolio to ensure we have a compelling value proposition at an appropriate price point that resonates with each identified customer segment. Based on our experience, the opportunity to cross-sell is meaningfully enhanced once a customer has been on-boarded onto our platform and has benefited from a measureable and

compelling return on their investment. Our customer partnerships team provides strategic insights, point solution recommendations, and day-to-day account support to our customers. They are focused on existing customer retention, cross-sell, and upsell.

We maintain relationships with a range of third parties, including brokers, agents, benefits consultants, carriers, third-party administrators, trusted suppliers, and co-marketing and co-selling partners. These third parties provide an important source of referrals for our sales organization. We also selectively form strategic alliances to further drive customer acquisition and adoption of our solutions. For example, in March 2019, we partnered with Humana and formed a joint go-to-market strategy, which we launched in two initial geographic markets. In October 2019, concurrent with an equity investment from Humana, we expanded our partnership to add a broader base of solutions targeting self- and fully-insured customer prospects and significantly expand our target geographic markets. We believe the breadth of our go-to-market and distribution strategy enables us to reach customers of nearly every size and across markets.

We have demonstrated a consistent track record of product and technology innovation over time as evidenced by continuous improvement of our platform and new offerings. This innovation is driven by feedback we receive from our customers, industry experts, and the market generally. For example, our technology platform has enabled us to unbundle aspects of Accolade Total Health and Benefits to create two additional standalone offerings: Accolade Total Benefits and Accolade Total Care. We have further leveraged our technology platform to develop add-on offerings that target specific challenges faced by our customers, including Accolade Boost and our Trusted Supplier Program. Our investments in product and technology have been focused on increasing the value we provide via our personalized member health guidance solutions and expanding the market segments we can serve with a portfolio of offerings and associated price points.

Factors Affecting Our Performance

The following factors have been important to our business and we expect them to impact our business, results of operations, and financial condition in future periods:

Growth of Our Customer Base

We believe there is a substantial opportunity to further grow our customer base in our large and under-penetrated market through our sales and marketing strategy. Across our existing customer base and as we acquire new customers, we intend to expand and deepen these relationships. As we build trust through our proven model, we seek to cross-sell our add-on offerings, such as Accolade Boost and our Trusted Supplier Program. We plan to continue to invest in sales and marketing in order to grow our customer base and increase sales to existing customers. Any investments we make in our sales and marketing organization will occur in advance of experiencing any benefits from such investments, so it may be difficult for us to determine if we are efficiently allocating our resources in these areas.

Customer Retention

Our ability to increase revenue depends in large part on our ability to retain our existing customers. Customer retention is dependent on delivering measurable outcomes to the customer related to their employees' benefits utilization and, for certain offerings, overall healthcare cost savings. To achieve these outcomes, we must engage with a meaningful portion of our customers' employee populations. We have consistently achieved and sustained annual engagement rates of greater than 50% across our member population. For the fiscal years ended February 28, 2018 and 2019, we achieved 55% and 56% member engagement, respectively, measured for the corresponding calendar year. The aggregate impact of this deep engagement across a customer's employee population is improved healthcare and benefits awareness, knowledge, and decision-

making, a healthier and more engaged workforce, and healthcare cost savings. We become a trusted partner to our customers and gain the opportunity to support them on their population health strategies and benefits procurement. This position allows us to identify additional solutions that may meet our customers' needs, which, when implemented, result in additional opportunities for member engagement and better health outcomes. Achieving a high customer retention rate and selling additional offerings are critical to our future business, revenue growth, and results of operations.

Adoption of Current and Future Solutions

We are constantly innovating to enhance our model and develop new offerings. Our ability to act as a trusted advisor to our members and customers positions us to identify new opportunities for additional offerings that can meet their existing and emerging needs. Our open technology platform also allows us to efficiently add new offerings and applications on top of our existing technology stack, which we have demonstrated with the recent roll-out of two new offerings, Accolade Total Benefits and Accolade Total Care, as well as our new add-on offerings, Accolade Boost and our Trusted Supplier Program. We believe that as we expand our customer base and enter into new markets, we will be adept at identifying and deploying innovative new solutions whether developed internally or through acquisitions.

Achievement of Performance-Based Revenue

In most of our contracts, a portion of our potential fee is variable, subject to our achievement of performance metrics and the realization of savings in healthcare spend by our customers resulting from the utilization of our solutions and thus we might record higher revenue in some quarters compared to others. Examples of performance metrics included in our customer contracts are achievement of specified member engagement levels, member satisfaction levels, and various operational metrics. Although we have earned over 95% of the aggregate maximum potential revenue under our contracts (measured on the corresponding calendar year basis) in fiscal years 2018 and 2019, our revenue and financial results in the future may vary as a result of our ability to earn this performance-based revenue. In addition, because our customers typically pay both the base PMPM fees and variable PMPM fees in advance on a periodic basis, any required refund as a result of our failure to earn the performance-based revenue could have a negative impact on cash flows.

Investments in Technology

Significant investments in our technology platform have enhanced our capabilities with respect to how we engage with our members and deliver our solutions and care interventions. By leveraging our technology in areas such as machine learning, predictive analytics, and multimodal communication, we believe we can generate more efficiencies in our operating model while simultaneously improving our ability to deliver better health outcomes and lowers costs for both our members and our customers. We will continue to invest in our technology platform to empower our Accolade Health Assistants, our clinicians, and our members to further improve and optimize efficiencies in our operating model. However, our investments in our technology platform may be more expensive or take longer to develop than we expect and may not result in operational efficiencies.

Customer Concentration

We have historically relied on a limited number of customers for a significant portion of our total revenue. If we do not retain some or all of those customers, it could have a material negative impact on future results. For the fiscal year ended February 28, 2018, we had two customers that

each accounted for more than 10% of our total revenue, and in aggregate those two customers represented 61% of our total revenue. For the fiscal year ended February 28, 2019, we had three customers that each accounted for more than 10% of our total revenue, and in aggregate those three customers represented 60% of our total revenue. The loss of any of our largest customers or the renegotiation of any of our largest customer contracts could adversely affect our results of operations. In the ordinary course of business, we engage in active discussions and renegotiations with our customers in respect to the solutions we provide and the terms of our customer agreements, including our fees. Most of our customer contracts have a three-year term, and some have rights to terminate prior to the end of the term.

Key Metrics

We regularly monitor a number of financial and operating metrics in order to measure our current performance and estimate our future performance.

	As of February 28,	
	2018	2019
Annual Contract Value (in millions)	$ 90.1	$ 121.5
Customer Count	15	20

	Fiscal Year Ended February 28,	
	2018	2019
Gross Dollar Retention	100%	95%

Annual Contract Value (ACV) — ACV represents the annualized value of our in-force contracts as of the measurement date, including base contractual revenue and the amount of performance-based variable revenue we expect to realize based on the number of members as of the measurement date. Over the past two complete fiscal years, we have realized in excess of 95% of maximum contract value across our book of business. The ACV amounts above reflect 95% of the total revenue opportunity, consistent with the percentages realized in fiscal years 2018 and 2019 (calculated on the corresponding calendar year basis). We believe ACV provides investors with useful information on period-to-period performance as evaluated by management, comparison with our past financial performance, and a view toward potential future financial performance.

As required by GAAP, we recognize performance-based revenue over the minimum term of the applicable contract. In some cases, especially with regard to revenue associated with the realization of healthcare cost savings, revenue may be recognized in a fiscal period later than the period in which the required metric was achieved. Conversely, a fiscal period's revenue may include the recognition of revenue related to the achievement in prior periods of performance metrics and healthcare cost savings.

Customer Count — We believe that our ability to increase our number of customers is an indicator of our market penetration, the growth of our business, and our potential future business opportunities. We have successfully demonstrated a history of growing our customer base. As of the date of this prospectus, we have 47 customers. We define the number of customers as of the measurement date as the number of companies that have entered into a contract with us for which the term has not ended and for which we have no reason to believe the customer intends to terminate or not renew the contract.

Gross Dollar Retention Rate (GDR) — Our ability to increase revenue depends in large part on our ability to retain our existing customers and their associated ACV. We typically enjoy a high

rate of customer retention. For example, our GDR was 100% and 95% for the fiscal years ended February 28, 2018 and 2019, respectively. We monitor GDR specifically as it relates to our employer customers, as our employer customers represent our primary strategic focus and today account for approximately 95% of our ACV. We calculate GDR for a period by starting with the sum of the ACV from all employer customers as of the beginning of such period (*beginning of period ACV*); we then subtract the ACV associated with terminated employer customers during the period and divide the result by the *beginning of period ACV.*

Certain Non-GAAP Financial Measures

We use the following non-GAAP financial measures to help us evaluate trends, establish budgets, measure the effectiveness and efficiency of our operations, and determine employee incentives.

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands, except percentages)	
Adjusted Gross Profit	$ 23,769	$ 34,498
Adjusted Gross Margin	30.9%	36.4%
Adjusted EBITDA	$ (43,073)	$ (38,865)

Adjusted Gross Profit and Adjusted Gross Margin

Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization, stock-based compensation, and acquisition-related costs. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. We expect Adjusted Gross Margin to continue to improve over time to the extent that we are able to gain efficiencies through technology and successfully cross-sell and upsell our current and future offerings. However, our ability to improve Adjusted Gross Margin over time is not guaranteed and will be impacted by the factors affecting our performance discussed above and the risks outlined in the section titled "Risk Factors." We believe Adjusted Gross Profit and Adjusted Gross Margin are useful to investors, as they eliminate the impact of certain non-cash expenses and allow a direct comparison of these measures between periods without the impact of non-cash expenses and certain other nonrecurring operating expenses.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that we define as net loss adjusted to exclude interest expense (net), income tax expense (benefit), depreciation and amortization, stock-based compensation, and acquisition and integration-related costs. We believe Adjusted EBITDA provides investors with useful information on period-to-period performance as evaluated by management and comparison with our past financial performance. We believe Adjusted EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance.

Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA have certain limitations, including that they exclude the impact of certain non-cash charges, such as depreciation and amortization, whereas underlying assets may need to be replaced and result in cash capital expenditures, and stock-based compensation expense, which is a recurring charge. These non-GAAP financial measures may also not be comparable to similarly titled measures of other

companies because they may not calculate such measures in the same manner, limiting their usefulness as comparative measures. In evaluating these non-GAAP financial measures, you should be aware that in the future we expect to incur expenses similar to the adjustments in this presentation. Our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or nonrecurring items. When evaluating our performance, you should consider these non-GAAP financial measures alongside other financial performance measures, including the most directly comparable GAAP measures set forth in the reconciliation tables below and our other GAAP results.

The following table presents, for the periods indicated, the calculation of our Adjusted Gross Profit and Adjusted Gross Margin:

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands)	
Revenue	$ 76,828	$ 94,811
Less:		
Cost of revenue, excluding depreciation and amortization	(53,435)	(60,568)
Add:		
Stock-based compensation, cost of revenue	376	255
Adjusted Gross Profit	$ 23,769	$ 34,498
Adjusted Gross Margin	30.9%	36.4%

The following table presents, for the periods indicated, a reconciliation of our Adjusted EBITDA to our net loss:

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands)	
Net Loss	$ (61,286)	$ (56,496)
Adjusted for:		
Interest expense, net	1,799	2,374
Income tax provision	—	55
Depreciation and amortization	7,982	9,391
Stock-based compensation	8,406	5,721
Other expense	26	90
Adjusted EBITDA	$ (43,073)	$ (38,865)

Basis of Presentation and Components of Revenue and Expenses

We operate our business through a single reportable segment. We operate on a fiscal year ending at the end of February of each year, and our fiscal quarters end on May 31, August 31, November 30, and the last day of February.

Revenue

We earn revenue from providing personalized technology-enabled solutions to the members of our employer customers' health plans and to members of fully insured plans offered via health

insurance companies. Our solutions are priced based on a recurring PMPM fee, and frequently include a base PMPM fee based on members served and a performance-based component. As a result, a portion of our potential fee is typically variable, subject to our achievement of performance metrics, the realization of savings in healthcare spend by our customers resulting from the utilization of our solutions, and the number of members during the respective period. For the fiscal years ended February 28, 2018 and 2019, we earned approximately 98% and 96%, respectively, of the maximum aggregate potential revenue under our contracts measured for the corresponding calendar year.

Cost of Revenue, excluding depreciation and amortization

Our cost of revenue, excluding depreciation and amortization consists primarily of personnel costs including salaries, wages, overtime, bonuses, stock-based compensation expense and benefits, as well as software and tools for telephony, business analytics, allocated overhead costs, and other expenses related to delivery and implementation of our personalized technology-enabled solutions.

Operating Expenses

Product and technology. Product and technology expenses include costs to build new offerings, add new features to our existing solutions, and to manage, operate, and ensure the reliability and scalability of our existing technology platform. Products and technology expenses consist of personnel expenses, including salaries, bonuses, stock-based compensation expense, and benefits for employees and contractors for our engineering, product, and design teams, and allocated overhead costs, as well as costs of software and tools for business analytics, data management, and IT applications that are not directly associated with delivery of our solutions to customers. We expect products and technology expenses to increase in absolute dollars but decrease as a percentage of revenue over time.

Sales and marketing. Sales and marketing expenses consist of personnel expenses including sales commissions for our direct sales force, as well as promotional costs, client conferences, public relations, other marketing events, and allocated overhead costs. Personnel expenses include salaries, bonuses, stock-based compensation expense, and benefits for employees and contractors. We expect sales and marketing to increase in absolute dollars but decrease as a percentage of revenue over time.

General and administrative. General and administrative expenses consist of personnel expenses and related expenses for our executive, finance and accounting, human resources, legal, and corporate organizations. Personnel expenses include salaries, bonuses, stock-based compensation expense, and benefits for employees and contractors. In addition, general and administrative expenses include external legal, accounting, and other professional fees, and allocated overhead costs. We expect general and administrative expenses to increase in absolute dollars as we incur costs associated with being a public company, but decrease as a percentage of revenue over time.

Depreciation and amortization. Depreciation and amortization expenses are primarily attributable to our capital investments and consist of fixed asset depreciation, amortization of intangibles considered to have definite lives, and amortization of capitalized internal-use software costs.

Results of Operations

The following table presents a summary of our consolidated statements of operations for the periods indicated:

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands)	
Revenue	$ 76,828	$ 94,811
Cost of revenue, excluding depreciation and amortization[(1)]	53,435	60,568
Operating expenses:		
Product and technology[(1)]	31,487	35,708
Sales and marketing[(1)]	22,263	23,456
General and administrative[(1)]	21,122	19,665
Depreciation and amortization	7,982	9,391
Total operating expenses	82,854	88,220
Loss from operations	(59,461)	(53,977)
Interest expense, net	(1,799)	(2,374)
Other expense	(26)	(90)
Loss before income taxes	(61,286)	(56,441)
Income tax expense	—	(55)
Net loss	$ (61,286)	$ (56,496)

(1) The stock-based compensation expense included above was as follows:

	Fiscal Year Ended February 28,	
	2018	2019
	(in thousands)	
Cost of revenue, excluding depreciation and amortization	$ 376	$ 255
Product and technology	1,420	1,108
Sales and marketing	1,750	1,199
General and administrative	4,860	3,159
Total stock-based compensation	$ 8,406	$ 5,721

The following table sets forth our consolidated statements of operation data expressed as a percentage of revenue:

	Fiscal Year Ended February 28,	
	2018	2019
Revenue	100%	100%
Cost of revenue, excluding depreciation and amortization	70%	64%
Operating expenses:		
Product and technology	41%	38%
Sales and marketing	29%	25%
General and administrative	27%	21%
Depreciation and amortization	10%	10%
Total operating expenses	108%	93%
Loss from operations	(77)%	(57)%
Interest expense, net	(2)%	(3)%
Other expense	(0)%	(0)%
Loss before income taxes	(80)%	(59)%
Income tax expense	—	(0)%
Net loss	(80)%	(60)%

Comparison of Fiscal Years Ended February 28, 2018 and 2019

Revenue

	Fiscal Year Ended February 28,		Changes	
	2018	2019	Amount	%
	(dollars in thousands)			
Revenue	$ 76,828	$ 94,811	$ 17,983	23%

Revenue increased $18.0 million, or 23%, to $94.8 million for the fiscal year ended February 28, 2019, referred to as fiscal 2019, as compared to $76.8 million for the fiscal year ended February 28, 2018, referred to as fiscal 2018. The increase was attributable primarily to growth in the number of customers served in fiscal 2019 over fiscal 2018, as well as the impact of serving customers that launched in January 2018 for twelve months during fiscal 2019 versus only two months in fiscal 2018.

Cost of revenue, excluding depreciation and amortization

	Fiscal Year Ended February 28,		Changes	
	2018	2019	Amount	%
	(dollars in thousands)			
Cost of revenue, excluding depreciation and amortization	$ 53,435	$ 60,568	$ 7,133	13%

Cost of revenue, excluding depreciation and amortization increased $7.1 million, or 13%, to $60.6 million for fiscal 2019, as compared to $53.4 million for fiscal 2018. The increase was primarily due to an increase in personnel and related costs to serve the customer base which grew in fiscal 2019 versus fiscal 2018.

Operating expenses

	Fiscal Year Ended February 28,		Changes	
	2018	**2019**	**Amount**	**%**
	(dollars in thousands)			
Operating expenses:				
Product and technology	$ 31,487	$ 35,708	$ 4,221	13%
Sales and marketing	22,263	23,456	1,193	5%
General and administrative	21,122	19,665	(1,457)	(7)%
Depreciation and amortization	7,982	9,391	1,409	18%
Total operating expenses	$ 82,854	$ 88,220	$ 5,366	6%

Product and technology. Product and technology expense increased $4.2 million, or 13%, to $35.7 million for fiscal 2019, as compared to $31.5 million for fiscal 2018. The increase was primarily due to the addition of personnel in product development and product management in support of the development of new and existing offerings in connection with the expansion of our business.

Sales and marketing. Sales and marketing expense increased $1.2 million, or 5%, to $23.5 million for fiscal 2019, as compared to $22.3 million for fiscal 2018. The increase was primarily due to an increase in the size of our direct sales force, account management, marketing, and supporting functions associated with the expansion of our business, offset by a $0.6 million decrease in stock-based compensation.

General and administrative. General and administrative expense decreased $1.5 million, or 7%, to $19.7 million for fiscal 2019, as compared to $21.1 million for fiscal 2018. The decrease was primarily due to a $1.7 million decline in stock-based compensation in fiscal 2019, as compared to fiscal 2018.

Depreciation and amortization. Depreciation and amortization expense increased $1.4 million, or 18%, to $9.4 million for fiscal 2019, as compared to $8.0 million for fiscal 2018. The increase was primarily due to an increase of $1.4 million in amortization expense of capitalized software during fiscal 2019.

Interest expense, net

	Fiscal Year Ended February 28,		Changes	
	2018	2019	Amount	%
	(dollars in thousands)			
Interest expense, net	$ (1,799)	$ (2,374)	$ (575)	32%

Interest expense, net increased $0.6 million, or 32%, to $2.4 million for fiscal 2019, as compared to $1.8 million for fiscal 2018. The increase primarily reflected the increase in our debt

borrowings during the second half of fiscal 2018, which remained outstanding for the full 2019 fiscal year, as discussed under "— Liquidity and Capital Resources" below, offset by interest income as a result of increased cash and cash equivalents.

Liquidity and Capital Resources

We had cash and cash equivalents of $13.5 million as of February 28, 2018 and $42.7 million as of February 28, 2019. Our cash equivalents and short-term investments are comprised primarily of cash, certificates of deposit, and money market accounts held at banks.

We have incurred net losses and cumulative negative cash flows from operations since our formation. To date, we have funded our working capital with cash flows from operations and equity capital raised from investors and, to a lesser extent, debt. We believe that our cash and cash equivalents, together with operating cash flows and available borrowings under our revolving credit facility are sufficient to fund our operations for at least the next 12 months. We may require additional financing to successfully implement our long-term strategy. There can be no assurance that additional financing, if needed, can be obtained on terms acceptable to us.

Our Debt Arrangements

We had outstanding debt (including short-term portion) of $19.2 million as of February 28, 2019. We currently have a term loan ("Term Loan"), which we entered into on January 30, 2017 and amended twice thereafter, and a revolving credit facility ("2019 Revolver"), which we entered into on July 19, 2019.

The Term Loan is a secured credit facility that allows us to borrow up to an aggregate principal amount of $22.0 million, with the total amount of available borrowings subject to certain monthly recurring revenue calculations. We had $17.0 million outstanding under the Term Loan as of February 28, 2018, $20.0 million as of February 28, 2019, and $22.0 million as of November 30, 2019. Interest on the outstanding balance is payable monthly at a rate of 10.0% per annum, plus 2.0% per annum deferred until the end of the term. The Term Loan matures on December 31, 2022.

The 2019 Revolver provides for a senior secured revolving line of credit in the amount of up to $50.0 million, with borrowing availability subject to certain monthly recurring revenue calculations. The capacity under the 2019 Revolver may be increased by an additional amount of up to $30.0 million, to the extent we achieve certain customer bookings thresholds. The interest rate on any outstanding borrowings will be at LIBOR plus 350 basis points or the lending institution's base rate plus 250 basis points, and interest payments are to be made quarterly. The full $50.0 million under the 2019 Revolver was available for borrowing as of November 30, 2019. The 2019 Revolver expires in July 2021 and may be automatically extended for an additional 12 months if we meet certain revenue thresholds defined under the credit agreement.

The Term Loan and 2019 Revolver each contain a liquidity covenant calculated based on cash on hand plus available borrowings under the 2019 Revolver, a revenue covenant and certain reporting covenants. We were in compliance with all such applicable covenants as of February 28, 2019, and believe we are in compliance as of the date of this prospectus. The Term Loan and 2019 Revolver are collateralized by substantially all of our assets.

Cash Flows

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

	Fiscal Year Ended February 28,	
	2018	2019
	(dollars in thousands)	
Net cash used in operating activities	$ (38,285)	$ (16,548)
Net cash used in investing activities	(7,153)	(3,118)
Net cash provided by financing activities	15,039	48,833

Operating Activities. Net cash used in operating activities decreased by $21.7 million to $16.5 million in fiscal 2019 from $38.3 million in fiscal 2018, primarily reflecting our improved net loss from operations, and a substantial increase in deferred revenue and amounts due to customers associated with the result of growth in the customer base and timing of payments from customers.

Investing Activities. Net cash used in investing activities was $3.1 million in fiscal 2019 compared to $7.2 million in fiscal 2018. In both periods, investing activities were comprised of capitalization of software development costs and purchases of property and equipment. Capitalized software development costs decreased $3.8 million as more costs were incurred in fiscal 2018 for the development of our technology applications for internal use compared to fiscal 2019, when more of our product development activities related to upgrades and enhancements to our platform. Purchases of property and equipment were relatively constant at $1.4 million and $1.2 million for fiscal 2018 and fiscal 2019, respectively.

Financing Activities. Our cash flows from financing activities amounted to $48.8 million in fiscal 2019, mainly reflecting proceeds from a $49.9 million Series E preferred stock financing, compared to $15.0 million in fiscal 2018, primarily reflecting $14.5 million in new borrowings under our debt arrangements.

Contractual Obligations

The following table summarizes our contractual obligations as of November 30, 2019:

	Payments due by period				
	Less than 1 year	Years 1 - 3	Years 4 - 5	More than 5 years	Total
	(in thousands)				
Operating lease obligations[1]					
Term loan					
Revolving credit facility					
Interest and fees on debt[2]					

(1) Includes the lease of our (a) corporate co-headquarters in Plymouth Meeting, Pennsylvania, which expires in June 2027, subject to certain early termination rights, (b) corporate co-headquarters in Seattle, Washington, which expires in September 2030, subject to certain early termination rights, (c) office space in Scottsdale, Arizona, which expires in April 2024, subject to certain early termination rights, and (d) office space in Prague, Czech Republic, which expires in November 2021.

(2) Interest on our outstanding debt is calculated at the applicable fixed interest rate for the Term Loan.

We did not have any other contractual obligations, except as discussed above.

Off-Balance Sheet Arrangements

We did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other purposes. We did not have any other off-balance sheet arrangements, except to the extent reflected under "— Contractual Obligations" above and in Note 12 to our audited consolidated financial statements included elsewhere in this prospectus.

Critical Accounting Policies and Estimates

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

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

Revenue Recognition

We earn revenue from our customers by providing personalized health guidance solutions to the participants of our employer customers' health plans and, in some cases, to members of fully insured plans offered by health insurance companies. Our solutions allow members to interact with our Accolade Health Assistants and clinicians through various means of communication, including telephony and secure messaging via our mobile application and member web portal. We price our services using a recurring PMPM fee, typically with a portion of the fee calculated as the product of a fixed fee times the number of members and the remainder of the fee variable, which can be earned through either, or a combination of, the achievement of certain performance metrics or the realization of healthcare cost savings. In addition, our revenue is dependent on the number of members each month and the timing of revenue recognition discussed under "Key Metrics—Annual Contract Value." As a result, we may report higher revenue in certain quarters relative to others. While we believe we have visibility into the seasonality of our business on a customer-by-customer basis, our rapid growth over the periods discussed in this prospectus may have made seasonal fluctuations more difficult to detect. If our rate of growth slows over time, seasonal or cyclical variations in our operations may become more pronounced, and the comparability of our results of operations between periods may be materially affected.

During 2018, we adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers,* using the full retrospective method. Under ASC 606, we recognize revenue when control of the promised services is transferred to our customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. Accordingly, we determine revenue recognition by applying the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

At contract inception, we assess the type of services being provided and the performance obligations in the contract. The majority of our contracts include stand ready services to provide members access to our services and to perform an unspecified quantity of interactions with members during the contract period. Accordingly, our services are generally viewed as stand ready performance obligations comprised of a series of distinct daily services that are substantially the same and have the same pattern of transfer. We satisfy these performance obligations over time and recognize revenue related to our services monthly as the services are provided based upon the actual number of members served during the period.

We include consideration for our revenue related to the achievement of performance metrics and the realization of healthcare cost savings when it is probable that a significant reversal of cumulative revenue will not occur. We estimate revenue using the most likely amount that we will receive. Estimates are based on our historical experience and best judgment at the time. Our estimates related to variable consideration are updated quarterly, and the total transaction price and revenue recognized are adjusted accordingly.

Contracts with Multiple Performance Obligations

Some of our contracts include multiple performance obligations. We account for performance obligations separately if they are capable of being distinct within the context of the contract. In these circumstances, the transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine the standalone selling prices based on overall pricing objectives, taking into consideration market conditions and other factors.

Specifically, some contracts contain an additional performance obligation, pre-launch open enrollment, for which the performance obligation is satisfied before the launch of our primary offering. For contracts that include pre-launch open enrollment support, we recognize related revenue over the pre-launch open enrollment period based on the number of eligible participants served.

Stock-Based Compensation

We estimate the fair value of our stock options using the Black-Scholes option pricing model. This requires the input of subjective assumptions, including the fair value of our underlying common stock, the expected term of stock options, the expected volatility of the price of our common stock, risk-free interest rates, and the expected dividend yield of our common stock, the most critical of which is the estimated fair value of common stock. The assumptions used in our option pricing model represent our best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future. The resulting fair value, net of actual forfeitures, is recognized on a straight-line basis over the period during which an employee is required to provide service in exchange for the award.

These assumptions used in the Black-Scholes option pricing model, other than the fair value of our common stock, are estimated as follows:

- *Expected volatility.* Since a public market for our common stock has not existed and, therefore, we do not have a trading history of our common stock, we estimated the expected volatility based on the volatility of similar publicly-held entities (guideline companies) over a period equivalent to the expected term of the awards. In evaluating the similarity of guideline companies to us, we considered factors such as industry, stage of life cycle, size, and financial leverage. We intend to continue to consistently apply this process using the same or similar guideline companies to estimate the expected volatility until

sufficient historical information regarding the volatility of the share price of our common stock becomes available.

- *Expected term.* We estimate the expected term using the simplified method, as we do not have sufficient historical exercise activity to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. The simplified method calculates the average period the stock options are expected to remain outstanding as the midpoint between the vesting date and the contractual expiration date of the award.

- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for maturities corresponding with the expected term of the option.

- *Expected dividend yield.* We have never declared or paid any dividends and do not presently plan to pay dividends in the foreseeable future. Consequently, we use an expected dividend yield of zero.

We are required to estimate the fair value of the common stock underlying our stock-based awards when performing fair value calculations.

Historically for all periods prior to this offering, given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation,* or AICPA Guide, we exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock including:

- contemporaneous valuations performed at periodic intervals by unrelated third-party specialists;

- rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;

- our actual operating and financial performance;

- relevant precedent transactions involving our capital stock;

- likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given prevailing market conditions and the nature and history of our business;

- market multiples of comparable companies in our industry;

- stage of development;

- industry information such as market size and growth;

- illiquidity of stock-based awards involving securities in a private company; and

- macroeconomic conditions.

In valuing our common stock, our board of directors determined the enterprise value of our company using both the income approach and market approach valuation methods. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate based on the cost of capital at a company's stage of development. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial results to estimate the enterprise value of the subject company.

The resulting equity values derived by the income approach and market approach were then allocated between share classes by a hybrid of the Probability Weighted Expected Return Method (PWERM) and the Option Pricing Method (OPM). The hybrid method was selected to consider various outcomes for our company including an initial public offering or continuing as a private company. The values of the share classes under an initial public offering scenario were based on the expected pricing and timing of the anticipated event according to the PWERM. Conversely, the OPM was used to estimate the value of the share classes assuming we stayed private.

The PWERM estimates the value of the various equity classes based upon analysis of the future value for the enterprise under different potential outcomes including sale, merger, IPO, and dissolution. For each scenario, the value determined for the enterprise is allocated to each class of stock based upon the assumption that each class will maximize its value. The values determined for each class of stock under each scenario are weighted by the probability of each scenario and then discounted to a present value.

The OPM treats common stock and convertible preferred stock as call options on the enterprise's value, with exercise prices based on the liquidation preference of the convertible preferred stock. Under this method, the common stock has value only if the funds available for distribution exceed the value of liquidation preference at the time of a liquidity event. If the total equity value exceeds the total liquidation preference of the convertible preferred stock, the preferred stock will receive a payout in cash in the case of a liquidation event or in common stock in the case of an IPO, and the preferred stock will then convert to common stock. Any incremental value above the total liquidation preference would be shared based on the converted ownership interests. In the application of this method, the convertible features of the preferred equity classes, common options and warrants outstanding are considered.

After the equity value is determined and allocated to the various classes of shares, a discount for lack of marketability (DLOM) is applied to the various outcomes to arrive at the fair value of the common stock. A DLOM is applied based on the theory that as a private company, an owner of the stock has limited opportunities to sell this stock and any such sale would involve significant transaction costs, thereby reducing overall fair market value.

Application of these valuation approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and future cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

Following this offering, our board of directors will rely on the closing price of our common stock as reported on the date of grant to determine the fair value of our common stock, as shares of our common stock will be traded in the public market.

Recently Issued and Adopted Accounting Pronouncements Adopted

For more information on recently issued accounting pronouncements, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012. We will remain an emerging growth company until the earlier of (i) February 28, 2026 (the last day of the fiscal year following the fifth anniversary of our initial public offering), (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.07 billion, (iii) the

last day of the fiscal year in which we are deemed to be a "large accelerated filer", as defined in the rules under the Exchange Act, and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We refer to the Jumpstart Our Business Startups Act of 2012 herein as the "JOBS Act," and any reference herein to "emerging growth company" has the meaning ascribed to it in the JOBS Act.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in our future filings with the SEC. As a result, the information that we provide to our stockholders may be different from the information you might receive from other public reporting companies in which you hold equity interests. In particular, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, so long as we remain an emerging growth company, we will not be subject to the same implementation timing of new or revised accounting standards as other public companies that are not emerging growth companies until these standards apply to private companies unless we elect to early adopt as permitted by the relevant guidance for private companies.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We had cash and cash equivalents of $13.5 million as of February 28, 2018 and $42.7 million as of February 28, 2019. Our cash equivalents are comprised primarily of cash, certificates of deposit and money market accounts held at banks. Due to the short-term nature of these instruments, we believe that we do not have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. Declines in interest rates, however, would reduce future interest income.

Foreign Currency Exchange Risk

We have in the past and may in the future be exposed to foreign currency exchange risks in the ordinary course of our business, but that exposure is not currently material to our business or results of operations.

BUSINESS

Our Mission

We envision a world where every person can live their "healthiest life" — a concept that encompasses physical, emotional, financial, and professional wellness. Our mission is to empower people through expertise, empathy, and technology to make the best decisions for their health and well-being.

Business Overview

We provide personalized, technology-enabled solutions that help people better understand, navigate, and utilize the healthcare system and their workplace benefits. Our customers are primarily employers that deploy Accolade in order to provide employees and their families (our "members") a single place to turn for their health, healthcare, and benefits needs. Our innovative platform combines open, cloud-based intelligent technology with multimodal support from a team of empathetic and knowledgeable Accolade Health Assistants and clinicians (including nurses, physician medical directors, and behavioral health specialists). We leverage our integrated capabilities, connectivity with providers and the broader healthcare ecosystem, and longitudinal data to engage across the entire member population, rather than focusing solely on high-cost claimants or those with chronic conditions. Our goal is to build trusted relationships with our members that ultimately position us to deliver personalized recommendations and interventions. We believe that our platform dramatically improves the member experience, encourages better health outcomes, and lowers costs for both our members and our customers.

The U.S. healthcare system is complex and places significant strain on consumers, who struggle to effectively use their healthcare and benefits, make informed decisions about their health, and navigate the fragmented network of providers and third-party benefit programs. Partly as a result of these challenges, the payers of healthcare, including managed care companies, the government, employers, and consumers, face significant and rising costs. For large employers in particular, the direct costs are substantial: the total annual employer cost for healthcare is estimated at more than $10,000 per employee. Over the past five years, this cost has increased roughly 6% per year and is expected to continue to grow at that rate. Employers also bear indirect costs in the form of absenteeism, decreased productivity, and diminished morale. Despite the significant and growing spend on care, health outcomes are not improving, and misaligned incentives among key constituents thwart meaningful change. A suboptimal consumer experience persists.

We believe the most effective way to improve health outcomes and control cost is to help consumers make better, data-driven healthcare and benefits-related decisions. Based on this belief, we have developed a differentiated platform to support and influence consumer decision-making that is built on a foundation of mission-driven people and purpose-built technology:

- ***Accolade Health Assistants.*** Our Accolade Health Assistants are highly trained professionals who develop trusted relationships with our members and serve as their primary and ongoing point of contact for all issues related to healthcare and benefits. We employ individuals who demonstrate empathy and problem-solving skills, and we hire from diverse professional backgrounds, including social work, teaching, customer care, and benefits. More than two-thirds of Accolade Health Assistants have a bachelor's or advanced degree. Our Accolade Health Assistants are trained in our proprietary engagement approach and leverage our integrated technology platform to provide data-informed, personalized health and benefits support to members in friendly, simple terms.

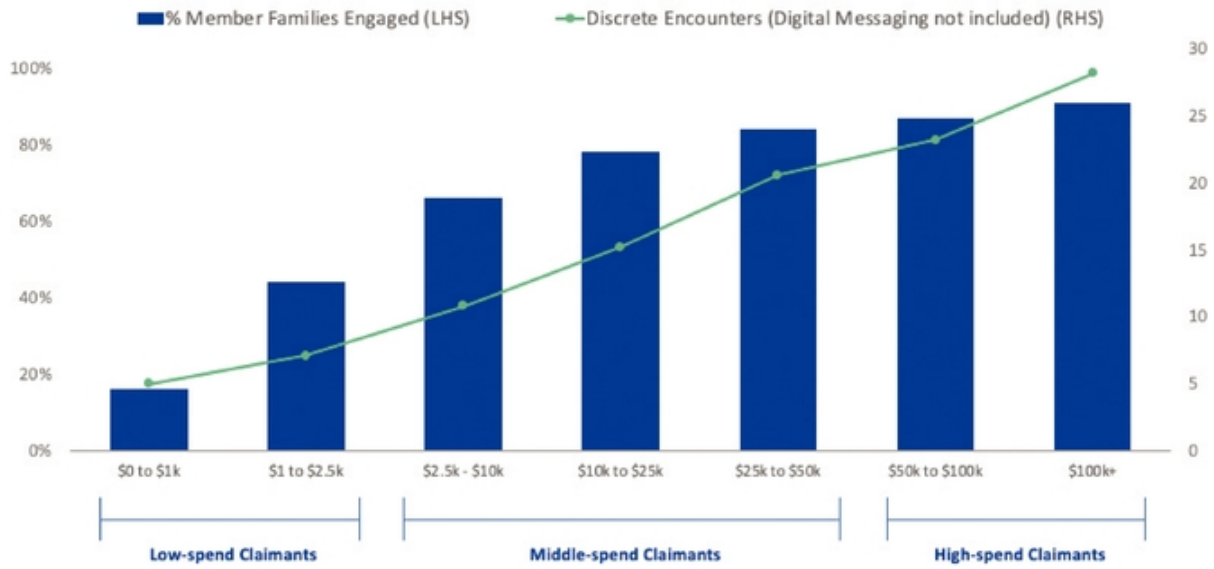
- ***Clinicians.*** Our clinicians include registered nurses, physician medical directors, pharmacists, behavioral health specialists, and women's health specialists. When an

Accolade Health Assistant identifies that a member may benefit from clinical support, they bring a nurse into the conversation. Our nurses have deep expertise, with on average more than 17 years of clinical experience across a wide variety of specializations. Our nurses work with our other clinicians to help members demystify their care needs through personalized, evidence-based, and data-driven protocols. Examples of our clinical services include helping members identify high-quality, cost-effective providers, assisting members as they prepare for visits and procedures, supporting members in understanding medication options and identifying prescription conflicts, coordinating with providers to close gaps in care, and providing complex case management to help members manage serious illness.

- ***Technology.*** Our technology platform was designed to deliver highly personalized member experiences at scale, leveraging data and machine learning to derive actionable insights, optimize our care team's workflows, and accelerate the pace of our innovation. We ingest and link disparate data points to Accolade-generated data to create a 360-degree member view which our Accolade Health Assistants and clinicians access in our purpose-built member CRM tool, InView. Our proprietary artificial intelligence engine informs recommended actions which guide our interactions with members and enhance the self-serve functionality on our member web portal and highly rated mobile application. We seamlessly integrate with the healthcare and benefits ecosystem, including providers and third-party applications (e.g., telemedicine, wellness programs, condition-specific point solutions), positioning us to further increase members' understanding, access, and utilization of these programs. In addition, our secure, open technology platform supports our continuous innovation and the development of additional capabilities to benefit our members.

Developing trusted relationships positions us to positively influence their healthcare and benefits-related decision-making and ultimately deliver on our value proposition. Engagement is therefore paramount to our success. We have consistently achieved and sustained annual engagement rates of greater than 50% across our member population. Historically, our definition of engagement included phone conversations and secure messages with a member or someone on their behalf (e.g., a family member, provider, health plan), with our engagement rates reflecting the percentage of member families who engaged (had at least one "encounter") during a given year. As we have expanded our offerings to include more digital member-facing tools, our go-forward engagement rate calculations will account for instances of meaningful self-service (e.g., where a member uses our provider quality and price transparency tool to find a doctor), but these are not included in the engagement data reported here. Our proactive, long-term approach also encourages deep engagement across member spend bands: among the engaged group, we historically have averaged approximately five encounters per year with the least costly users of the healthcare system and approximately 25 encounters per year with the most.

Engagement by Spend Band



We achieve these engagement levels through our commitment to a set of core tenets:

- ***Always do right by the member.*** We are aligned in a unique way with the member from the outset — our role in aiding members in their understanding, navigation, and utilization of their healthcare and benefits is importantly independent from both the employer and the health plan. By doing right by the member in each and every encounter, we gain the member's trust, which allows us to constructively influence changes in behavior. Data demonstrates that our commitment to members' needs leads to the improved health outcomes and aggregate cost savings that our customers desire.

- ***Reach every member.*** We believe in engaging across the entire population of members to drive better outcomes and cost savings. The long-held industry practice of focusing on high-cost claimants and those with chronic conditions fails to account for the volatility and unpredictability inherent in population health spend. Approximately 60% of high-cost claimants each year were not high-cost the year prior. Further, risk-scoring data for our members shows that approximately 60% of our members who were high cost in a given year were predicted as low risk in the prior year. Moreover, by engaging with members across all spend bands, we believe we can realize numerous small savings across the proportionately larger pool of lower-cost claimants while investing in building trusted relationships that increase the likelihood that we can deliver timely interventions that preempt unnecessarily high spending.

- ***Reinvent member support.*** We believe in delivering a unified, personalized experience to members that stands in stark contrast to the fragmented, impersonal member and clinical support typical of the industry. Our platform combines the best of human touch with integrated technology, including our consumer-grade, multimodal communication channels, to engage with our members. A commitment to supporting the "whole person," by taking a broad definition of wellness and devoting attention to a family's full circumstances (including social determinants of health and contextual variables), governs the approach of our Accolade Health Assistants and clinicians. They are measured on whether a member's total needs are addressed as opposed to how quickly they can move on to the next member. We

excel at transitioning "transactional" or episodic encounters into a conversation about holistic care needs and ways the member might benefit from more comprehensive support.

- ***Support the member throughout their healthcare journey.*** We support our members before, during, and after care. Once engaged, our members frequently have a dedicated Accolade Health Assistant, and, when a member may benefit from clinical support, a dedicated nurse. Through our longitudinal view of our members and their families, we can proactively deliver data-informed, relevant, and timely interventions while encouraging engagement in our clinical programming (maternity, behavioral health, and case management, as well as partner programs) when relevant. We recognize that follow-up focused on adherence to care plans and any barriers to care (financial, logistical, emotional, or related to the member's skills and ability) is critical to ensuring our interventions yield the intended result.

- ***Predict healthcare needs and proactively intervene to support members.*** Our purpose-built technology platform enables a 360-degree view of the member by ingesting and linking disparate data points with Accolade-generated member interaction data. We have developed proprietary algorithms to derive predictive insights about a member's clinical needs, as well as barriers to care. We utilize these predictive insights not only to enhance each inbound encounter, but importantly to initiate proactive outbound encounters.

- ***Innovate to deliver increasing value to members.*** We are constantly innovating to enhance our platform, and our position as a trusted advisor to our members allows us to develop and identify new opportunities for additional capabilities based on their needs. For example, we have recently added provider quality ratings to complement cost transparency information, increased connectivity with providers, and deepened integrations with select point solutions, such as telemedicine and disease-specific offerings.

Our relentless focus on member engagement and the delivery of an outstanding member experience has resulted in our 94% average member satisfaction rating and average Net Promoter Score (NPS) of 60 over the past three years. In comparison, in a 2019 study, the median NPS for health insurance companies was 14. Through trusted, ongoing engagement, we can meaningfully influence member decisions and help increase valuable healthcare utilization (e.g., primary care visits, prescription refills) and reduce wasteful healthcare utilization (e.g., unnecessary emergency room visits, hospital readmissions, excessive inpatient stays). We further enhance the member experience by educating members on relevant, available benefits, such as wellness programs and telemedicine. In raising awareness of these benefits and seamlessly integrating them into our platform, we can significantly increase their utilization rates.

Our approach results in real, measurable, actuarially validated savings for our customers, starting with average savings of approximately 4% of total employer healthcare spend during a customer's first year and often increasing to more than 10% per year for our more tenured customers, amounts significantly higher than the fee we charge our employer customers. In a 2018 study by Aon, Accolade's primary offering was shown to reduce claims costs for an employer with more than 10,000 members by 6.5%, or $782 per employee per year, and for an employer with more than 100,000 members it was able to generate a 4.7% reduction in claims costs, or $527 per employee per year, versus similar employer groups not using Accolade. These reductions were generated exclusive of plan design changes, were measured across the entire member population, started in year one, and were sustained over the respective study periods.

Our investments in a scalable technology platform have enabled us to implement a multi-offering strategy that meets the diverse needs of our existing and prospective customers. Buyers of our offerings have varying priorities and appetites for change to their existing health and benefits packages, and we have therefore developed a solutions portfolio that is designed to support a

range of integrations for employers of all sizes. Our most comprehensive offering, Accolade Total Health and Benefits, provides fully integrated healthcare navigation and benefits management. Our technology platform has enabled us to unbundle aspects of this comprehensive offering to create two additional standalone offerings: Accolade Total Benefits and Accolade Total Care. We have further leveraged our technology platform to develop add-on offerings, such as Accolade Boost and our Trusted Supplier Program, that target specific challenges faced by our customers.

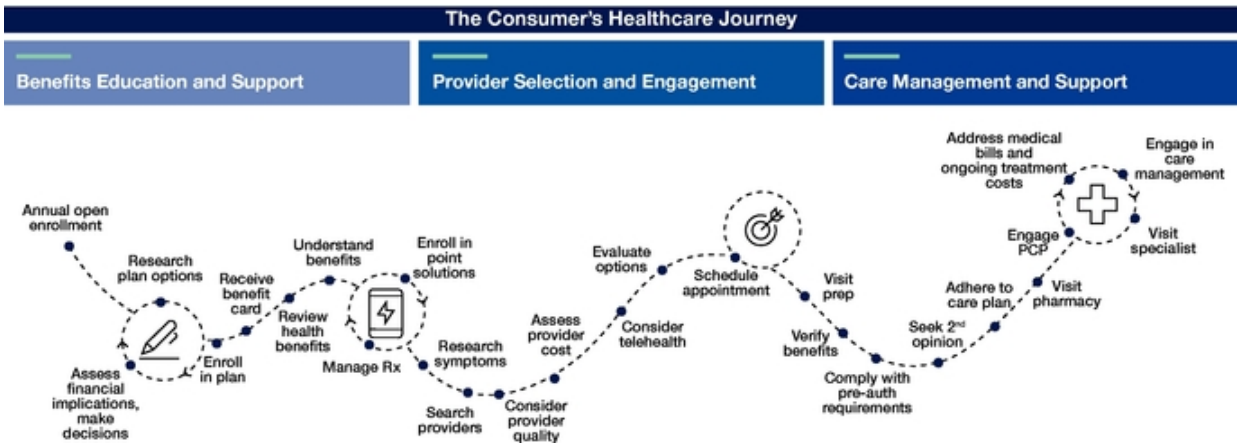
We currently have 47 customers across many industries, including media, technology, financial services, transportation, energy, and retail, comprising approximately 1.4 million members. We principally generate revenue from our customers on a contractually recurring per-member-per-month (PMPM) fee, which provides us with significant revenue visibility. Our typical customer contract length is three years, and we have experienced gross dollar retention for our employer customers of 100% and 95% for the fiscal years ended February 28, 2018 and 2019, respectively. For the fiscal years ended February 28, 2018 and 2019, our total revenue was $76.8 million and $94.8 million, respectively, representing 23% year-over-year growth. For the fiscal years ended February 28, 2018 and 2019, our net losses were $61.3 million and $56.5 million, respectively. As of February 28, 2019, our accumulated deficit was $269.5 million.

Industry Challenges

All stakeholders — including consumers, their employers, and providers — face myriad challenges given the increasing complexity, misaligned incentives, and rising costs of the healthcare system.

The Consumer's Healthcare Journey is Increasingly Complex

The consumer's healthcare journey, as depicted below, often starts with frustration during health plan enrollment that extends into provider selection, post-care follow-up, and ongoing care management.



According to an industry survey, approximately 25% of people fully understand their benefits. Consumers are further impacted by a lack of coordinated services from health plans, marked by impersonal, siloed, and automated customer support systems or transaction-oriented customer service representatives who lack data and the incentives to address a consumer's holistic care needs. Indeed, it is not uncommon for a consumer to call into a health plan services line and be served by one division of the health plan while a disease management program of the same health plan is trying, unsuccessfully, to engage that consumer in care management. These factors can

aggravate the consumer's healthcare knowledge gap and create barriers to the optimal use of their benefits.

Once a consumer engages with the healthcare system, they face a new set of challenges in navigating the highly fragmented provider and site of care network. On account of this, selecting a primary care provider or specialist can be a daunting task for most consumers who lack access to easy-to-navigate provider directories and reliable provider cost and quality data, despite their desire to leverage such information (half of surveyed Americans indicated they would be highly likely to use websites that offer quality rankings, satisfaction ratings, and patient reviews for specific doctors and hospitals, and a similar portion would be highly likely to use a pricing tool that could help compare prices for services and treatments offered by specific doctors and hospitals). Further, even seemingly simple steps can create additional hurdles, including appointment scheduling and benefit verification. After a care event, a number of issues can prevent effective care coordination: lack of technology interoperability between different providers; lack of systems to monitor patients across the care continuum; lack of follow through with care plans or prescription adherence; and a lack of incentives for any one provider to ensure the consumer does not "fall through the cracks."

Given these challenges, many consumers operate in an information vacuum or turn to unverified and potentially biased sources to learn about their conditions, which can lead them to seek too much, too little, or the wrong care for their needs. The recent proliferation of technology-enabled point solutions has created a variety of new options to help consumers manage many of their specific care needs. While these solutions may enable better treatment, a significant gap has been observed between covered individuals who would benefit from the solution and actual utilization, as individuals may not know which option is best for them or even available through their benefits. For example, industry surveys for employers with more than 500 employees have reported that telemedicine utilization (i.e., employees using the service at least once) is approximately 7% to 11%, and usage of employee assistance programs (EAP), which typically include alcohol, substance abuse, counseling, and mental health programs, is only 5% to 8% annually.

Misaligned Incentives Result in a Suboptimal Consumer Experience

- **Payors:** Consumers' healthcare support is generally provided by large health plans whose core competencies are underwriting risk, managing claims, administering benefits, and developing provider networks on behalf of their insured populations. In addition, large health plans offer services to self-insured employers that often include plan design, claims processing, and other administrative services. Given the highly transactional nature of these arrangements, health plans have historically under-invested in member engagement services. When a consumer turns to their health plan for help understanding administrative processes or how to navigate the healthcare system, the health plans typically default to a call-center approach that does not leverage integrated data, technology, or consumer-facing tools and therefore cannot support a holistic discussion.

- **Providers:** Providers have traditionally been compensated on a fee-for-service model, which incentivizes episodic care across a large number of patients rather than comprehensive, integrated care. Often, with provider fee schedules and the time required for documentation and administrative tasks, a doctor is only able to spend a limited, insufficient amount of time with a patient. Moreover, much of that time is spent gathering healthcare data or discussing issues that are not high priority to the patient's overall health and well-being. This can result in more narrowly focused, limited, and often insufficient patient interactions where the provider treats the symptom, but does not acknowledge the individual's full care needs. Consumers have noticed the impersonal and inconvenient nature of the care they are receiving: a consumer survey found primary care physicians have an NPS of 3. This can have a significant negative impact on the patient's use of the healthcare system. For

example, negative patient experiences with a primary care provider have been associated with a higher likelihood of non-urgent use of emergency departments, contributing to inefficient and more expensive care delivery.

- **Employers:** Employers strive to build comprehensive, attractive benefits packages in order to recruit and retain a talented workforce, as well as to ensure that their employees' overall well-being is maintained so they remain engaged and productive. However, their human resource departments typically handle a wide range of responsibilities of which benefits are only a portion. As a result, employers are generally not equipped to provide comprehensive advice to help their employees navigate the healthcare system, nor do they employ the resources to provide personalized clinical guidance to help their employees understand treatment and care options. Employers recognize the disconnect between their desire to provide more support for employee wellness and their constrained resources — 2018 industry study found 82% of employers thought it was important to enhance employees' total well-being over the following three years, while 65% are interested in technology that will improve healthcare navigation or benefit experiences.

Employer and Consumer Healthcare Costs Continue to Increase

Approximately 80% of employers with more than 500 employees are self-insured. In 2019, large employer spending on healthcare is estimated at over $10,000 per employee per year. Annual cost increases of employer-sponsored healthcare are on an unsustainable trend, having consistently exceeded the annual rate of inflation, with approximately 6% per year increases over the past few years. This trend is expected to continue.

As costs continue to rise, employers are increasingly focused on managing their healthcare expense, in many cases shifting more of the cost burden to employees in the form of increased premiums, deductibles, and coinsurance. The average premium for family coverage has increased 54% over the last ten years, while the average deductible has more than doubled (both rates significantly outpacing growth in wages and inflation).

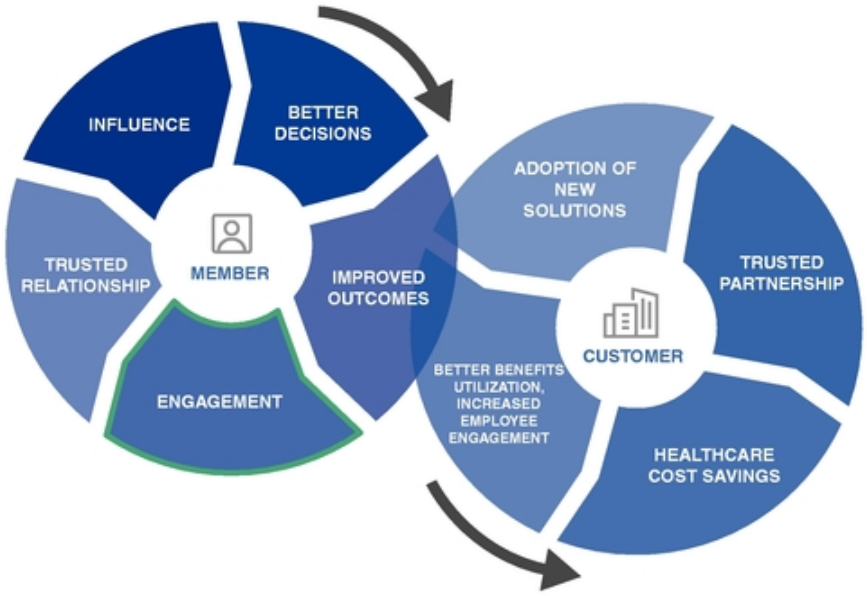
Our Value Proposition

Accolade provides consumers a single place to turn for their health, healthcare, and benefits needs. Our innovative platform combines open, cloud-based intelligent technology with multimodal support from a team of empathetic and knowledgeable Accolade Health Assistants and clinicians. Foundational to our success is our ability to effectively engage with our members, which allows us to form trusted relationships, and influence members' decisions for the better, ultimately leading to better outcomes and ongoing engagement: our "member flywheel."

The aggregate impact of this deep engagement across a customer's employee population is improved healthcare and benefits awareness, knowledge, and decision-making, a healthier and more engaged workforce, and healthcare cost savings. We become a trusted partner to our customers and gain the opportunity to support them on their population health strategies and benefits procurement. This position allows us to identify additional solutions that may meet our customers' needs, which, when implemented, result in additional opportunities for member

engagement and better health outcomes. Thus, our member flywheel drives our "customer flywheel."

Accolade's Member and Customer Flywheels



Member Value Proposition

Our members face structural, clinical, financial, and administrative challenges in managing their health and wellness. We help them solve these problems in a host of ways: choosing the most appropriate health plan based on their personal needs; understanding the extent of their benefits; decoding and managing their medical bills; finding high-quality providers; making sense of and staying coordinated through prescribed care plans; and addressing any need that may surface along this continuum. Our engagement model simplifies and streamlines the healthcare and benefits experience for our members by making guidance from our Accolade Health Assistants and clinicians available via phone, mobile application, and web portal whenever it is needed.

Frequently, the holistic approach of our empathetic care team will uncover that a simple transactional concern exposes much greater support and care needs. Examples of the types of questions that might prompt our members to initially turn to us include:

ASK ACCOLADE

Benefits Education and Support	• What's the right plan for my family? What exactly is an HDHP? • How about an HSA? How does it compare to my 401(k)? • Can you help me interpret my fertility benefits?
Provider Search, Selection, Visit Prep	• My child has a high fever. I need to go to the ER, right? • I need a good surgeon for my knee. How do I choose? I want someone good but affordable. • I'm nervous about tomorrow's appointment. What exactly is going to happen?
Care Management and Support	• What exactly is an "Explanation of Benefits"? Have I met my deductible? • I can't pay for my medicine. Do I have options? • My diabetic son also suffers from depression. Any ideas on how I can help him stick with his care plan?

Once we establish a connection, our Accolade Health Assistants help to resolve the member's often basic transactional issue, and then expand the conversation as appropriate based on our proprietary, technology-enabled engagement framework, LEARN2 (Listen, Engage, Assess, Resolve, INfluence, ENhance), to grow the value proposition for the member. Expansion in action may look like:

- turning a request for a replacement health plan ID card into a discussion about a member's new diagnosis, including identifying unmet behavioral health and social needs and connecting the member with recommended clinical and non-clinical resources for education and ongoing support;
- expanding a search for an in-network provider into a dialogue about identifying the right provider for the member based on quality and cost data, as well as coordinating care between providers to avoid unnecessary duplication of services;
- migrating a discussion about the details of a bill to a review of options for lowering a member's overall out-of-pocket costs, including through the use of generic medications and lower cost sites of care; and
- evolving a review of benefits into a detailed discussion about different treatment options and their associated cost, and then a connection to a nurse so the member can make informed decisions about treatment options based on their preferences.

For a representative interaction between an Accolade Total Health and Benefits member and an Accolade Health Assistant, please see the section titled "— Results."

Customer Value Proposition

We provide dual value for our customers, serving both as a valuable benefit that is well liked by their employees and a tool to help reduce healthcare costs and increase adoption of existing benefits. By engaging repeatedly and meaningfully with members across the spectrum of healthcare spending, our model has demonstrated significant healthcare cost savings for our customers by increasing valuable healthcare utilization and decreasing wasteful utilization. To ensure alignment with our customers' interests, our contracts include variable revenue components earned by satisfying performance metrics and generating healthcare cost savings.

In a recent study by Aon of Accolade's primary offering's impact on two self-insured employer groups of 10,000+ (Employer A) and 100,000+ (Employer B) members, the results were dramatic and demonstrated savings significantly greater than the fee we charge our employer customers. The study analyzed data for these two employers against a control group of typical employer members based on similar demographic, geographic, and comorbidity profiles. Compared to the control groups:

- total allowed cost for Employer A for a single plan year was $782 lower per employee per year, representing a 6.5% reduction relative to similar employer groups and resulting in more than $4.8 million in total annual savings;
- total allowed cost for Employer B for three plan years was $527 lower per employee per year, representing a 4.7% reduction relative to similar employer groups and resulting in more than $46.9 million in total annual savings; and
- cumulative cost growth from 2014 to 2016 was reduced to 2.7% for Employer B compared to 7.8% two-year trend for the control group, and annualized allowed trend for Employer B was 1.3% versus 3.8% for the control group.

The study showed improvements in total cost and cost trends resulting from multiple factors, including lowered inpatient, outpatient, and professional medical spend, as well as lower brand-name and specialty pharmacy spend. Savings were generated across the subject employee populations, leading to cost savings across age ranges, comorbidity groups (as defined by number of chronic conditions), and cost distributions. These results were independent of any significant changes to the benefits or plan design of the respective subject employer.

In addition to achieving healthcare cost savings, our platform can also be a valuable tool for promoting member engagement with additional benefits. We extend our comprehensive health and benefits knowledge into the vast network of employer-targeted point solutions on behalf of our customers to drive utilization of these solutions when appropriate. Our open technology platform seamlessly integrates these offerings and has demonstrated significantly increased utilization. In addition, through our Trusted Supplier Program, we serve as a strategic partner in helping our customers navigate the complexity of the growing ecosystem of potential benefits to identify and procure high-quality solutions that would be valuable to their employees.

Based on feedback from our customers, our platform has been anecdotally shown to support workforce productivity, improve employers' ability to hire and retain talent, and increase the efficiency of human resources and benefits teams as employees turn instead to Accolade Health Assistants, clinicians, and self-serve interventions.

Our Market Opportunity

We believe our market opportunity is substantial and estimate the total addressable market (TAM) for our current solutions to be approximately $24 billion.

Core Self-Insured Employer Opportunity

According to Centers for Medicare and Medicaid Services (CMS), in 2017, approximately 176 million individuals in the United States, or more than 50% of the insured population, were enrolled in an employer-sponsored health plan, accounting for $1.0 trillion in total healthcare spend. Employer adoption of solutions and services to address cost and quality of care pain points is expected to rapidly increase. According to Willis Towers Watson, the percentage of employers offering tools or services to support employee navigation of healthcare services is expected to increase from 59% in 2018 to 85% in 2020.

Our core market is currently comprised of self-insured employers, inclusive of state and local governments and unions. This has been our historical focus and will continue to be so in the near-to-medium term. As such, the self-insured market comprises a material amount of our existing revenue base and expected future revenue. We have identified approximately 285 employers with greater than 35,000 employees (our "strategic" segment); 2,000 employers with 5,000 to 35,000 employees (our "enterprise" segment); and 20,000 employers with 500 to 5,000 employees (our "mid-market" segment), for a total of approximately 22,000 employers, of which a substantial majority are self-insured.

We deliver our solutions through contracts that run on a multi-year, PMPM basis. Based on the estimated number of addressable employees and the PMPM fee opportunity of our current offerings, we believe the self-insured employer market alone represents at least an $11.7 billion addressable market.

Additional Employer Sponsor Opportunities

Fully insured employers are motivated to help their employees choose the most appropriate health plan, understand the extent of their benefits, decode and manage their medical bills, find high-quality providers, and make sense of and stay coordinated through prescribed care plans. They also want to mitigate annual premium increases. We have begun to explore new opportunities in the fully insured market and have recently added customers that we believe are indicative of our potential to expand in this market. We estimate that these employers represent an additional $1.7 billion addressable market opportunity.

Adjacent Opportunities

In addition to employer-sponsored plans, we believe our solutions address critical pain points that also exist in government-sponsored programs including Medicare, Medicaid, Tricare, and Veterans Affairs. Per CMS projections, in 2020, there are expected to be approximately 146 million members enrolled in government-sponsored programs and the average per year spend on a Medicare enrollee was projected to be $13,559 — nearly twice as high as the average per-member-per-year spend in the employer market. We believe our solutions provide government programs and the commercial insurers that partner with them a highly compelling value proposition to support ongoing cost containment and care improvement initiatives. We estimate that the government-sponsored programs market represents an additional $10.7 billion addressable market opportunity.

We believe that our ability to leverage our platform for additional offerings that can support employer-sponsored and government-sponsored program members along their journey, either directly or indirectly through our partnership programs, will have a multiplier effect on our total addressable market. Moreover, beyond our existing markets, we believe there are multiple other longer-term market expansion opportunities including with risk-bearing provider organizations and health plans, as well as a direct-to-consumer offering.

Competitive Strengths

Our operational and financial success is based on the following key strengths:

Commitment to a differentiated member engagement model. We fundamentally believe in engaging the *entire* member population to have a sustainable impact on health outcomes and cost. This stands in contrast to the historic industry norm of engaging only the highest-cost, sickest patients with the most complex needs. To do this, we have built a platform to engage with each customer's eligible member population, build trusted relationships with members, and leverage those relationships to deliver important healthcare interventions when they matter the most. Once engaged, our members frequently have a dedicated Accolade Health Assistant, and, when a member may benefit from clinical support, a dedicated nurse. Our engagement model is self-reinforcing, such that we are continuously learning about our members, and developing an increasingly effective set of strategic interventions to better serve them.

Highly qualified and empathetic team with deep clinical experience. Our engagement model integrates "human touch" with a proprietary technology platform to encourage better outcomes for our members. Our care team is highly qualified: two-thirds of our Accolade Health Assistants are degreed professionals, with approximately 15% holding advanced degrees, and our nurses have on average more than 17 years of clinical experience. While the right mix of experience and skills is critical, all care team members must demonstrate empathy to be hired, and maintain it to be retained. This care team, which extends to include physician medical directors, pharmacists, women's health and behavioral health specialists, and complex case managers, supports members through their entire healthcare experience, accounting for our holistic member view and utilizing our

data-driven processes to better understand and anticipate a member's healthcare needs in order to proactively intervene to support members.

Long-term strategic partner to our customers. We are engaged by employers to solve real issues around the design, coordination, and utilization of their employee benefits programs. Because we help their employees live their healthiest lives, our customers view us as a strategic partner that can provide population health insights and help them manage healthcare benefit costs and complexity. Our proven member engagement model meaningfully lowers costs, as shown by our own actuarial data and the Aon study. In addition to cost savings, we help reduce absenteeism and increase employee productivity. This position allows us to recommend new, targeted offerings to our customers, which can help further reduce their costs, and, when implemented, result in additional opportunities for member engagement and expand our role as the customer's trusted partner.

Significant investment in our purpose-built, scalable technology platform. Our offerings are built on an open, cloud-based intelligent platform designed to deliver a highly personalized member experience. Our platform is built for scale — architected to deliver repeatable results and high service levels at a sustainable cost to serve — and leverages extensive data ingestion capabilities and artificial intelligence to derive predictive analytics, deliver targeted population health insights, and recommend the right care intervention for our members at the right time. Our technology platform supports seamless integration with the healthcare and benefits ecosystem, which allows us to recommend additional point solutions and programs to our customers that can provide additional value to their employees.

Attractive operating model supported by a PMPM recurring revenue model, providing a high degree of visibility. We currently have 47 customers that collectively purchase access to our solutions for approximately 1.4 million members. We principally generate revenue from our customers on a recurring PMPM fee basis, with contracts averaging three years in length, which together provide us with significant revenue visibility. Our ability to deliver significant and measurable return on investment for our customers in the form of improved clinical and financial outcomes has led to a gross dollar retention of 100% and 95% for the fiscal years ended February 28, 2018 and 2019, respectively.

Deeply experienced management team dedicated to cultivating a mission-driven culture. Our senior leadership team has extensive healthcare, technology, and business-scaling expertise from decades of leadership experience at world-class organizations. Our senior management team has a long track record of working together, both at Accolade and at previous firms and some members of our senior leadership team have worked together for over 20 years. We share our mission with the dedicated and passionate people that we employ, and our culture is a driving factor in our ability to attract and retain top talent. We foster a culture of transparency and alignment whereby we educate our employees on how their contributions each day drive us toward the achievement of our mission. We work together to solve complex problems, and we strive to "do well and do good."

Our Growth Strategy

Key elements of our growth strategy include:

Grow our customer base. We believe there is a substantial opportunity to further grow our customer base in our large and under-penetrated market of approximately 22,000 self- and fully-insured employers. Our sales and marketing team draws on advanced demand-generation strategies to reach and educate the market about our offerings and increase the opportunities to grow our customer base. We maintain a cohort of highly referenceable customers in support of new customer

acquisition. We value our total addressable market opportunity to be approximately $24 billion consisting of self-insured employers, fully insured employers, and government-sponsored programs.

Retain and expand relationships with our customers. By delivering measurable outcomes to our customers, we can achieve strong customer retention, which enables us to expand and deepen these relationships. Accolade Boost and our Trusted Supplier Program are examples of new add-on offerings that target specific challenges faced by our customers, complement our existing solutions, and provide cross-sell opportunities to drive incremental revenue. As we build upon our trusted partner status with these customers, we have the opportunity to cross-sell our additional capabilities. In addition, we believe we will be able to upsell a portion of those customers purchasing either our Accolade Total Benefits or Accolade Total Care offerings to more comprehensive offerings, namely Accolade Total Health and Benefits, as they see tangible cost and engagement benefits from their initial purchases.

Invest in technology. We have made significant investments in our technology platform to expand our capabilities with respect to how we engage with our members and deliver our solutions and care interventions. By leveraging our technology in areas such as machine learning, predictive analytics, and multimodal communication, we believe we can generate more efficiencies in our operating model while simultaneously improving our ability to deliver better health outcomes, and lowers costs for both our members and our customers.

Continue to develop new offerings. We are constantly innovating to enhance our model and develop new offerings, including our recently introduced standalone offerings, Accolade Total Benefits and Accolade Total Care. Our ability to act as a trusted advisor to our members and customers positions us to identify new opportunities for additional offerings that can meet their existing and emerging needs. Our open technology platform also allows us to efficiently add new applications on top of our existing technology stack, such as Accolade Boost and our Trusted Supplier Program. In addition, in July 2019, we acquired MD Insider in order to enhance our offerings by gaining access to experiential and performance insights on providers across the healthcare system. We believe that as we expand our customer base and enter into new markets, we will be adept at identifying and deploying innovative new solutions, whether developed internally or through acquisitions.

Expand into adjacent markets. We see further opportunity to enter adjacent markets, including government-sponsored health plans, such as Medicare Advantage, and Managed Medicaid, as well as traditional Medicare and Medicaid. Our focus and experience in the navigation and coordination of benefits and healthcare, coupled with our technology investments, position us to take advantage of emerging healthcare trends surrounding care coordination and value-based care initiatives. We believe that we can leverage our existing platform and scalable solutions to successfully expand into these markets.

Opportunistically pursue partnerships. We have historically integrated new and complementary capabilities into our offerings by forming strategic partnerships and other relationships with third parties. We believe our partners choose us because of our entrepreneurial and collaborative culture and dedication to continuous innovation. For example, in March 2019 we partnered with Humana to form a joint go-to-market strategy that integrates our respective capabilities to create a differentiated healthcare and benefits experience for employees and employers.

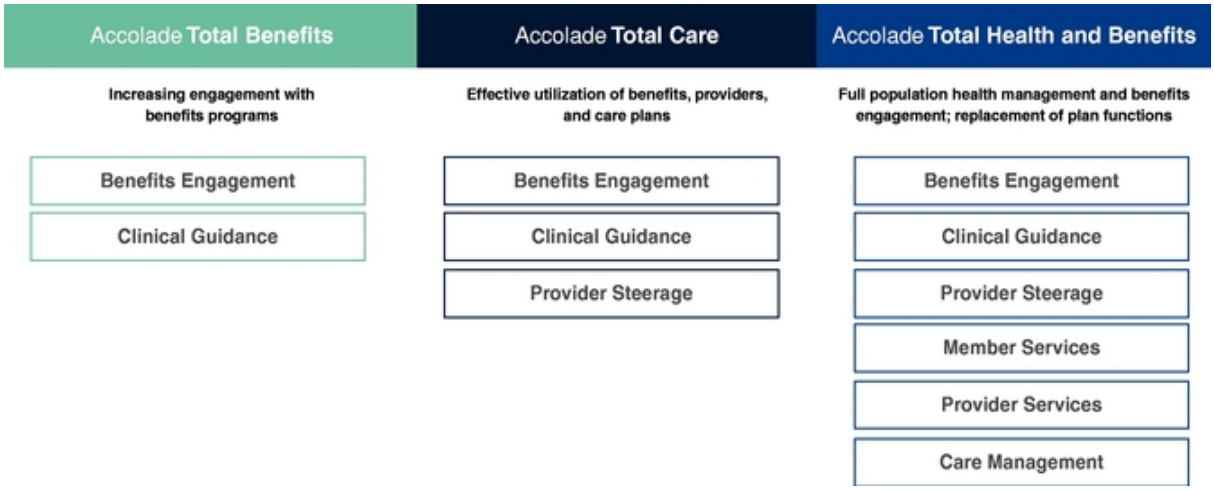
Our Offerings

We have developed a continuum of offerings to address the market's varied perspectives on how best to improve healthcare and benefits utilization, along with buyers' varying appetites for change. All of our offerings have been built on the same technology stack, meaning each is capable

of fully leveraging our integrated platform — combining people and technology to deliver value to our customers. We can unpack and combine our capabilities into differentiated bundles, while maintaining the scale and efficiency that comes from operating on a single platform.

Overview of Accolade's Multi-offering Strategy

Accolade Total Health and Benefits is our most comprehensive offering and most closely aligns to our "Premier" solution on which the company was founded and which the majority of our customers are using today. Within the last year, we have introduced two new offerings, Accolade Total Benefits and Accolade Total Care, which package components of Accolade Total Health and Benefits into more targeted, lower-cost solutions with simpler implementations.



Accolade Total Benefits

Accolade Total Benefits is designed for employers with low employee adoption of healthcare and benefits programs that have a preference for keeping their existing carrier arrangement fully intact. Accolade Total Benefits tackles the challenge of low adoption by making information and access to benefits readily available, digestible, and actionable. When an employer implements Accolade Total Benefits, employees gain a single, digital hub with not only information about — and direct entry points into — all their benefits, but also access to the human support that is so often essential for translating benefits details and understanding their optimal use. Accolade Health Assistants and nurses are ready to support members with benefits enrollment, provider search, coverage questions, claims, and other concerns, and, on the whole, to encourage greater benefit program awareness, understanding, and adoption.

Accolade Total Care

Accolade Total Care is designed for employers that are focused on influencing the actual interactions between employees and their providers and are also interested in care management services, but do not want to disrupt their existing arrangement with their carrier. Accolade Total Care builds on our Accolade Total Benefits offering by adding more personalized support for employees and their enrolled dependents to guide them to the best care options and providers within the scope of their benefits. Accolade Total Care helps members identify high-quality, cost-effective doctors, accounting for the member's preferences and network, and then schedules appointments on the member's behalf and helps prepare them for their visits. Accolade nurses stay with the member, following up to provide additional personalized support throughout their healthcare journey.

Accolade Total Health and Benefits

Accolade Total Health and Benefits offers our full suite of solutions: the simplified, synthesized experience of Accolade Total Benefits and the high-touch clinical guidance of Accolade Total Care, along with comprehensive population health management. Accolade Total Health and Benefits is for employers who are willing to adjust their historical arrangements with their carriers in order to authorize Accolade to deliver member and provider services. In Accolade Total Health and Benefits, Accolade is deeply embedded into the flow of members' healthcare consumption and is well-positioned to adapt to members' evolving needs. Accolade Total Health and Benefits includes a host of clinical programs, including treatment decision support, chronic care, maternity management, complex case management, and behavioral health support. In Accolade Total Health and Benefits, not only does Accolade become the single place for members to turn, but we also become the primary resource for the provider: delivering verification of eligibility and benefits along with utilization management services. These routine and transactional activities are converted into strategic insights that promote engagement with the member. The Accolade Total Health and Benefits offering is designed to fully integrate with an employer's healthcare and benefits solutions to derive population health insights, deliver improved care guidance, and ultimately lead to better outcomes for employers and their employees.

In addition to our three core offerings, Accolade has developed two add-on solutions, Accolade Boost and our Trusted Supplier Program, in response to the pronounced need among our employer customers for help with overall benefits management. There is evidence that employees are unaware of or underappreciate the benefits available to them. Only about one-third of employees claim they pay attention to all of the materials they receive about their company benefits. On account of this, employees underutilize what is available to them, as indicated by single digit percentage utilization rates of point solutions. Industry surveys for employers of more than 500 employees have reported that telemedicine utilization (i.e., employees using the service at least once) is approximately 7% to 11%, and usage of EAPs, which typically include alcohol and substance abuse support, counseling, and mental health programs, is only 5% to 8% annually. This underutilization frustrates employers given the investments made, while employees are left feeling inadequately supported.

Accolade Boost

Accolade Boost provides our customers the opportunity to harness the full power of Accolade's engagement platform for specific, custom ends. Accolade's always-on analytics engine identifies population segments appropriate for certain interventions. Customers can then purchase, typically on an incremental PMPM basis, tailored multimodal, intelligent communications combined with strategies to reach particular segments regarding particular benefits programs. Recent examples of the use of Accolade Boost include communications focused on driving flu shot uptake, enrollment in a maternity program, and adoption of a health plan selection decision support tool. Boost allows employers to overcome employee indifference by exchanging the oversaturation of standard mass employee outreach for targeted communications to the right subsets of employees at appropriate times and in appropriate modes.

Trusted Supplier Program

Through our Trusted Supplier Program, we offer our customers a curated portfolio of point solutions available for seamless purchase and integration. Our customers are overwhelmed by the recent proliferation of healthcare and benefit point solutions. While many of these solutions have strong user experiences and clinical merit, the sheer volume of options can challenge the benefits departments that must manage assessing, contracting, and then onboarding.

Customers can purchase third-party point solutions through Accolade with the assurance that all vendors have been evaluated for clinical quality, operational scalability, information security compliance, and financial viability. Accolade seeks to maintain a Trusted Supplier Program with sufficient category coverage while adhering to rigorous criteria for inclusion. Today, our Trusted Supplier Program includes telehealth, musculoskeletal care, chronic condition management, women's health, behavioral health, prescription savings, and centers of excellence solutions. Examples of trusted suppliers include Teladoc and Livongo. Customers pay Accolade on an incremental PMPM basis, and we generally receive a revenue share from the trusted supplier. We see growing demand from our customers for this program and are invested in ongoing additions to category depth and coverage.

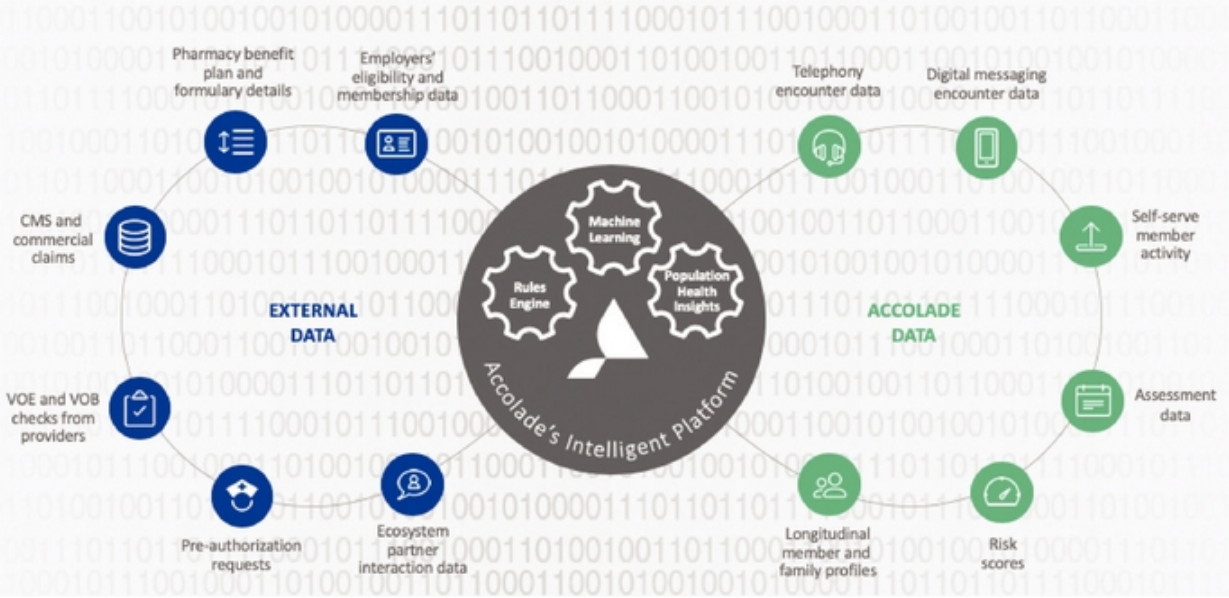
Our Technology Platform

With great conviction that technology can help scale and optimize the Accolade engagement model, we began making substantial investments to create an industry-leading, open, cloud-based platform approximately four years ago. This technology platform, built utilizing artificial intelligence, microservices, and data analytics, enables us to deliver personalized experiences to our full member population throughout their healthcare journeys. We have established a highly experienced Product & Technology organization comprised of over 200 individuals. Members of the team bring critical, relevant experience — in many cases gathered while at widely regarded technology firms, such as Microsoft, Amazon, and IBM — with some having focused on building large-scale, cloud-based platforms and others on developing consumer-focusing applications with seamless user experiences. Our technology team has extensive experience in machine learning, artificial intelligence, data science, engineering, and product management.

In order to fuel our machine learning processes, we have made a concerted effort to source what we view as a massive, powerful, and differentiated data set. We pair Accolade data (encounter and activation history, conditions/medications/procedures, barriers to care, assessment responses, care plans) with the data we ingest from:

- our employer customers (eligibility and membership data);
- carriers and pharmacy benefits managers (claims data, plus benefit plan and formulary details);
- providers (verification of benefits and eligibility checks, pre-authorizations, and utilization management discharge instructions);
- CMS and commercial insurers (billions of claims, comprehensive provider directories, and price data); and
- ecosystem partners (registrations, interactions, assessments/care plans).

With this combination of data, we are able to apply machine learning tactics to generate predictive insights about our members. For example, we calculate various scores for members that quantify their relationship with us, overall health status, and their propensity to take a desired action. These scoring techniques inform recommended actions for our Accolade Health Assistants and clinicians that are surfaced to InView, as well as recommendations delivered directly to our members as part of our activation capabilities and/or self-service.



We reach our members through various channels. Increasingly, members are leveraging our web portal and highly rated mobile application, available for both Android and iPhone, to engage with us. In 2019, nearly half of our engaged families communicated with us by messaging from the portal and/or mobile application.

Our Clinical Philosophy

We believe health outcomes are improved and overall healthcare spend is lowered when personalized care guidance and coordination are effectively delivered. Our clinical philosophy governs the ways we help members as they contemplate and consume care. Increasing healthcare spend is a lagging indicator of the need for support — our engagement model seeks to engage all members, regardless of healthcare spend or the complexity of medical needs, and support them as early as possible in their care journeys.

Engage everyone, not segments.

While we successfully engage with approximately 90% of the high-cost families in the population we serve, we endeavor to engage across our full member population. We do this because we know there are opportunities to influence decisions for the better, even with individuals with low healthcare utilization, and because we believe preventative care is paramount in preempting poor health outcomes and expensive care.

We believe all our members need high-quality primary care with which they regularly engage. A recent government study estimates that 28% of men and 17% of women lack a primary care provider, with even higher estimates for minority groups. Our model helps us to identify when a member lacks a primary care provider, and our engagement platform helps us reach our members

in order to find them the right doctor. In addition, we leverage our engagement model to support medication adherence, regular screenings, and timely immunizations.

Support people, not conditions.

We believe in treating the whole person. This means understanding comorbidities, especially behavioral health-related issues, social determinants of health, and contextual factors.

Individuals with a treated behavioral condition typically cost two to three times as much on average as those without a behavioral condition. Better coordination of behavioral health and more traditional medical care can help rein in this outsized expense. Indeed, an estimated $26 to $48 billion could be saved annually through more effective integration of medical and behavioral sciences.

Unfortunately, many individuals with chronic medical conditions and co-occurring mental health or substance use disorder conditions are never diagnosed and treated for their behavioral conditions. We directly address this problem of under-diagnosis by ensuring all of our clinical processes assess for co-morbid mental health or substance use disorder conditions through use of industry standard evidence-based tools and through our proprietary influence model that is built to identify stress, emotion, and anxiety.

In addition to behavioral health, growing evidence points to the impact of social determinants of health and contextual factors, such as financial, logistical, emotional, or concerns related to the member's skills and ability, in limiting the ability of people to receive good care. We seek to identify and then support these issues; our Accolade Health Assistants and clinicians apply our proprietary LEARN2 framework and probe during encounters to surface barriers and then listen to understand them. Our platform — both the people and the technology — is able to adjust recommendations and care plans to account for these concerns. A published study in the British Medical Journal showed that Accolade is two to three times more likely than primary care providers to incorporate contextual factors exposed naturally in the course of conversation into care plans. Our model is designed to ensure we do so consistently, thoughtfully, and productively.

Finally, we recognize the impact of families on the health and well-being of the individual and the crucial role of caregivers in managing care. Our technology is designed with these dynamics in mind, and our Accolade Health Assistants and clinicians are trained to consider a member within their family unit and to understand the practical and emotional considerations associated with caregivers.

Impact journeys, not events.

An estimated $27 billion to $78 billion in wasted annual healthcare spend is attributed to failures in care coordination. By building enduring relationships and staying with members through their journeys, our clinicians are able to repeatedly guide members toward the most appropriate care, directly addressing overuse, underuse, and misuse of the system.

Our multidisciplinary clinical team allows us to draw on specialized expertise whenever it may be beneficial for the member. Our technology allows us to identify areas of risk (e.g., uncoordinated care leading to "medical collisions" and multidrug interaction challenges). We also engage directly with members' physicians, when supporting verification of eligibility and benefits and pre-authorization requests and, simply, as may be valuable in the normal course of supporting our members. Ultimately, we recognize that better health outcomes result when a member is educated prior to receiving care and followed up with to ensure their needs were met. Our dedicated model empowers members by giving them the comfort and confidence of ongoing support on their path to good health, regardless of how long that path may be.

Quality matters.

Access to care is not sufficient. We believe that the quality of care plays a substantial role in health outcomes. Our commitment to this belief is most evident in two aspects of our business:

- *A commitment to helping members find high-quality doctors.* In July 2019, we acquired MD Insider, a machine learning platform that produces experiential and performance insights on millions of providers across the healthcare system based on billions of claims (commercial and CMS). We made this acquisition because we fundamentally believe people deserve high-quality care and that we are uniquely positioned on the basis of our platform and engagement model to leverage such quality data. We complement our quality insights with transparent cost data, as well as our members' unique needs and preferences, to guide members to the best doctor for them.

- *Rigorous quality assurance for our clinical programs.* The quality of the industry's clinical programs is uneven. We believe comprehensive quality measures and state-of-the-art monitoring capabilities are absolutely necessary and have architected our platform and processes accordingly. We adhere to evidence-based medicine standards in our clinical programs, which include complex case management, behavioral health, and maternity management.

Our Go-to-Market Strategy

We employ a multipronged go-to-market strategy to drive adoption of our solutions. We have strategically curated our offerings portfolio to ensure we have a compelling value proposition at an appropriate price point that resonates with each specific customer segment.

Sales Organization. We principally sell our solutions through our direct salesforce and have invested meaningfully in creating a scaled and focused team to capture the new customer growth opportunities. Our field sales professionals are organized by account size, region, and existing versus prospective customer. This organizational structure enables us to deliver context-specific, tailored messaging that resonates with each specific customer segment. Our sales team possesses deep domain expertise in health benefits management and boasts long-term relationships with key decision makers within our prospective customer organizations. We believe the effectiveness of our sales organization is evidenced by growing adoption of our platform by large strategic customers, as well as strong recent traction with enterprise and mid-market customers where we see meaningful additional revenue opportunity.

Customer Partnerships Organization. Our customer partnerships team provides strategic insights, point solutions recommendations, and day-to-day account support to our customers. The team is focused on deepening existing customer relationships and cross selling new offerings where appropriate. This organization is comprised of dedicated customer support teams to serve each customer's specific needs. Over the past year, this team has also focused on deepening existing customer relationships through sales of our new offerings.

Strategic Partnerships. We selectively form partnerships to further drive customer acquisition and adoption of our personalized, technology-enabled solutions platform. For example, in March 2019, we partnered with Humana and formed a joint go-to-market strategy, which we launched in two initial geographic markets. In October 2019, concurrent with an equity investment from Humana, we expanded our partnership to add a broader base of solutions targeting self- and fully-insured customer prospects and significantly expand our target geographic markets.

We believe the breadth of our go-to-market and distribution strategy enables us to reach customers of nearly every size across markets.

Marketing

We generate client leads, accelerate sales opportunities, and drive brand awareness through our marketing programs. Our marketing programs target benefits and finance executives, senior business leaders, health professionals, brokers, consultants, third-party administrators, and suppliers.

In addition to our direct sales organization, we maintain relationships with a range of third parties including brokers, benefits consultants, third-party administrators, and trusted suppliers. These partners supplement our direct sales force and help sell our offerings into select end markets by way of warm introductions and advice as we field prospective customers' requests for proposals. We have developed strong relationships with our partners and have a well-established reputation within our partner community. We proactively educate our partners on our solutions and value proposition to ensure we are appropriately represented to prospective customers.

Results

The following is a representative interaction between an Accolade Total Health and Benefits Member and an Accolade Health Assistant.

Scenario: A member ("Sarah") with Type 2 Diabetes moves to a new geographic area and needs an endocrinologist.

Engagement

Sarah calls the number on the back of her ID card. When an Accolade Health Assistant (AHA) answers, the name "Accolade" rings a bell — Sarah recently received a mailer explaining she could "Ask Accolade" any healthcare and benefits questions.

Trusted Relationship

The transactional concern: To address Sarah's specific need, the AHA initiates a provider search accounting for Sarah's network and location of her new home.

Getting past the transactional (probing questions):

- While searching, the AHA asks about the move. Sarah shares the challenges she's had with the moving company and mentions how the move has hit the family's finances hard.
- Sarah expresses her frustration with how difficult it is to find good providers, as well as how challenging it can be to call over to doctors' offices during her work day.
- She also mentions that her son has a learning disability and is struggling at his new school, which she fears may lead to depression. Sarah has been missing work to care for him.

Resolving the transactional and adding value:

- Issue resolution: The AHA provides a shortlist of nearby, in-network physicians with high scores on quality and cost measures based on Accolade's proprietary methodologies.
- Adding incremental value:
    - The AHA contacts Sarah's chosen provider to make an appointment on her behalf.
    - Leveraging Accolade's CRM tool (InView), the AHA sees that Sarah has an insulin prescription that periodically goes unfilled. The AHA advises her of a mail-order pharmacy benefit that will make filling her Rx more convenient.

- The AHA generates a new care plan to support Sarah's diabetes and notes a financial "barrier" given what she has disclosed about the impact of the move. The care plan automatically generates interventions and goals that reflect the condition and noted barriers. The AHA mentions a generic alternative to Sarah's current prescription which the member may want to discuss with her doctor.

Influence *(positioning Accolade to deliver interventions)*

- The AHA advises Sarah that she will be "her person" going forward for anything health and benefits related, avoiding the need for Sarah to repeatedly explain her story to new member service representatives.
- The AHA explains that through Accolade, Sarah has access to a team of clinicians to support her in her diabetes management, as well as a team of behavioral health specialists who can support her son's situation.
- The AHA acknowledges logistical challenges related to Sarah's work schedule and guides her to download the Accolade mobile application.

Better Decisions

- Sarah accepts an Accolade nurse's offer to help prepare her for her upcoming appointment; because she downloaded the Accolade mobile app, she receives a message from the nurse containing some questions to ask her doctor.
- At the appointment, scheduled on her behalf by Accolade, Sarah asks her provider about the generic alternative.
- Later, Sarah signs up for the mail-order pharmacy benefit.
- Following the appointment, Sarah securely messages her nurse saying the appointment went well.
- In that same messaging encounter, Sarah asks to be connected with the behavioral health (BH) team, as her son's situation at school has not improved. A BH specialist reaches out to Sarah with a digital message and in the encounter that follows supports Sarah in identifying an in-network therapist and then scheduling the appointment.

Improved Outcomes

Sarah is empowered to make positive changes resulting in improved health, lower costs, and increased productivity at work:

- Sarah's blood glucose levels remain stable, as she is in the care of a good doctor and adherent to her medication.
- Both Sarah and her employer's healthcare spend is reduced thanks to the avoidance of complications given her glucose level stability and selection of the generic drug alternative.
- Sarah's son is reacting well to therapy and doing better in school.

Feeling healthier and energized by her son's progress, the member's attendance and work performance have improved markedly.

Ongoing Engagement

- A few months later, because Sarah's employer has purchased a new diabetes management program through Accolade's Trusted Supplier Program and is promoting adoption through Boost, the member learns the solution available to her at no cost.
- As a result, and because she wants to improve her condition, she reaches out to her AHA who enhances her to a nurse to conduct clinical assessments (including the industry-standard patient health questionnaire that tests for depression).
- Based on the condition assessment, the Accolade nurse recommends a series of personalized lifestyle changes and assists Sarah in signing up for the diabetes management program.
- Sarah and the Accolade nurse plan to connect every few weeks to monitor progress.
- The BH clinician follows up with the member to check in on her son's progress.

Competition

We believe no single competitor offers a similarly comprehensive platform combining personalized, technology-enabled solutions with highly trained professionals. However, we have experienced and expect to continue to experience competition from a number of companies, including those who are well-established and may have greater resources, and those who may become meaningful competitors in the future. Our competitors generally fall into three categories: large health plans that provide member and provider services, such as the Blue Cross Blue Shield health plans (e.g., Anthem), Cigna, UnitedHealth Group, and Aetna; traditional advocacy and navigation companies, such as Quantum Health and Health Advocate; and an emerging cohort of companies that traditionally provided adjacent and/or exclusively digital services and are increasingly adding some version of navigation support to their offering, most notably Grand Rounds, Alight (Compass), and Castlight. We believe the primary competitive factors for our industry include:

- level of member engagement;
- ability to influence members to improve health and financial outcomes;
- level of customer and member satisfaction;
- ease of integration with employer benefits programs;
- price;
- breadth and depth of platform functionality;
- modern and open technology supporting integration with third-party applications;
- ability to recruit and retain skilled employees and clinicians;
- access to and ability to derive insights from large, disparate data sets;
- advanced analytics capabilities to create personalized recommendations;
- brand awareness and reputation;
- regulatory compliance; and
- ability to rapidly innovate and respond to changing customer needs and legislative developments.

While certain of our competitors may have greater resources, recognition, larger customer bases, or longer-standing offerings, we believe that we compete favorably against our competitors based on these criteria. We believe that our platform dramatically improves member experience, encourages better health outcomes, and lower costs for both our members and our customers. As our market grows and continues to evolve through technology or regulatory-driven changes, we expect it will continue to attract interest from existing larger companies who may be able to invest more resources in solutions, sales and marketing, and leverage their existing relationships, as well as interest from new entrants, who could introduce new solutions.

Intellectual Property

We believe that our intellectual property rights are valuable and important to our business. We rely on trademarks, patents, copyrights, trade secrets, intellectual property assignment agreements, confidentially procedures, nondisclosure agreements, and employee nondisclosure and invention assignment agreements to establish and protect our proprietary rights.

These intellectual property rights and procedures may not prevent others from creating a competitive technology platform or otherwise competing with us. We may be unable to obtain, maintain, and enforce the intellectual property rights on which our business depends, and assertions by third parties that we violate their intellectual property rights could have a material adverse effect on our business, financial condition, and results of operations.

As of February 28, 2019, we had one pending patent application in the United States and four registered trademarks in the United States. We continually review our product and technology efforts to assess the existence and patentability of new intellectual property.

Government Regulation

HIPAA and Other Privacy and Security Requirements

Numerous state and federal laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of PHI and PII. These laws and regulations include the Health Insurance Portability and Accountability Act (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH). HIPAA establishes a set of national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services. We are considered a business associate under HIPAA. As such, we could be subject to periodic audits for compliance with the HIPAA Privacy and Security Standards by HHS and our customers. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims. HIPAA imposes mandatory penalties for certain violations. Penalties for violations of HIPAA and its implementing regulations start at $100 per violation and are not to exceed $50,000 per violation, subject to a cap of $1.5 million for violations of the same standard in a single calendar year. However, a single breach incident can result in violations of multiple standards. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts may award damages, costs, and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI.

In addition, HHS is required under HIPAA to establish a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the

Civil Monetary Penalty fine paid by the violator, which is yet to be publicly proposed or implemented. HIPAA further requires that patients be notified of any unauthorized acquisition, access, use or disclosure of their unsecured PHI that compromises the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals. HIPAA specifies that such notifications must be made "without unreasonable delay and in no case later than 60 calendar days after discovery of the breach." If a breach affects 500 patients or more, it must be reported to HHS without unreasonable delay, and HHS will post the name of the breaching entity on its public web site. Breaches affecting 500 patients or more in the same state or jurisdiction must also be reported to the local media. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually.

Likewise, California recently enacted legislation that has been dubbed the first "GDPR-like" law in the United States. Known as the California Consumer Privacy Act (CCPA), it creates new individual privacy rights for consumers (as that word is broadly defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. When it goes into effect on January 1, 2020, the CCPA will require covered companies to provide new disclosures to California consumers, provide such consumers new ways to opt-out of certain sales of personal information, and allow for a new cause of action for data breaches. It remains unclear what, if any, modifications will be made to the draft regulations that have been released or how the CCPA will be interpreted. As currently written, the CCPA could impact our business activities depending on how it is interpreted.

There are numerous other federal, state, and foreign laws and regulations that protect the confidentiality, privacy, availability, integrity, and security of PHI and other types of PII. These laws and regulations in many cases are more restrictive than, and may not be preempted by, HIPAA and its implementing rules. These laws and regulations are often uncertain, contradictory, and subject to changed or differing interpretations, and we expect new laws, rules, and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future. This complex, dynamic legal landscape regarding privacy, data protection, and information security creates significant compliance issues for us and our customers and potentially exposes us to additional expense, adverse publicity and liability. While we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations relating to privacy and data protection, some PHI and other PII or confidential information is transmitted to us by third parties, who may not implement adequate security and privacy measures, and it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of third parties who transmit PHI and other PII or confidential information to us. If we or these third parties are found to have violated such laws, rules, or regulations, it could result in government-imposed fines, orders requiring that we or these third parties change our or their practices, or criminal charges, which could adversely affect our business.

Other Health Care Laws

Our business activities are subject to a complex set of regulations and rigorous enforcement, including by the FDA, U.S. Department of Justice, U.S. Department of Health and Human Services (HHS), Office of the Inspector General and Office of Civil Rights, and numerous other federal and state governmental authorities. In addition, our employees, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory

standards and requirements. Federal and state healthcare laws and regulations that may affect our ability to conduct business include:

- HIPAA, as amended by HITECH, and its implementing regulations, which impose certain requirements relating to the privacy, security, and transmission of protected health information on certain healthcare providers, health plans and healthcare clearinghouses, and their business associates that access or otherwise process individually identifiable health information on their behalf; HIPAA also created criminal liability for knowingly and willfully falsifying or concealing a material fact or making a materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;

- state laws governing the privacy and security of personal information beyond health information, include state breach notification requirements, which differ from each other in significant ways with respect to scope, application, and requirements and which often exceed the standards under HIPAA, thus complicating compliance efforts;

- state laws governing professional licensure, the corporate practice of medicine and other healthcare professions and related fee-splitting laws;

- the federal Anti-Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs, such as the CMS programs, including Medicare and Medicaid;

- the federal civil false claims and civil monetary penalties laws, including the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government;

- federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- the federal Physician Payment Sunshine Act, or Open Payments, created under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or Affordable Care Act, and its implementing regulations, which requires manufacturers of drugs, medical devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program to report annually to CMS information related to payments or other transfers of value made to licensed physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;

- Federal Food, Drug, and Cosmetic Act, or FDCA, which requires, among other things, manufacturers of medical devices, including certain software technology companies, to comply with requirements related to pre-market clearances, approved labeling, medical device adverse event reporting, and on-going post-market monitoring and quality assurance; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

The Affordable Care Act, among other things, amends the intent requirement of the federal Anti-Kickback Statute and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the Affordable Care

Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act.

Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our activities could be subject to challenge under one or more of such laws. Any action brought against us for violations of these laws or regulations, even if successfully defended, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. We may be subject to private "qui tam" actions brought by individual whistleblowers on behalf of the federal or state governments, with potential liability under the federal False Claims Act including mandatory treble damages and significant per-claim penalties.

If our operations are found to be in violation of any of the federal or state laws described above or any other current or future fraud and abuse or other healthcare laws and regulations that apply to us, we may be subject to penalties, including significant criminal, civil, and administrative penalties, damages and fines, disgorgement, additional reporting requirements, and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, imprisonment and exclusion from participation in government programs, such as Medicare and Medicaid, as well as contractual damages, curtailment of our business activities, and reputational harm.

Our Facilities

We have co-headquarters in Seattle, Washington at 1201 Third Avenue, Suite 1700, Seattle, WA 98101 and Plymouth Meeting, Pennsylvania at 660 West Germantown Pike, Suite 500, Plymouth Meeting, PA 19462. Our Seattle headquarters is leased pursuant to a lease that expires in 2030. Our Plymouth Meeting headquarters space is leased pursuant to a lease that expires in 2027. We also have offices located in Scottsdale, Arizona and Prague, Czech Republic, pursuant to leases that expire in 2024 and 2021, respectively. We believe that our properties are generally suitable to meet our needs for the foreseeable future. In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms.

Employees

Our employees are critical to our success. We had 1,035 employees as of February 28, 2019. None of our employees is represented by a labor union. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Legal Proceedings

We are from time to time subject to, and are presently involved in, litigation and other legal proceedings. We believe that there are no pending lawsuits or claims that, individually or in the aggregate, may have a material effect on our business, financial condition or operating results.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information for our executive officers and directors as of November 30, 2019:

Name	Age	Position
Executive Officers		
Rajeev Singh	51	Chief Executive Officer and Director
Stephen Barnes	49	Chief Financial Officer
Robert Cavanaugh	50	President
Michael Hilton	55	Chief Product Officer
Non-Employee Directors		
Edgar Bronfman, Jr.	64	Director
J. Michael Cline[2][3]	60	Director
Senator William H. Frist, M.D.	67	Director
Jeffrey Jordan	60	Director
Peter Klein[1]	57	Director
Dawn Lepore[1]	65	Director
James C. Madden, V[1][2][3]	58	Director
Thomas Neff[2][3]	82	Director
Michael T. Yang	48	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

Executive Officers

Rajeev Singh has served as our chief executive officer and a member of our board of directors since October 2015. In 1993, Mr. Singh co-founded Concur Technologies, Inc., a business travel and expense management company. Mr. Singh served on Concur's board of directors from April 2008 until January 2015 and was most recently its president and chief operating officer until it was acquired by SAP SE in 2014. Prior to Concur, Mr. Singh held positions at Ford Motor Company and General Motors Corporation. Mr. Singh currently serves on the board of directors Avalara Inc., a tax compliance software company, and previously served on the board of directors of Apptio, Inc., a technology business management company. Mr. Singh holds a B.S. from Western Michigan University. We believe Mr. Singh is qualified to serve on our board of directors due to his extensive knowledge of our company, as well as his significant operational and strategic expertise.

Stephen Barnes has served as our chief financial officer since February 2015. From February 2014 to January 2015, Mr. Barnes served as a managing director at NRG Energy, Inc., an energy company. Mr. Barnes served as president of Energy Plus Holdings LLC, an energy company, from July 2012 to January 2014 after it was acquired by NRG. He served as chief financial officer of Energy Plus from February 2009 to June 2012. Previously, Mr. Barnes served in various roles at Novitas Capital, Voxware, Inc. and KPMG. Mr. Barnes holds an M.B.A. from The Wharton School of the University of Pennsylvania and a B.S. from Villanova University and is also a CPA (inactive).

Robert Cavanaugh has served in a variety of roles with us since November 2015, and is currently serving as our president. From 1999 to April 2015, Mr. Cavanaugh served in various roles at Concur, including serving as president, worldwide enterprise, SMB and government, executive

vice president, client development and executive vice president, business development. Mr. Cavanaugh served as an officer in the United States Army Reserve from 1991 to 2000. Mr. Cavanaugh currently serves on the board of directors of Cornerstone OnDemand, Inc., a learning, talent management, and talent experience software provider. Mr. Cavanaugh holds a B.S. from Norwich University.

Michael Hilton has served as our chief product officer since November 2015. Mr. Hilton co-founded Concur and served in various roles from 1993 to January 2015, most recently serving as chief product officer. Prior to Concur, Mr. Hilton served as director of development at Contact Software International, a customer relationship management software company, which was acquired by Symantec Corporation in 1993. Mr. Hilton holds a B.A. from the University of California, Santa Cruz.

Non-Employee Directors

Edgar Bronfman Jr. has served as a member of our board of directors since December 2013. Since 2014, Mr. Bronfman has served as managing partner of Accretive, LLC, a private equity firm. Since October 2017, Mr. Bronfman has served as chairman of Waverley Capital LLC, a media-focused venture capital firm, of which he is also a co-founder and general partner. Mr. Bronfman served in various roles at Warner Music Group, a multinational entertainment and record label, most recently serving as chief executive officer from March 2004 to August 2011 and as a member of the board of directors from March 2004 to May 2013, including serving as chairman of the board of directors from March 2004 to January 2012. Mr. Bronfman previously served on the boards of directors of IAC InterActive Corp, a media and internet company, and Accretive Health, Inc. (now known as R1 RCM Inc.), a healthcare management company. We believe Mr. Bronfman is qualified to serve on our board of directors due to his experience as chief executive of several large organizations, his experience in venture capital and private equity investing and his experience as a director of public companies.

J. Michael Cline is one of our co-founders and has served as a member of our board of directors since January 2007. Mr. Cline serves as the founding managing partner of Accretive, LLC, a private equity firm, which he founded in December 1999. Mr. Cline was a founder of Accretive Health, Inc. (now known as R1 RCM, Inc.), a healthcare management company, and served as chairman of the board of directors from July 2009 until May 2015. From 1989 to 1999, Mr. Cline served as a general partner of General Atlantic Partners, LLC, a private equity firm. Mr. Cline holds an M.B.A. from Harvard Business School and a B.S. from Cornell University. We believe Mr. Cline is qualified to serve as a member of our board of directors due to his experience in private equity investing.

Senator William H. Frist, M.D. has served as a member of our board of directors since March 2010. Dr. Frist is a heart and lung transplant surgeon, former U.S. Senator from Tennessee and former majority leader of the U.S. Senate. Since 2008, Dr. Frist has been a partner at Cressey & Company, L.P., a private health services investment firm. Dr. Frist currently serves on the boards of directors of AECOM, an engineering firm, Teladoc Health, Inc., a telemedicine company, Select Medical Holdings Corporation, a healthcare company, and SmileDirectClub, Inc., a teledentistry company. Dr. Frist holds an M.D. from Harvard Medical School and a B.A. from Princeton University. We believe Dr. Frist is qualified to serve as a member of our board of directors due to his significant public company director experience and his health services experience and expertise.

Jeffrey Jordan has served as a member of our board of directors since July 2016. Mr. Jordan serves as the managing partner of Andreessen Horowitz, a venture capital firm, which he joined as a general partner in 2011. From 2007 to 2011, Mr. Jordan served as the president and chief executive officer of OpenTable Inc., an Internet and mobile services company. From 2004 to 2006,

he served as president of PayPal Holdings Inc., an Internet-based payment system then owned by Internet company eBay Inc., and as senior vice president and general manager of eBay from 1999 to 2004. Mr. Jordan currently serves on the board of directors of Pinterest, Inc., a mobile application company. Mr. Jordan holds an M.B.A. from the Stanford University Graduate School of Business and a B.A. from Amherst College. We believe Mr. Jordan is qualified to sit on our board of directors due to his experience as an investor and as an officer of technology companies.

Peter Klein has served as a member of our board of directors since September 2019. From January 2014 to June 2014, Mr. Klein served as chief financial officer of William Morris Endeavor Entertainment, LLC, a global sports and entertainment marketing firm. Mr. Klein spent over 11 years in various finance leadership roles at Microsoft Corporation, including serving as chief financial officer from November 2009 until May 2013. Previously, he held senior finance positions with McCaw Cellular Communications, Orca Bay Capital Corporation, Asta Networks Inc. and Homegrocer.com, Inc. Mr. Klein currently serves on the boards of directors of F5 Networks, Inc., a software company, and Denali Therapeutics Inc., a biotechnology company. Mr. Klein previously served on the board of directors of Apptio, Inc., a software company. He holds an M.B.A. from the University of Washington and a B.A. from Yale University. We believe Mr. Klein is qualified to serve on our board of directors due to his extensive experience as a senior finance executive, including as the chief financial officer of one of the world's largest software companies.

Dawn Lepore has served as a member of our board of directors since June 2019. Ms. Lepore served as interim chief executive officer of Prosper Marketplace, Inc., an online peer-to-peer lending platform, from March 2012 to January 2013. Ms. Lepore served as chairman and chief executive officer of drugstore.com, inc., an online retailer of health and beauty care products, from October 2004 until its sale to Walgreen Co. in June 2011. Prior to joining drugstore.com, Ms. Lepore held various leadership positions during her 21 years with The Charles Schwab Company. Ms. Lepore currently serves on the boards of directors of RealNetworks, Inc., an Internet streaming media delivery software provider. Ms. Lepore previously served on the boards of directors of AOL Inc. and Quotient Technology Inc., a digital promotion and media platform. Ms. Lepore holds a B.A. from Smith College. We believe Ms. Lepore is qualified to serve on our board of directors due to her extensive operational background experience as an executive and director at diverse online consumer, Internet technology and retail companies.

James C. Madden, V has served as a member of our board of directors since January 2007. In January 2012, Mr. Madden co-founded Carrick Capital Management Company LLC, a private equity firm, and continues to serve as a managing director at the firm. Mr. Madden served as a general partner of Accretive, LLC from January 2007 to February 2011. From January 2005 to January 2007, Mr. Madden was a special advisor to General Atlantic LLC, a private equity firm. Mr. Madden also served as chief executive officer of Exult, Inc., a provider of outsourced human resource services, from November 1998 to October 2004, and as chairman of the board of directors from February 2000 to October 2004. Mr. Madden currently serves on the board of directors of Genpact Limited, a business process and technology management provider. Mr. Madden previously served on the board of directors of ServiceSource International, Inc., a branding company. Mr. Madden holds a B.B.A. and a B.S. from Southern Methodist University. We believe Mr. Madden is qualified to serve on our board of directors due to his valuable operational and director experience leading a publicly traded company.

Thomas J. Neff has served as a member of our board of directors since 2007. Since 1976, Mr. Neff has served in various roles at Spencer Stuart Management Consultants N.A., an executive search consulting firm, currently serving as Spencer Stuart, U.S.'s chairman and previously managing the worldwide firm from 1979 to 1987. Prior to this, Mr. Neff was a consultant with McKinsey & Co Inc., a global consulting firm and was a principal with Booz Allen & Hamilton, a consulting firm. Mr. Neff holds an M.B.A. from Lehigh University and a B.S. from Lafayette College.

We believe Mr. Neff is qualified to sit on our board of directors due to his experience in leadership consulting.

Michael T. Yang has served as a member of our board of directors since June 2010. Since January 2019, Mr. Yang has served as a managing partner at OMERS Ventures, a venture capital firm. From 2009 to 2018, Mr. Yang served as a managing director at Comcast Ventures, a venture capital firm. From 2005 to 2008, Mr. Yang served as a vice president and general manager at Yahoo! Mr. Yang holds an M.B.A. from Harvard Business School and a B.S. from the University of Pennsylvania. We believe Mr. Yang is qualified to sit on our board of directors due to his investment experience in e-commerce and emerging technology sectors.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. We currently have ten directors. Our current directors will continue to serve as directors until their resignation, removal or successor is duly elected. Pursuant to our amended and restated certificate of incorporation as in effect prior to the completion of this offering and an investor rights agreement, Messrs. Bronfman, Jr., Cline, Jordan, Madden, and Yang were elected to serve as members of our board of directors by the holders of our preferred stock, and Ms. Lepore, Dr. Frist, and Messrs. Klein, Neff, and Singh were elected to serve as members of our board of directors by the holders of a majority of our capital stock, voting together. The investor rights agreement by which the directors are currently elected will terminate in connection with this offering, and there will be no contractual obligations regarding the election of our directors upon completion of this offering.

Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our amended and restated certificate of incorporation that will be in effect upon the completion of this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be , and their terms will expire at our first annual meeting of stockholders following this offering;
- the Class II directors will be , and their terms will expire at our second annual meeting of stockholders following this offering; and
- the Class III directors will be , and their terms will expire at our third annual meeting of stockholders following this offering.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards

of . In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares held by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Party Transactions."

Other Matters Pertaining to a Director

In June 2010, Mr. Bronfman was part of a trial in the Trial Court in Paris involving six other individuals, including the former Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of Vivendi Universal. The other individuals faced various criminal charges and civil claims relating to Vivendi, including Vivendi's financial disclosures, the appropriateness of executive compensation and trading in Vivendi stock. Mr. Bronfman previously served as the Vice Chairman of Vivendi and faced a charge and claims relating to certain trading in Vivendi stock in January 2002. At the trial, the public prosecutor and the lead civil claimant both took the position that Mr. Bronfman should be acquitted. In January 2011, the court found Mr. Bronfman guilty of the charge relating to his trading in Vivendi stock, found him not liable to the civil claimants and imposed a fine of 5 million euros and a suspended sentence of fifteen months. Mr. Bronfman appealed the Trial Court decision to the Paris Court of Appeal. In November 2013, Mr. Bronfman participated in a re-trial before a new judicial panel as part of his appeal of the Paris Trial Court's 2011 ruling. In May 2014, the new judicial panel rendered its decision, affirming the Paris Trial Court's finding that Mr. Bronfman was guilty of the charge, but stated that its finding would appear only in French judicial records (and not in Mr. Bronfman's public record), removed the suspended sentence imposed by the Paris Trial Court and suspended 2.5 million euros of the original fine of 5 million euros. The new judicial panel affirmed the Paris Trial Court's finding that Mr. Bronfman was not liable to the civil claimants. Mr. Bronfman appealed the verdict. On April 20, 2017, the Appellate Court rejected the appeal. Mr. Bronfman believes that his trading in Vivendi stock was proper and pursued a challenge to the Appellate Court's decision before the European Court of Human Rights. The European Court of Human Rights declined to hear the challenge.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Our audit committee consists of Messrs. Klein and Madden and Ms. Lepore. Our board of directors has determined that each member of the audit committee satisfies the independence requirements under the listing standards of and Rule 10A-3(b)(1) of the Exchange Act. The chair of our audit committee is Mr. Klein. Our board of directors has determined that is an "audit committee financial expert" within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, our board of directors has examined each audit committee member's scope of experience and the nature of his employment.

The primary purpose of the audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of

internal control and financial statement audits, and to oversee our independent registered public accounting firm. Specific responsibilities of our audit committee include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually that describes our internal quality control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law; and
- approving or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of .

Compensation Committee

Our compensation committee consists of Messrs. Cline, Madden, and Neff. The chair of our compensation committee is Mr. Neff. Our board of directors has determined that each member of the compensation committee is independent under the listing standards of and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans, and programs and to review and determine the compensation to be paid to our executive officers, directors, and other senior management, as appropriate. Specific responsibilities of our compensation committee include:

- reviewing and recommending to our board of directors the compensation of our chief executive officer and other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending, and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections, and any other compensatory arrangements for our executive officers and other senior management; and
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of .

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Cline, Madden, and Neff. The chair of our nominating and corporate governance committee is Mr. Madden. Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the listing standards of .

Specific responsibilities of our nominating and corporate governance committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and related matters; and
- overseeing periodic evaluations of the board of directors' performance, including committees of the board of directors.

Our nominating and corporate governance committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of .

Code of Business Conduct and Ethics

We will adopt a code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Upon the completion of this offering, our code of business conduct and ethics will be available under the Investor section of our website at www.accolade.com. In addition, we intend to post on our website all disclosures that are required by law or the listing standards of concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Non-Employee Director Compensation

The following table sets forth information regarding compensation earned by or paid to our non-employee directors during fiscal year ended February 28, 2019.

Name	Fees Earned or Paid in Cash ($)	Option Awards ($) (1)	Total ($)
Edgar Bronfman, Jr.	—	—	—
J. Michael Cline	—	—	—
Senator William H. Frist, M.D.	—	77,440	77,440
Jeffrey Jordan	—	—	—
Peter Klein(2)	—	—	—
Dawn Lepore(3)	—	—	—
Marcus Mactas(4)	—	29,040	29,040
James C. Madden, V	—	—	—
Thomas Neff	—	77,440	77,440
Thomas K. Spann(5)	—	—	—
Michael T. Yang	—	—	—

(1) Amounts in this column represent the aggregate grant date fair value of options granted during the fiscal year ended February 28, 2019, as computed in accordance with Accounting Standards Codification (ASC) Topic 718, without regard to estimated forfeitures related to service-based vesting conditions. For information regarding assumptions underlying the value of equity awards, see Note 8 to our consolidated financial statements and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates — Stock-Based Compensation," included elsewhere in this prospectus. These amounts do not reflect dollar amounts actually received by our non-employee directors, who will only realize compensation to the extent the trading price of our common stock is greater than the exercise price of such options. As of February 28, 2019, our non-employee directors held options to purchase the following number of shares of our common stock: Dr. Frist, 798,594 shares; Mr. Mactas, 670,000 shares; Mr. Neff, 398,594 shares; and Mr. Spann, 3,892,266 shares.

(2) Mr. Klein joined our board of directors in September 2019.

(3) Ms. Lepore joined our board of directors in June 2019.

(4) Mr. Mactas resigned from our board of directors in June 2019.

(5) Mr. Spann resigned from our board of directors in September 2019.

Rajeev Singh, our Chief Executive Officer, is also a director but does not receive any additional compensation for his service as a director. See the section titled "Executive Compensation" for more information regarding the compensation earned by Mr. Singh.

Non-Employee Director Compensation Policy

We expect to adopt a non-employee director compensation policy, pursuant to which our non-employee directors will be eligible to receive compensation for service on our board of directors and committees of our board of directors.

EXECUTIVE COMPENSATION

Our named executive officers for the fiscal year ended February 28, 2019 were:

- Rajeev Singh, our Chief Executive Officer;
- Stephen Barnes, our Chief Financial Officer; and
- Robert Cavanaugh, our President. .

Summary Compensation Table

The following table presents all of the compensation awarded to, earned by, or paid to our named executive officers during the fiscal year ended February 28, 2019.

Name and Principal Position	Fiscal Year	Salary ($)	Option Awards ($)[1]	Non-Equity Incentive Plan ($)[2]	All Other Compensation ($)[3]	Total ($)
Rajeev Singh *Chief Executive Officer*	2019	350,000	72,600	148,750	3,000	574,350
Stephen Barnes *Chief Financial Officer*	2019	350,000	20,570	148,750	3,000	522,320
Robert Cavanaugh *President*	2019	350,000	20,570	148,750	3,000	522,320

(1) Amounts reflect the grant date fair value of option awards granted in the fiscal year ended February 28, 2019, in accordance with ASC 718. For information regarding assumptions underlying the value of equity awards, see Note 8 to our consolidated financial statements and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates — Stock-Based Compensation," included elsewhere in this prospectus. These amounts do not necessarily correspond to the actual value that the named executive officers will realize upon the exercise of the stock options or any sale of the underlying shares of common stock.

(2) Amounts represent the annual performance-based cash bonuses earned by our named executive officers based on the achievement of certain corporate performance objectives and individual performance during the fiscal year ended February 28, 2019. These amounts were paid to the named executive officers in April 2019. Please see the descriptions of the annual performance bonuses paid to our named executive officers under "Performance Bonuses" below.

(3) Amounts shown in this column represent matching 401(k) contributions provided to the named executive officers on the same terms as provided to all of our regular full-time employees in the United States. For more information regarding these benefits, see below under "Other Compensation and Benefits."

Performance Bonuses

We offer our named executive officers the opportunity to earn annual cash incentives to compensate them for attaining short-term company and individual performance goals. Each of Messrs. Singh, Barnes, and Cavanaugh has an annual target bonus that is expressed as a percentage of his annual base salary. The target bonus percentages for our named executive officers (for calendar year 2018, which were determined prior to the company's transition to the current fiscal year which ends in February) were 50% for each of Messrs. Singh, Barnes, and Cavanaugh.

Our compensation committee, based upon the recommendation of our Chief Executive Officer, establishes company performance goals each year and, at the completion of the year, determines actual bonus payouts after assessing company performance against these goals and a named executive officer's individual performance and contributions to the company's achievements. The

calendar company performance goals for Messrs. Singh, Barnes, and Cavanaugh were based on our revenue, new business bookings measured by annual recurring revenue, free cash flow, Adjusted Gross Margin, and member net promotor score.

The actual cash bonuses earned by our named executive officers during fiscal year 2019 are reported under the "Non-Equity Incentive Plan" column of the Summary Compensation Table above.

As a public company, if we are required to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws as a result of misconduct, our chief executive officer and chief financial officer may be legally required to reimburse us for any bonus or other incentive-based or equity-based compensation they receive in accordance with the provisions of section 304 of the Sarbanes-Oxley Act.

Other Compensation and Benefits

All of our current named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, life, disability, and accidental death and dismemberment insurance plans, in each case on the same basis as all of our other employees. We pay the premiums for the life, disability and accidental death and dismemberment insurance for all of our employees, including our named executive officers. We generally do not provide perquisites or personal benefits to our named executive officers.

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Internal Revenue Code of 1986 (Code) limits, which are updated annually. We have the ability to make matching and discretionary contributions to the 401(k) plan. We make matching contributions of up to 3% of eligible deferred compensation capped at $3,000 annually for each employee. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

The Company did not sponsor any nonqualified deferred compensation plans during the fiscal year ended February 28, 2019. Our board of directors may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future, if it determines that doing so is in our best interests.

Our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during the fiscal year ended February 28, 2019.

Agreements with Our Named Executive Officers

Rajeev Singh. In October 2015, we entered into an Employment Agreement with Mr. Singh (the "Singh Employment Agreement"). The Singh Employment Agreement has no specific term, provides for at-will employment and reflects Mr. Singh's initial annual base salary of $400,000, an initial discretionary target bonus opportunity per year of up to sixty-percent (60%) of the base salary, the terms of his initial stock option grant, and severance benefits upon an involuntary termination, as described below in "— Potential Payments upon Termination or Change in Control."

Stephen Barnes. On December 1, 2014, we entered into a Letter Agreement with Mr. Barnes (the "Barnes Employment Agreement"). The Barnes Employment Agreement has no specific term, provides for at-will employment and reflects Mr. Barnes' initial annual base salary of $400,000, a one-time bonus payment of $100,000 paid in April 2015, a discretionary target bonus opportunity

per year of up to fifty-percent (50%) of the base salary, the terms of his initial stock option grant, and severance benefits upon an involuntary termination, as described below in "— Potential Payments upon Termination or Change in Control."

Robert Cavanaugh. On October 26, 2015, we entered into a Letter Agreement with Mr. Cavanaugh (the "Cavanaugh Employment Agreement"). The Cavanaugh Employment Agreement has no specific term, provides for at-will employment and reflects Mr. Cavanaugh's current annual base salary of $350,000, a discretionary target bonus opportunity per year of up to fifty-percent (50%) of the base salary, and the terms of his initial stock option grant. The Cavanaugh Employment Agreement does not contain provisions regarding severance benefits.

Potential Payments upon Termination or Change in Control

Regardless of the manner in which service terminates, each of Mr. Singh and Mr. Barnes are entitled to receive amounts earned during his term of service, including unpaid salary and unused vacation.

Upon an involuntary termination (including due to death or disability), termination without Cause or resignation for Good Reason (each as defined in the Singh Employment Agreement), Mr. Singh is eligible for severance benefits in the form of a payment equal to 12 months of base salary and the acceleration of all outstanding equity awards to the extent such awards would have otherwise become vested if Mr. Singh's employment had not been terminated for a period of nine months following such termination. Upon termination without Cause or resignation for Good Reason within one-year of a Company Transaction (as defined in the 2007 Plan), Mr. Singh's outstanding equity awards vest according to the vesting acceleration provisions set forth in the respective award agreements.

Upon an involuntary termination, except a Termination for Cause (as defined in the Barnes Employment Agreement), Mr. Barnes is eligible for severance benefits in the form of (i) continued base compensation and (ii) payment of COBRA premiums, for up to one year from the date of termination or, if earlier, the date Mr. Barnes next becomes employed full-time by another employer. In the event that Mr. Barnes is terminated as a result of an acquisition of the company, all of Mr. Barnes' outstanding unvested options shall immediately vest.

Each of our named executive officers' stock options are subject to the terms of the 2007 Plan and form of share option agreement thereunder. If in connection with certain Company Transactions (as defined in the 2007 Plan), a successor entity (or parent thereof) does not assume or substitute outstanding options under our 2007 Plan prior to the effective date of the Company Transaction, each then outstanding option will become fully vested and exercisable. All outstanding repurchase rights under our 2007 Plan (to the extent there are any) shall be assigned to the successor entity (or parent thereof) in the event of any Company Transaction. If the successor entity (or parent thereof) does not accept such assignment, the outstanding repurchase rights shall terminate automatically, and the shares subject to those terminated rights shall immediately vest in full, upon the consummation of the Company Transaction, unless otherwise precluded by limitations imposed at the time of issuance. A more detailed description of the termination and change in control provisions in the 2007 Plan and awards granted thereunder is provided below under "— Equity Plans."

Outstanding Equity Awards at Fiscal Year-End

The following table presents the outstanding equity incentive plan awards held by each named executive officer as of February 28, 2019.

	Option Awards[1]					
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable[2]	Option Exercise Price Per Share[3]	Option Expiration Date	Vesting Commencement Date
Rajeev Singh	4/26/2017	6,666,666	1,333,334	$ 0.84	10/30/2025	10/30/2015
	7/26/2017	59,375	90,625	$ 0.90	7/26/2027	7/26/2017
	5/3/2018	—	150,000	$ 0.94	5/2/2028	4/1/2018
Stephen Barnes	4/26/2017	780,000	—	$ 0.84	2/1/2025	2/1/2015
	4/26/2017	34,375	40,625	$ 0.84	4/26/2027	4/1/2017
	5/3/2018	—	42,500	$ 0.94	5/2/2028	4/1/2018
Robert Cavanaugh	4/26/2017	2,353,125	470,625	$ 0.84	10/30/2025	10/30/2015
	4/26/2017	34,375	40,625	$ 0.84	4/26/2027	4/1/2017
	5/3/2018	—	42,500	$ 0.94	5/2/2028	4/1/2018

(1) All of the option awards were granted under the 2007 Plan, the terms of which plan are described below under "— Equity Plans."

(2) The unvested shares are scheduled to vest over a four-year period as follows: 25% of the shares underlying the options vest on the one-year anniversary of the vesting commencement date, and thereafter 1/48th of the shares vest each month, subject to continued service with us through each relevant vesting date.

(3) All of the option awards were granted with a per share exercise price equal to the fair market value of one share of our common stock on the date of grant, as determined in good faith by our board of directors or compensation committee.

Equity Plans

Amended and Restated 2007 Stock Option Plan

Our board adopted the Amended and Restated 2007 Stock Option Plan (the 2007 Plan) on July 1, 2010, and it was approved by our stockholders on July 1, 2010. The 2007 Plan was most recently amended and restated on April 25, 2014, and was last amended by our board on March 28, 2019 and by our stockholders on April 18, 2019. The 2007 Plan provides for the grant of incentive stock options (ISOs) and nonqualified stock options (NSOs) to our employees, directors and consultants or those of our subsidiaries. ISOs may be granted only to our employees or employees of our subsidiaries.

The 2007 Plan will be terminated on the date the 2020 Plan becomes effective. However, any outstanding awards granted under the 2007 Plan will remain outstanding, subject to the terms of our 2007 Plan and award agreements, until such outstanding options are exercised or until any awards terminate or expire by their terms.

Authorized Shares. Following the consummation of this offering, we will no longer grant awards under our 2007 Plan. As of February 28, 2019, we had outstanding options under our equity compensation plans to purchase an aggregate of 40,737,537 shares of our common stock, with a weighted-average exercise price of $0.88 per share.

Plan Administration. Our board or a duly authorized committee of two or more members of our board administers our 2007 Plan and the awards granted under it. The administrator has the power to modify outstanding awards under our 2007 Plan. The administrator has the authority to cancel any outstanding option and to grant in substitution thereof new options covering the same

or different number of shares of common stock but with an exercise price per share based on the fair market value on the new option grant date, with the consent of any adversely affected participant.

Company Transactions. Our 2007 Plan provides that in the event of certain specified Company Transactions, as defined under our 2007 Plan, our board may take the following actions for each outstanding option (i) arrange for the assumption by the successor entity (or parent thereof) or (ii) replace with a comparable option to purchase shares of the successor entity (or parent thereof) or with a cash incentive program of the successor entity which preserves the spread existing on the unvested option shares at the time of the company transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such option. If any successor entity (or parent thereof) does not effect such assumption or replacement, immediately prior to the effective date of the company transaction, each outstanding option will become fully exercisable for all shares of common stock at the time subject to such option and may be exercised for any or all of those shares as fully vested.

All outstanding repurchase rights (to the extent there are any) shall also be assigned to the successor entity (or parent thereof) in the event of any Company Transaction. However, to the extent the successor entity (or parent thereof) does not accept such assignment, the outstanding repurchase rights shall terminate automatically, and the shares subject to those terminated rights shall immediately vest in full, upon the consummation of the Company Transaction, except to the extent such accelerated vesting is precluded by other limitations imposed by the administrator at the time the repurchase right is issued.

Unless otherwise provided, immediately following the consummation of the Company Transaction, all outstanding options shall terminate and cease to be outstanding, except to the extent assumed by the successor entity (or parent thereof).

The administrator is not obligated to treat all awards or portions of awards, even those that are of the same type, in the same manner.

Transferability. Our board may impose limitations on the transferability of options, as the board will determine. Absent such limitations, a participant may not transfer awards under our 2007 Plan other than by will, the laws of descent and distribution.

Plan Amendment or Termination. Our board has the authority to amend or modify our 2007 Plan at any time, provided that such action will not impair a participant's rights under such participant's outstanding award without his or her written consent. As described above, our 2007 Plan will be terminated upon the effective date of this offering, and no future awards will be granted thereunder.

2020 Equity Incentive Plan

Our board of directors adopted the 2020 Equity Incentive Plan, or (the 2020 Plan), in and our stockholders approved the 2020 Plan in . The 2020 Plan will become effective upon the execution of the underwriting agreement for this offering. The 2020 Plan will be the successor to the 2007 Plan. Once the 2020 Plan becomes effective, no further grants will be made under the 2007 Plan.

Types of Awards. Our 2020 Plan provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based awards, and other awards, or collectively, awards. ISOs may be granted only to our employees, including our officers, and the employees of our affiliates. All

other awards may be granted to our employees, including our officers, our non-employee directors and consultants, and the employees and consultants of our affiliates.

Authorized Shares. The maximum number of shares of common stock that may be issued under our 2020 Plan will not exceed shares, which is the sum of (i) new shares, plus (ii) an additional number of shares not to exceed shares consisting of (A) any shares reserved and available for issuance pursuant to the grant of new awards under our 2007 Plan upon the effectiveness of the 2020 Plan, and (B) any shares subject to stock options or other awards granted under our 2007 Plan, that on or after the date the 2020 Plan becomes effective, expire or terminate for any reason prior to exercise in full or are cancelled in accordance with the terms of the 2007 Plan. The number of shares of common stock reserved for issuance under our 2020 Plan will automatically increase on March 1 of each year, beginning on March 1, 2021, and continuing through and including March 1, 2030, by 4% of the total number of shares of common stock outstanding on the last day of February of the immediately preceding calendar year, or a lesser number of shares determined by our board prior to the applicable last day of February. The maximum number of shares that may be issued upon the exercise of ISOs under our 2020 Plan is three times the share reserve, or shares.

Shares issued under our 2020 Plan will be authorized but unissued or reacquired shares of common stock. Shares subject to awards granted under our 2020 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, will not reduce the number of shares available for issuance under our 2020 Plan. Additionally, shares issued pursuant to awards under our 2020 Plan that we repurchase or that are forfeited, as well as shares used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award, will become available for future grant under our 2020 Plan.

Plan Administration. Our board, or a duly authorized committee of our board, may administer our 2020 Plan. Our board has delegated concurrent authority to administer our 2020 Plan to the compensation committee. We sometimes refer to the board, or the applicable committee with the power to administer our equity incentive plans, as the administrator. The administrator may also delegate to one or more of our officers the authority to (i) designate employees (other than officers) to receive specified awards and (ii) determine the number of shares subject to such awards.

The administrator has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of awards, if any, the number of shares subject to each award, the fair market value of a share of common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements for use under our 2020 Plan.

In addition, subject to the terms of the 2020 Plan, the administrator also has the power to modify outstanding awards under our 2020 Plan, including the authority to reprice any outstanding option or stock appreciation right, cancel and re-grant any outstanding option or stock appreciation right in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any materially adversely affected participant.

Stock Options. ISOs and NSOs are granted pursuant to stock option agreements adopted by the administrator. The administrator determines the exercise price for a stock option, within the terms and conditions of the 2020 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of common stock on the date of grant. Options granted under the 2020 Plan vest at the rate specified by the administrator.

The administrator determines the term of stock options granted under the 2020 Plan, up to a maximum of ten years. Unless the terms of an optionholder's stock option agreement provide

otherwise, if an optionholder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. The option term may be extended in the event that either an exercise of the option or an immediate sale of shares acquired upon exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the administrator and may include (i) cash, check, bank draft or money order, (ii) a broker-assisted cashless exercise, (iii) the tender of shares of common stock previously owned by the optionholder, (iv) a net exercise of the option if it is an NSO, and (v) other legal consideration approved by the administrator.

Options may not be transferred to third-party financial institutions for value. Unless the administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of common stock with respect to ISOs that are exercisable for the first time by an option holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will be treated as NSOs. No ISOs may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations, unless (i) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (ii) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the administrator. Restricted stock awards may be granted in consideration for cash, check, bank draft or money order, services rendered to us or our affiliates, or any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the administrator. A restricted stock award may be transferred only upon such terms and conditions as set by the administrator. Except as otherwise provided in the applicable award agreement, restricted stock awards that have not vested may be forfeited or repurchased by us upon the participant's cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation right grant agreements adopted by the administrator. The administrator determines the strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of common stock on the date of grant. Upon the exercise of a stock appreciation right, we will pay the participant an amount equal to the product of (i) the excess of the per share fair market value of common stock on the date of exercise over the strike price, multiplied by (ii) the number of shares of common stock with respect to which the stock appreciation right is exercised. A stock appreciation right granted under the 2020 Plan vests at the rate specified in the stock appreciation right agreement as determined by the administrator.

The administrator determines the term of stock appreciation rights granted under the 2020 Plan, up to a maximum of ten years. Unless the terms of a participant's stock appreciation right agreement provide otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The stock appreciation right term may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards. Our 2020 Plan permits the grant of performance-based stock and cash awards. The compensation committee can structure such awards so that the stock or cash will be issued or paid pursuant to such award only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the common stock.

The performance goals may be based on any measure of performance selected by the board of directors. The compensation committee may establish performance goals on a company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the goals are established, the compensation committee will appropriately make adjustments in the method of calculating the attainment of the performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock-based compensation and the award of bonuses under our bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or

divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

Other Awards. The administrator may grant other awards based in whole or in part by reference to common stock. The administrator will set the number of shares under the award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to: (i) the class and maximum number of shares reserved for issuance under the 2020 Plan; (ii) the class and maximum number of shares by which the share reserve may increase automatically each year; (iii) the class and maximum number of shares that may be issued upon the exercise of incentive stock options; and (iv) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding awards.

Corporate Transactions. The following applies to stock awards under the 2020 Plan in the event of a corporate transaction (as defined in the 2020 Plan), unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the plan administrator at the time of grant.

In the event of a corporate transactions, the plan administrator has the discretion to take any of the following actions with respect to stock awards:

- arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company;
- accelerate the vesting of the stock award and provide for its termination prior to the effective time of the corporate transaction;
- arrange for the lapse of any reacquisition or repurchase right held by us;
- cancel or arrange for the cancellation of the stock award in exchange for such cash consideration, if any, as our board of directors may deem appropriate; or
- make a payment equal to the excess of (A) the value of the property the participant would have received upon exercise of the stock award over (B) the exercise price otherwise payable in connection with the stock award.

Our plan administrator is not obligated to treat all stock awards, even those that are of the same type, in the same manner.

Under the 2020 Plan, a corporate transaction is generally the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets, (ii) a sale or other disposition of at least 50% of our outstanding securities, (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation, or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

In the event of a change in control, as defined under our 2020 Plan, awards granted under our 2020 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement.

Transferability. A participant may not transfer awards under our 2020 Plan other than by will, the laws of descent and distribution or as otherwise provided under our 2020 Plan.

Plan Amendment or Termination. Our board has the authority to amend, suspend or terminate our 2020 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board adopted our 2020 Plan. No awards may be granted under our 2020 Plan while it is suspended or after it is terminated.

2020 Employee Stock Purchase Plan

Our board of directors adopted our 2020 Employee Stock Purchase Plan, (or the "ESPP"), in , and our stockholders approved the ESPP in . The ESPP will become effective upon the execution of the underwriting agreement for this offering. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. In addition, purchase rights may be granted under a component that does not qualify for such favorable tax treatment when necessary or appropriate to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws.

Authorized Shares. The maximum aggregate number of shares of common stock that may be issued under our ESPP is shares. The number of shares of common stock reserved for issuance under our ESPP will automatically increase on January 1 of each calendar year, beginning on January 1, 2021 and continuing through and including January 1, 2030, by the lesser of (i) % of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, (ii) shares, and (iii) a number of shares determined by our board. Shares subject to purchase rights granted under our ESPP that terminate without having been exercised in full will not reduce the number of shares available for issuance under our ESPP.

Plan Administration. Our board, or a duly authorized committee thereof, will administer our ESPP. Our board has delegated concurrent authority to administer our ESPP to the compensation committee under the terms of the compensation committee's charter. The ESPP is implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of common stock will be purchased for employees participating in the offering. An offering under the ESPP may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of common stock under the ESPP. Unless otherwise determined by our board, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share equal to the lower of (a) 85% of the fair market value of a share of common stock on the first date of an offering or (b) 85% of the fair market value of a share of common stock on the date of purchase. For the initial offering, which we expect will commence upon the execution and delivery of the underwriting agreement relating to this offering, the fair market value on the first day of the initial offering will be the price at which shares are first sold to the public.

Limitations. Our employees, including executive officers, or any of our designated affiliates may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by the administrator: (i) customary employment with us or one of our affiliates for more than 20 hours per week and more than five months per calendar year, or (ii) continuous employment with us or one of our affiliates for a minimum period of time, not to exceed two years, prior to the first date of an offering. An employee may not be granted rights to purchase stock under our ESPP if such employee (i) immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of common stock, or (ii) holds rights to purchase stock under our ESPP that would accrue at a rate that exceeds $25,000 worth of our stock for each calendar year that the rights remain outstanding.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or similar transaction, the board of directors will make appropriate adjustments to (i) the number of shares reserved under the ESPP, (ii) the maximum number of shares by which the share reserve may increase automatically each year, (iii) the number of shares and purchase price of all outstanding purchase rights, and (iv) the number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. In the event of certain corporate transactions, as defined in the ESPP, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of common stock within 10 business days prior to such corporate transaction, and such purchase rights will terminate immediately.

Under the ESPP, a corporate transaction is generally the consummation of: (i) a sale of all or substantially all of our assets, (ii) the sale or disposition of more than 50% of our outstanding securities, (iii) a merger or consolidation where we do not survive the transaction, and (iv) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

ESPP Amendment or Termination. Our board has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Limitations of Liability and Indemnification Matters

Upon the completion of this offering, our amended and restated certificate of incorporation will contain provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will authorize us to indemnify our directors, officers, employees, and other agents to the fullest extent permitted by Delaware law. Our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our amended and restated bylaws that will be in effect upon the completion of this offering will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors and executive officers. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines, and settlement amounts incurred by any of these individuals in connection with any action, proceeding, or investigation. We believe that these amended and restated certificate of incorporation and amended and restated bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, executive officers or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, the following describes transactions since March 1, 2016 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Equity Financing

In July 2016, November 2016 and in multiple closings during March, April, May and July 2018, we sold an aggregate of 22,357,755 shares of our Series E preferred stock at a purchase price of $4.77239 per share, for an aggregate purchase price of approximately $106.7 million, and issued warrants to purchase an aggregate of 5,837,914 shares of our common stock. The following table summarizes purchases of our Series E preferred stock and common stock warrants by related persons:

Stockholder	Shares of Series E Preferred Stock	Warrants to Purchase Common Stock	Total Purchase Price
Entities affiliated with Andreessen Horowitz[1]	11,524,624	2,794,029	$ 55,000,000
Avanti Holdings, LLC[2]	419,077	156,765	1,999,999
Stephen H. Barnes	52,383	12,699	249,992
Entities affiliated with Carrick Capital[3]	2,095,386	508,004	9,999,999
Robert Cavanaugh	209,538	50,800	999,997
Michael Hilton and Hilton Family Trust[4]	419,077	112,418	1,999,999

(1) Entities associated with Andreessen Horowitz holding our securities whose shares are aggregated for purposes of reporting share ownership information are Andreessen Horowitz Fund IV, L.P., as nominee and AH Parallel Fund IV, L.P., as nominee. Mr. Jordan, a member of our board of directors, is a general partner at Andreessen Horowitz.

(2) Mr. Singh, our chief executive officer and a member of our board of directors, is a partner of Avanti Holdings, LLC.

(3) Entities associated with Carrick Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information are Carrick Capital Partners II Co-Investment Fund, LP and Carrick Capital Partners II Co-Investment Fund II, LP. Mr. Madden, a member of our board of directors, is affiliated with Carrick Capital.

(4) Mr. Hilton, one of our executive officers, is trustee of the Hilton Family Trust.

Investor Rights Agreement

We are party to a fifth amended and restated investor rights agreement (IRA) with certain holders of our capital stock, including all of our holders of more than 5% of our capital stock, entities affiliated with certain of our directors, and each of our executive officers and directors that hold shares of our capital stock. The IRA provides certain holders of our preferred stock with information rights and a right of first refusal with regard to certain issuances of our capital stock, which will not apply to the completion of this offering. The parties to the IRA have agreed to vote in a certain way on certain matters, including with respect to the election of directors. This agreement will terminate upon the completion of this offering.

Registration Rights Agreement

We are party to a fifth amended and restated registration rights agreement (RRA) with certain holders of our capital stock, including all of our holders of more than 5% of our capital stock, entities affiliated with certain of our directors, and each of our executive officers and directors that hold shares of our capital stock. The RRA provides our stockholders certain registration rights, including the right to demand that we file a registration statement following the completion of this offering or request that their shares be covered by a registration statement that we are otherwise filing, including the registration statement related to this offering. In connection with this offering, the holders of up to shares of our common stock issued or issuable on conversion of outstanding preferred stock (including shares of common stock issuable upon the net exercise of warrants that will be automatically net exercised in connection with this offering if not previously exercised) will be entitled to rights with respect to the registration of their shares under the Securities Act under this agreement. For a description of these registration rights, see the section titled "Description of Capital Stock — Registration Rights."

Right of First Refusal

Pursuant to our equity compensation plans and certain agreements with our stockholders, including a fifth amended and restated right of first refusal and co-sale agreement with certain holders of our capital stock, we or our assignees have a right to purchase shares of our capital stock which stockholders propose to sell to other parties. This right will terminate upon the completion of this offering. Since March 1, 2016, we have waived our right of first refusal in connection with the sale of certain shares of our capital stock, resulting in the purchase of such shares by certain of our stockholders, including related persons. See the section titled "Principal Stockholders" for additional information regarding beneficial ownership of our capital stock.

Transactions with Comcast Cable

In February 2009, we first entered into a services agreement with Comcast Cable Communications Management, LLC (Comcast Cable). Entities affiliated with Comcast Cable currently hold more than 5% of our outstanding capital stock, and Mr. Yang, a member of our board of directors, served as a managing director at an entity affiliated with Comcast Cable until 2018. Under our services agreement with Comcast Cable, which was most recently amended and renewed in October 2017, we have earned $33.4 million in fiscal 2019, $34.6 million in fiscal 2018 and a similar amount in fiscal 2017. Our potential revenue for future periods will depend on the number of members we serve and our achievement of performance metrics under the agreement, but we expect Comcast Cable to remain a significant customer. See Notes 2 and 13 to our consolidated financial statements included elsewhere in this prospectus.

Indemnification Agreements

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will contain provisions limiting the liability of directors, and our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the completion of this offering will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them. For more information regarding these agreements, see the section titled "Executive Compensation — Limitations of Liability and Indemnification Matters."

Policies and Procedures for Related Person Transactions

Prior to the completion of this offering, our board of directors will adopt a related person transaction policy setting forth the policies and procedures for the identification, review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we and a related person were or will be participants and the amount involved exceeds $120,000, including purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, and guarantees of indebtedness. In reviewing and approving any such transactions, our audit committee will consider all relevant facts and circumstances as appropriate, such as the purpose of the transaction, the availability of other sources of comparable products or services, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction, management's recommendation with respect to the proposed related person transaction, and the extent of the related person's interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our capital stock as of October 31, 2019, and as adjusted to reflect the sale of our common stock offered by us in this offering assuming no exercise of the underwriters' option to purchase additional shares, for:

- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- each person or group of affiliated persons known by us to beneficially own more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership before the offering is based on shares of common stock outstanding as of October 31, 2019, assuming the automatic conversion of all outstanding shares of preferred stock into shares of common stock upon the completion of this offering, and assuming the issuance of shares of common stock upon the net exercise of warrants outstanding as of October 31, 2019 that will automatically net exercise in connection with this offering if not previously exercised, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. For additional information on the conversion ratios of the preferred stock, see the section titled "Prospectus Summary — The Offering". Applicable percentage ownership after the offering is based on shares of common stock outstanding immediately after the completion of this offering, and assuming no exercise by the underwriters of their option to purchase additional shares of our common stock. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable within 60 days of October 31, 2019. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed below is c/o Accolade, Inc., 1201 Third Avenue, Suite 1700, Seattle, WA 98101.

Name of beneficial owner	Number of shares beneficially owned	Percentage of Shares Beneficially Owned	
		Before offering	After offering
5% and Greater Stockholders:			
Entities affiliated with Accretive[1]	43,067,199	%	%
Entities affiliated with Andreessen Horowitz[2]			
Entities affiliated with Carrick Capital[3]			
Entities affiliated with Comcast Ventures[4]	10,665,966		
Executive Officers and Directors:			
Rajeev Singh[5]			
Stephen Barnes[6]	1,117,052		
Edgar Bronfman, Jr[1]	43,067,199		
Robert Cavanaugh[7]	3,291,687		
J. Michael Cline[1]	43,067,199		
Senator William H. Frist, M.D.[8]	719,743		
Michael Hilton[9]			
Jeffrey Jordan[2]	—		
Peter Klein	—		
Dawn Lepore	—		
James C. Madden, V[3][10]			
Thomas Neff[11]	800,437		
Michael T. Yang	—		
All executive officers and directors as a group (13 persons)[12]			

* Represents beneficial ownership of less than 1%.

(1) Consists of: (i) 548,393 shares held of record by Accretive Care Holding Partners ("Accretive Care Partners"). Accretive II GP, LLC ("Accretive II GP") is the general partner of Accretive Care Partners, and has voting and dispositive power with respect to the shares held by Accretive Care Partners. Edgar Bronfman, Jr. and J. Michael Cline, members of our board of directors, are the managing members of Accretive II GP, and may be deemed to have shared voting and dispositive power with respect to the shares held by Accretive Care Partners, but disclaim beneficial ownership of such shares; (ii) 4,801,682 shares held of record by Accretive Coinvestment Partners, LLC ("Accretive Coinvestment Partners"). Accretive Associates I, LLC ("Accretive Associates") is the managing member of Accretive Coinvestment Partners, and has voting and dispositive power with respect to the shares held by Accretive Coinvestment Partners. Messrs. Bronfman and Cline are the managing members of Accretive Associates, and may be deemed to have shared voting and dispositive power with respect to the shares held by Accretive Coinvestment Partners but disclaim beneficial ownership of such shares; (iii) 4,578,807 shares held of record by Accretive II Coinvestment, L.P. ("Accretive II Coinvestment"). Accretive II GP is the general partner of Accretive II Coinvestment, and has voting and dispositive power with respect to the shares held by Accretive II Coinvestment. Messrs. Bronfman and Cline are the managing members of Accretive II GP, and may be deemed to have shared voting and dispositive power with respect to the shares held by Accretive II Coinvestment but each of Mr. Bronfman and Mr. Cline disclaims beneficial ownership of such shares except to the extent of his individual pecuniary interest therein; (iv) 14,005,560 shares held of record by Accretive II, L.P. ("Accretive II"). Accretive II GP is the general partner of the Accretive II, and has voting and dispositive power with respect to the shares held by Accretive II. Messrs. Bronfman and Cline are the managing members of Accretive II GP, and may be deemed to have shared voting and dispositive power with respect to the shares held by the Accretive II, but disclaim beneficial ownership of such shares; (v) 19,132,757 shares held of record by Accretive Investors SBIC, L.P. ("Accretive Investors SBIC"). Accretive Associates SBIC, LLC ("Accretive SBIC GP") is the general partner of Accretive Investors SBIC, and has voting and dispositive power with respect to the shares held by Accretive Investors SBIC. Messrs. Bronfman and Cline are the managing members of Accretive SBIC GP, and may be deemed to have shared voting and dispositive power with respect to the shares held by

Accretive Investors SBIC, but each of Mr. Bronfman and Mr. Cline disclaims beneficial ownership of such shares except to the extent of his individual pecuniary interest therein. The address for each of these individuals and entities is c/o Accretive, LLC, 660 Madison Avenue, 12th Floor, Suite 1215, New York, NY 10065.

(2) Consists of: (i) 8,220,800 shares held of record by AH Parallel Fund IV, L.P., for itself and as nominee for AH Parallel Fund IV-A, L.P., AH Parallel Fund IV-B, L.P. and AH Parallel Fund IV-Q, L.P. (collectively, the "AH Parallel Fund IV Entities") and shares that would be issued upon the net exercise of warrants; and (ii) 3,478,824 shares held of record by Andreessen Horowitz Fund IV, L.P., for itself and as nominee for Andreessen Horowitz Fund IV-A, L.P., Andreessen Horowitz Fund IV-B, L.P. and Andreessen Horowitz Fund IV-Q, L.P. (collectively, the "AH Fund IV Entities") and shares that would be issued upon the net exercise of warrants. AH Equity Partners IV (Parallel), L.L.C. ("AH EP IV Parallel") is the general partner of the AH Parallel Fund IV Entities. The managing members of AH EP IV Parallel are Marc Andreessen and Ben Horowitz. AH EP IV Parallel has sole voting and dispositive power with regard to the shares held by the AH Parallel Fund IV Entities. AH Equity Partners IV, L.L.C. ("AH EP IV") is the general partner of the AH Fund IV Entities. The managing members of AH EP IV are Marc Andreessen and Ben Horowitz. AH EP IV has sole voting and dispositive power with regard to the shares held by the AH Fund IV Entities. The address for each of these individuals and entities is 2865 Sand Hill Road, Suite 101, Menlo Park, CA 94025.

(3) Consists of: (i) 959,165 shares held of record by Carrick Capital Associates Fund, L.P.; (ii) 327,715 shares held of record by Carrick Capital Founders Fund, L.P.; (iii) 1,047,693 shares held of record by Carrick Capital Partners II Co-Investment Fund, L.P. and shares that would be issued upon the net exercise of warrants; (iv) 1,047,693 shares held of record by Carrick Capital Partners II Co-Investment Fund II, L.P., and shares that would be issued upon the net exercise of warrants; and (v) 5,834,921 shares held of record by Carrick Capital Partners, L.P. Each of Carrick Capital Partners, L.P., Carrick Capital Associates Fund, L.P., and Carrick Capital Founders Fund, L.P. is a Delaware limited partnership that is managed by its sole general partner, Carrick Management Partners, LLC, which is a Delaware limited liability company. Each of Carrick Capital Partners II Co-Investment Fund, L.P. and Carrick Capital Partners JI Co-Investment Fund II, L.P. is a Delaware limited partnership that is managed by its sole general partner, Carrick Management Partners II, LLC, which is a Delaware limited liability company. The principal office of all of the foregoing entities is 610 Newport Center Drive, Suite 1200, New Port Beach, CA 92660. Both of the general partner entities, Carrick Management Partners, LLC and Carrick Management Partners II, LLC, are managed by their two Managing Members, Marc F McMorris and James C Madden, V. The voting of Accolade, Inc. shares owned by the aforementioned Carrick entities is controlled by Marc F McMorris and James C Madden, V as the managers of Carrick Management Partners, LLC and Carrick Management Partners II, LLC.

(4) Consists of: (i) 1,599,999 shares held of record by Comcast Holdings Corporation and 800,000 shares issuable upon the exercise of a warrant that is exercisable within 60 days of October 31, 2019; and (ii) 8,265,967 shares held of record by Comcast Ventures, L.P. Comcast Ventures, L.P. has an economic interest in the entities affiliated with Andreessen Horowitz but does not have voting or investment power over the shares held by such entities and, accordingly, such shares are not included as beneficially owned by Comcast Ventures, L.P. The address for these entities is One Comcast Center, Philadelphia, PA 19103.

(5) Consists of: (i) 229,501 shares held directly; (ii) 8,153,125 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019; and (iii) 1,487,724 shares held by Avanti Holdings, LLC and shares that would be issued upon the net exercise of warrants. Mr. Singh is a partner of Avanti Holdings, LLC.

(6) Consists of: (i) 269,344 shares held directly; and (ii) 847,708 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019.

(7) Consists of: (i) 400,229 shares held directly and shares that would be issued upon the net exercise of warrants; and (ii) 2,891,458 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019.

(8) Consists of: (i) 48,858 shares held directly; and (ii) 670,885 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019.

(9) Consists of: (i) 419,077 shares held of record by the Hilton Family Trust and shares that would be issued upon the net exercise of warrants; (ii) 386,701 shares held directly and shares that would be issued upon the net exercise of warrants; and (iii) 2,594,375 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019. Mr. Hilton is trustee of the Hilton Family Trust.

(10) Consists of 588,652 shares held of record by the James C. Madden V. Living Trust, Established November 18, 1999. Mr. Madden, a member of our board of directors, is the trustee of James C. Madden V. Living Trust, Established November 18, 1999. Mr. Madden has an economic interest in the entities affiliated with Accretive but does not have voting or investment power over the shares held by such entities and, accordingly, such shares are not included as beneficially owned by Mr. Madden.

(11) Consists of: (i) 784,812 shares held directly; and (ii) 15,625 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019.

(12) Consists of: (i) shares held by our directors, executive officers, and affiliated entities; (ii) shares that would be issued upon the net exercise of warrants; (iii) 800,000 shares issuable upon the exercise of a warrant that is exercisable within 60 days of October 31, 2019; and (iv) 15,173,176 shares issuable pursuant to stock options exercisable within 60 days of October 31, 2019.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common and preferred stock and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will each become effective upon the completion of this offering, the fifth amended and restated registration rights agreement, and relevant provisions of Delaware General Corporation Law. The descriptions herein are qualified in their entirety by our amended and restated certificate of incorporation, amended and restated bylaws and fifth amended and restated registration rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of Delaware General Corporation Law.

Upon the completion of this offering, our authorized capital stock will consist of the following shares, all with a par value of $0.0001 per share, of which:

- shares are designated as common stock; and
- shares are designated as preferred stock.

Common Stock

As of February 28, 2019, there were shares of our common stock outstanding and held of record by 177 stockholders, assuming (i) the automatic conversion of all outstanding shares of our preferred stock into shares of common stock, which will automatically occur immediately prior to the closing of this offering, and (ii) the issuance of shares of our common stock issuable upon the net exercise of warrants that will automatically net exercise in connection with this offering if not previously exercised, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, including the election of directors, and do not have cumulative voting rights. Accordingly, the holders of a majority of the outstanding shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they so choose, other than any directors that holders of any preferred stock we may issue may be entitled to elect. Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared by the board of directors out of legally available funds. In the event of our liquidation, dissolution, or winding up, the holders of common stock will be entitled to share ratably in the assets legally available for distribution to stockholders after the payment of or provision for all of our debts and other liabilities, subject to the prior rights of any preferred stock then-outstanding. Holders of common stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking funds provisions applicable to the common stock. All outstanding shares of common stock are, and the common stock to be outstanding upon the closing of this offering will be, duly authorized, validly issued, fully paid, and nonassessable. All authorized but unissued shares of our common stock will be available for issuance by our board of directors without any further stockholder action, except as required by the listing standards of . The rights, preferences, and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

As of February 28, 2019, there were 93,204,800 shares of preferred stock outstanding. Immediately upon the completion of this offering, each outstanding share of preferred stock will

convert into the number of shares of common stock as described in the section titled "Prospectus Summary — The Offering."

Upon the closing of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges, and restrictions of up to an aggregate of shares of preferred stock in one or more series and authorize their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock, and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring, or preventing a change of control or other corporate action.

Options

As of February 28, 2019, we had outstanding options under our equity compensation plans to purchase an aggregate of 40,737,537 shares of our common stock, with a weighted-average exercise price of $0.88 per share.

Warrants

As of February 28, 2019, 7,330,326 shares of common stock were issuable upon exercise of outstanding warrants to purchase common stock with a weighted-average exercise price of $0.35 per share. Each of these warrants have a net exercise provision under which their holders may, in lieu of payment of the exercise price in cash, surrender the warrant and receive a net amount of shares based on the fair market value of our common stock at the time of exercise of the warrants after deduction of the aggregate exercise price. The warrants also provide for the adjustment of the number of shares issuable upon the exercise of the warrants in the event of stock splits, recapitalizations, reclassifications and consolidations. Warrants to purchase up to an aggregate of shares will be automatically net exercised in connection with this offering if not previously exercised, resulting in shares of common stock to be issued upon the automatic net exercise of these warrants, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. Unless exercised earlier, the warrants that are not net exercised in connection with this offering shall terminate on April 1, 2020.

Registration Rights

We are party to an amended and restated registration rights agreement that provides that holders of our capital stock have certain registration rights as set forth below. The registration of shares of our common stock by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts and commissions, of the shares registered by the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. The demand, piggyback and Form S-3 registration rights described below will expire five years after the completion of this offering, of which this prospectus is a part, or with respect to any particular stockholder, such time after the completion of this offering that such stockholder can sell all of its

shares entitled to registration rights under Rule 144 of the Securities Act during any three-month period.

Demand Registration Rights

The holders of an aggregate of shares of our common stock (including shares of common stock issuable upon the net exercise of warrants that will be automatically net exercised in connection with this offering if not previously exercised) will be entitled to certain demand registration rights. At any time beginning 180 days after the completion of this offering, the holders of at least ten percent of the outstanding shares of our common stock issued upon conversion of our preferred stock may request that we register all or a portion of their shares. We are obligated to effect only two such registrations. Such request for registration must cover shares with an anticipated aggregate gross offering price of at least $10 million.

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of shares of our common stock (including shares of common stock issuable upon the net exercise of warrants that will be automatically net exercised in connection with this offering if not previously exercised) were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of these shares will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration statement on Form S-8 or Form S-4 or their successors, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights

The holders of an aggregate of shares of common stock (including shares of common stock issuable upon the net exercise of warrants that will be automatically net exercised in connection with this offering if not previously exercised) will be entitled to certain Form S-3 registration rights. The holders of at least ten percent of the outstanding shares of our common stock issued upon conversion of our preferred stock can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate gross proceeds of the shares offered would equal or exceed $1 million.

Anti-Takeover Effects of State Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our amended and restated certificate of incorporation, and our amended and restated bylaws contain or will contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking

to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock

The ability of our board of directors, without action by the stockholders, to issue up to shares of undesignated preferred stock with voting or other rights or preferences as designated by our board of directors could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Stockholder Meetings

Our amended and restated bylaws will provide that a special meeting of stockholders may be called only by our chairman of the board, chief executive officer or president, or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors will be divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. For more information on the classified board, see "Management — Composition of Our Board of Directors." This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors

Our amended and restated certificate of incorporation will provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting

Our amended and restated certificate of incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders; (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws; (iv) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; or (vi) any action asserting a claim governed by the internal affairs doctrine. This choice of forum provision does not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

It is possible that a court of law could rule that either choice of forum provision to be contained in our amended and restated certificate of incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

Amendment of Charter Provisions

The amendment of any of the above provisions would require approval by holders of at least two-thirds of the total voting power of all of our outstanding voting stock.

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers, and as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

Upon completion of this offering, the transfer agent and registrar for our common stock will be . The transfer agent and registrar's address is .

Exchange Listing

Our common stock is currently not listed on any securities exchange. We intend to apply to have our common stock listed on under the symbol " ."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock. Although we intend to apply to have our common stock listed on , we cannot assure you that there will be an active public market for our common stock.

Following the completion of this offering, based on the number of shares of our common stock outstanding as of February 28, 2019, and assuming (i) the issuance of shares of common stock in this offering, (ii) the conversion of all outstanding shares of our preferred stock into shares of common stock, which will automatically occur immediately prior to the completion of the offering, (iii) the issuance of shares of common stock upon the net exercise of warrants that will automatically net exercise in connection with this offering if not previously exercised, but assuming no other exercise or settlement of outstanding options or warrants, and (iv) no exercise of the underwriters' option to purchase additional shares of our common stock, we will have outstanding an aggregate of shares of common stock.

Of these shares, all shares of common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares of common stock purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining shares of common stock outstanding after this offering will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, each of which is summarized below. We expect that all of these shares will be subject to a 180-day lock-up period under the lock-up agreements and market stand-off provisions described below.

In addition, shares of common stock that are either subject to outstanding options or warrants or reserved for future issuance under our equity incentive plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements described below, and Rules 144 and 701 under the Securities Act.

Lock-Up Agreements and Market Standoff Provisions

We, along with our directors, executive officers, and substantially all of our other stockholders and optionholders, have agreed with the underwriters that for a period of 180 days after the date of this prospectus, subject to specified exceptions as detailed further in "Underwriting" below, we or they will not offer, sell, contract to sell, pledge, grant any option to purchase, lend, or otherwise dispose of any shares of common stock or any securities convertible into, exchangeable for or that represent the right to receive shares of common stock, request or demand that we file a registration statement related to our common stock, or engage in any hedging or other transaction or arrangement that transfers to another, in whole or in part, directly or indirectly, the economic consequence of ownership of the common stock or any securities convertible into, exchangeable for or that represent the right to receive shares of common stock. All of our stockholders are subject to a market standoff agreement with us that imposes similar restrictions.

Upon expiration of the lock-up period, certain of our stockholders will have the right to require us to register their shares under the Securities Act. See "— Registration Rights" below and "Description of Capital Stock — Registration Rights."

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed below.

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, and who has beneficially owned shares of our capital stock for at least six months, would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding; or
- the average weekly trading volume in our common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 concurrently with either the placing of a sale order with the broker or the execution of a sale directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the 90 days preceding a sale, and who has beneficially owned shares of our capital stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation, or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants, or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act are entitled to sell such shares 90 days after such effective date in reliance on Rule 144. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement. However, substantially all Rule 701 shares are subject to lock-up agreements as described above and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Form S-8 Registration Statement

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of common stock subject to outstanding stock options and common stock issued or issuable under the 2020 Plan, the 2007 Plan, and the ESPP. We expect to file the registration statement covering shares offered pursuant to these stock plans shortly after the date of this prospectus, permitting the resale of such shares in the public market without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions, and any applicable market stand-off agreements and lock-up agreements. See the section titled "Executive Compensation — Equity Plans" for a description of the 2020 Plan, the 2007 Plan, and the ESPP.

Registration Rights

As of February 28, 2019, holders of up to shares of our common stock (which includes all of the shares of common stock issuable upon the automatic conversion of our preferred stock immediately prior to the completion of this offering and shares of common stock issuable upon the net exercise of warrants that will automatically net exercise in connection with this offering if not previously exercised), or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act upon the completion of this offering and the expiration of lock-up agreements. In connection with this offering, the necessary percentage of holders waived their rights to include their shares of registrable securities in the registration statement of which this prospectus forms a part. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See "Description of Capital Stock — Registration Rights" for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership, and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income or the alternative minimum tax, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local, or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the IRS), all as in effect as of the date of this prospectus. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers, or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons subject to special tax accounting rules under Section 451(b) of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a "U.S. person" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

As described under the section titled "Dividend Policy," we have not paid and do not anticipate paying any cash dividends in the foreseeable future. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts that exceed such current and accumulated earnings and profits and, therefore, are not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our common stock, but not below zero. Any excess amount distributed will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled "— Gain On Disposition of Our Common Stock" below.

Subject to the discussion below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or the applicable withholding agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such holder's qualification for the reduced rate. This certification must be provided to us or the withholding agent

before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or the withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment or fixed base in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation (USRPHC) for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market during the calendar year in which the sale or other disposition occurs.

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Gain described in the third bullet point above will generally be subject to U.S. federal income tax in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to any provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our common stock paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required because the dividends were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI (or applicable successor form), or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

FATCA

Sections 1471 through 1474 of the Code (commonly referred to as FATCA) impose a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity either certifies that it does not have any "substantial United States owners" as defined in the Code or provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain

circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock, and will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019, although under recently issued proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on such proposed regulations pending finalization), no withholding would apply with respect to payments of gross proceeds.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our common stock.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, and BofA Securities, Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
BofA Securities, Inc.	
Piper Jaffray & Co.	
Credit Suisse Securities (USA) LLC	
William Blair & Company, L.L.C.	
Robert W. Baird & Co. Incorporated	
SVB Leerink LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discount to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock and securities convertible into or exchangeable for shares of common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the our historical performance, estimates of our business potential and earnings prospects, an assessment of our management, and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to apply to list the common stock on the under the symbol " ."

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions, and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the common stock, and together with the imposition of the penalty bid, may stabilize, maintain, or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on , in the over-the-counter market, or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discount, will be approximately $. We have agreed to reimburse the underwriters for certain of their expenses in an amount up to $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of

these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities, and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color, or trading ideas and/or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Member State"), no shares have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Canada

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation, or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This

document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, us, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement, or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act), or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation, or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives, and circumstances, and, if necessary, seek expert advice on those matters.

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Seattle, Washington. As of the date of this prospectus, an entity comprised of partners and associates of Cooley LLP beneficially own an aggregate of 20,953 shares of our common stock. Orrick, Herrington & Sutcliffe LLP, New York, New York, is acting as counsel to the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements of Accolade, Inc. as of February 28, 2018 and February 28, 2019, and for the years then ended, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov.

Upon the completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934 and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements, and other information will be available for inspection and copying at the SEC's website referred to above. We also maintain a website at www.accolade.com, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

ACCOLADE, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Accolade, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Accolade, Inc. and subsidiary (the Company) as of February 28, 2018 and 2019, the related consolidated statements of operations, convertible preferred stock and stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2018 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2008.

Philadelphia, Pennsylvania
December 5, 2019

ACCOLADE, INC.

Consolidated Balance Sheets

(In thousands, except share and per share data)

	February 28,	
	2018	2019
Assets		
Current assets:		
Cash and cash equivalents	$ 13,534	$ 42,701
Accounts receivable	6,553	371
Unbilled revenue	405	65
Current portion of deferred contract acquisition costs	536	908
Prepaid and other current assets	2,415	2,840
Total current assets	23,443	46,885
Property and equipment, net	21,452	15,274
Deferred contract acquisition costs	1,589	2,922
Other assets	598	681
Total assets	$ 47,082	$ 65,762
Liabilities, convertible preferred stock and stockholders' deficit		
Current liabilities:		
Current portion of loans payable, net of unamortized issuance costs	$ 4,969	$ —
Accounts payable	1,631	2,454
Accrued expenses	2,353	3,140
Accrued compensation	17,231	19,612
Deferred rent and other current liabilities	535	541
Due to customers	5,141	8,511
Current portion of deferred revenue	9,637	22,407
Total current liabilities	41,497	56,665
Loans payable, net of unamortized issuance costs	15,910	19,200
Deferred rent and other noncurrent liabilities	5,912	5,353
Deferred revenue	449	501
Total liabilities	63,768	81,719
Convertible preferred stock:		
Preferred stock, par value $0.0001; 93,204,800 shares authorized; 82,727,876 and 93,204,800 issued and outstanding at February 28, 2018 and 2019, respectively (liquidation value of $219,244 at February 28, 2019)	167,010	214,664
Commitments (note 12)		
Stockholders' deficit:		
Common stock, par value $0.0001; 165,000,000 shares authorized; 16,212,171 and 18,083,441 shares issued and outstanding at February 28, 2018 and 2019, respectively	1	1
Additional paid-in capital	29,310	38,881
Accumulated deficit,	(213,007)	(269,503)
Total stockholders' deficit	(183,696)	(230,621)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 47,082	$ 65,762

See accompanying notes to consolidated financial statements.

ACCOLADE, INC.

Consolidated Statements of Operations

(In thousands, except share and per share data)

	Fiscal Year Ended February 28,	
	2018	2019
Revenue	$ 76,828	$ 94,811
Cost of revenue, excluding depreciation and amortization	53,435	60,568
Operating expenses:		
Product and technology	31,487	35,708
Sales and marketing	22,263	23,456
General and administrative	21,122	19,665
Depreciation and amortization	7,982	9,391
Total operating expenses	82,854	88,220
Loss from operations	(59,461)	(53,977)
Interest expense, net	(1,799)	(2,374)
Other expense	(26)	(90)
Loss before income taxes	(61,286)	(56,441)
Income tax expense	—	(55)
Net loss	$ (61,286)	$ (56,496)
Net loss per common share, basic and diluted	$ (3.28)	$ (2.43)
Weighted-average shares used to compute net loss per common share, basic and diluted	18,659,570	23,206,587
Pro forma net loss per common share, basic and diluted (unaudited)		$
Weighted-average shares used to compute pro forma net loss per common share, basic and diluted (unaudited)		

See accompanying notes to consolidated financial statements.

ACCOLADE, INC.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit

Fiscal Years Ended February 28, 2018 and 2019

(In thousands, except shares)

	Convertible Preferred Stock		Stockholders' Deficit				
			Common stock		Additional paid-in	Accumulated	
	Shares	Amount	Shares	Amount	capital	deficit	Total
Balance, March 1, 2017	82,727,876	$167,010	13,882,162	$ 1	$ 19,116	$ (151,721)	$(132,604)
Issuance of common stock in lieu of bonus payment	—	—	1,208,690	—	1,015	—	1,015
Exercise of stock options and common stock warrants	—	—	1,121,319	—	773	—	773
Stock-based compensation expense	—	—	—	—	8,406	—	8,406
Net loss	—	—	—	—	—	(61,286)	(61,286)
Balance, February 28, 2018	82,727,876	$167,010	16,212,171	$ 1	29,310	$ (213,007)	$(183,696)
Sale of Series E preferred stock, net	10,476,924	47,654	—	—	—	—	—
Issuance of common stock warrants in connection with sale of Series E preferred stock	—	—	—	—	2,279	—	2,279
Issuance of common stock in lieu of bonus payment	—	—	605,737	—	569	—	569
Exercise of stock options and common stock warrants	—	—	1,265,533	—	1,002	—	1,002
Stock-based compensation expense	—	—	—	—	5,721	—	5,721
Net loss	—	—	—	—	—	(56,496)	(56,496)
Balance, February 28, 2019	93,204,800	$214,664	18,083,441	$ 1	$ 38,881	$ (269,503)	$(230,621)

See accompanying notes to consolidated financial statements.

ACCOLADE, INC.

Consolidated Statements of Cash Flows

(In thousands)

	Fiscal Year Ended February 28,	
	2018	2019
Cash flows from operating activities:		
Net loss	$ (61,286)	$ (56,496)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	7,982	9,391
Loss on disposal of leasehold improvement	144	—
Noncash interest expense	518	425
Noncash bonus	1,015	569
Stock-based compensation expense	8,406	5,721
Changes in operating assets and liabilities:		
Accounts receivable and unbilled revenue	3,152	6,522
Accounts payable and accrued expenses	293	1,515
Amortization of deferred contract costs, net	68	(1,705)
Deferred revenue and due to customer	258	16,192
Accrued compensation	721	2,381
Deferred rent and other liabilities	602	(555)
Other assets	(158)	(508)
Net cash used in operating activities	(38,285)	(16,548)
Cash flows from investing activities:		
Capitalized software development costs	(5,746)	(1,943)
Purchases of property and equipment	(1,407)	(1,175)
Net cash used in investing activities	(7,153)	(3,118)
Cash flows from financing activities:		
Proceeds from sale of preferred stock, net	—	49,933
Proceeds from stock option exercises	773	1,002
Proceeds from borrowings on debt	14,500	3,000
Repayment of debt principal	—	(5,000)
Principal payments under capital leases	(234)	(102)
Net cash provided by financing activities	15,039	48,833
Net increase (decrease) in cash and cash equivalents	(30,399)	29,167
Cash and cash equivalents, beginning of year	43,933	13,534
Cash and cash equivalents, end of year	$ 13,534	$ 42,701
Supplemental cash flow information:		
Interest paid	$ 1,391	$ 2,609
Issuance of common stock in lieu of cash bonus	$ 1,015	$ 569
Fixed assets included in accounts payable	$ 138	$ 93

See accompanying notes to consolidated financial statements.

Accolade, Inc.

Notes to Consolidated Financial Statements

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(1) Background

(a) Business

Accolade, Inc. was initially organized as a limited liability company under the name Accretive Care LLC in Delaware on January 23, 2007. On June 14, 2010, the company converted from a limited liability company to a Delaware corporation and changed its name to Accolade, Inc. Accolade's offices and operations are in Seattle, Washington; Plymouth Meeting, Pennsylvania; Scottsdale, Arizona; and Prague, Czech Republic.

On February 6, 2016, Accolade established a wholly owned subsidiary in the Czech Republic (together with Accolade, the Company), and its results of operations have been included in the consolidated financial statements since that date.

The Company provides personalized, technology-enabled solutions that help people better understand, navigate, and utilize the healthcare system and their workplace benefits. The Company's customers are primarily employers that contract with Accolade to provide their employees and their employees' families (the members) a single place to turn for their health, healthcare, and benefits needs. The service is designed to drive better healthcare outcomes and increased satisfaction for the participants while lowering costs for the payor. The Company provides its services to customers throughout the United States.

(b) Liquidity

The Company has incurred net losses and cumulative negative cash flows from operations since inception. To date, the Company's operations have been funded by capital raised from investors, debt facilities, and revenue in the normal course of business. Management believes that the Company's cash and cash equivalents at February 28, 2019, plus customer revenue and advances and available borrowings under its debt facility, as well as additional financing made available subsequent to February 28, 2019 (notes 6 and 14) are sufficient to fund its operations through at least the next 12 months. Additional financing may be required for the Company to successfully implement its long-term strategy. There can be no assurance that additional financing, if needed, can be obtained on terms acceptable to the Company.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the Company's accounts and those of the Company's wholly owned subsidiary located in Prague, Czech Republic. All significant intercompany balances and transactions have been eliminated in consolidation.

During 2019, the Company changed its fiscal year end from December 31 to the last calendar day of February.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including unbilled revenues and deferred revenues, certain accrued expenses, stock-based compensation, assessment of the useful life and recoverability of long-lived assets, income taxes, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. To the extent there are material differences between these estimates, judgments, or assumptions and actual results, the Company's financial statements will be affected.

(c) Comprehensive Loss

For the fiscal years ended February 28, 2018 and 2019, there was no difference between comprehensive loss and net loss.

(d) Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, including cash equivalents, accounts receivable, unbilled revenue, other current assets, accounts payable, and accrued expenses approximates fair value due to the short-term nature of those instruments.

The Company measures financial assets and liabilities at fair value at each reporting period using a fair value hierarchy that requires the use of observable inputs and minimizes the use of unobservable inputs. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Inputs that are generally unobservable and typically reflect the Company's estimate of assumptions that market participants would use in pricing the asset or liability.

(e) Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash in banks and highly liquid investments, including certificates of deposit with a maturity date of less than 90 days, and money market treasury funds, purchased with an original maturity of three months or less. Cash equivalents

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

consist of investments in money market funds for which the carrying amount approximates fair value, due to the short maturities of these instruments.

(f) Accounts Receivable and Unbilled Revenue

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company does not have any off-balance-sheet credit exposure related to its customers. The Company records unbilled revenue for services performed on contracts for amounts not yet billed to customers.

(g) Property and Equipment

Property and equipment are recorded at cost. Equipment acquired under capital leases is recorded at the present value of the minimum lease payments. Property and equipment are depreciated on a straight-line basis over their estimated useful lives.

Useful lives for property and equipment are as follows:

Property and Equipment	Estimated Useful Life
Office equipment and furniture	7 years
Computer equipment	3 - 5 years
Computer software	3 - 5 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

(h) Capitalized Internal-Use Software Costs

Costs related to software acquired, developed, or modified solely to meet the Company's internal requirements, including for tools that enable the Company's employees to interact with members and their providers, with no substantive plans to market such software at the time of development, are capitalized. Costs incurred during the preliminary planning and evaluation stage of the project and during the post-implementation operational stage are expensed as incurred. Costs related to minor upgrades, minor enhancements, and maintenance activities are expensed as incurred. Costs incurred during the application development stage of the project are capitalized. Internal-use software is included in property and equipment and is amortized on a straight-line basis over 3 years.

For the fiscal years ended February 28, 2018 and 2019, the Company capitalized $5,746 and $1,943, respectively, for internal-use software. Amortization expense related to capitalized internal-use software during the fiscal years ended February 28, 2018 and 2019 was $4,412 and $5,836, respectively.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

(i) Impairment of Long-Lived Assets

The Company reviews long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, then an impairment charge is recognized for the amount by which the carrying value of the asset exceeds the fair value of the asset. There were no impairment charges recorded during the fiscal years ended February 28, 2018 and 2019.

(j) Revenue and Deferred Revenue

During 2018, the Company adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers,* using the full retrospective method. Accordingly, the amounts for all periods presented herein have been adjusted to reflect the impact of ASC 606. The impact to the Company's consolidated financial statements as of and for the fiscal year ended February 28, 2018 was as follows:

	Under ASC 605	ASC 606 Adoption Adjustment	As Presented
Statement of Operations			
Revenue	$ 76,406	$ 422	$ 76,828
Sales and marketing expense	23,467	(1,204)	22,263
Net loss	(62,912)	1,626	(61,286)
Balance Sheet			
Unbilled revenue	$ 1,804	$ (1,400)	$ 405
Deferred contract acquisition costs	811	1,313	2,125
Deferred revenue	13,512	(3,426)	10,086

In addition, the cumulative impact to accumulated deficit at March 1, 2017 was $1,748.

The Company earns revenue from its customers by providing personalized health guidance solutions to members. The Company's solutions allow its members to interact with its Accolade Health Assistants and clinicians through various means of communication, including telephony and secure messaging and via its mobile application and member portal. The Company prices its services using a recurring per-member-per-month fee, typically with a portion of the fee calculated as the product of a fixed rate times the number of members and the remainder of the fee variable, which can be earned through the achievement of performance metrics and/or the realization of healthcare cost savings resulting from the utilization of the Company's services.

Under ASC 606, the Company recognizes revenue when control of the promised services is transferred to its customers, in an amount that reflects the consideration to which it expects to be

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

entitled in exchange for those services. Accordingly, the Company determines revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

At contract inception, the Company assesses the type of services being provided and assesses the performance obligations in the contract. The majority of the Company's contracts include stand ready services to provide eligible participants with access to the Company's services and to perform an unspecified quantity of interactions with members during the contract period. Accordingly, the Company's services are generally viewed as stand ready performance obligations comprised of a series of distinct daily services that are substantially the same and have the same pattern of transfer. The Company's technology-enabled solutions also include a distinct performance obligation related to reporting. The Company satisfies these performance obligations over time and recognizes revenue related to its services as the services are provided using a measure of progress based upon the actual number of members eligible for the service during the respective period as a percentage of the estimated members expected to be eligible for the service over the term of the contract.

Some contracts contain an additional performance obligation, pre-launch open enrollment, for which the performance obligation is satisfied before the launch of the Company's primary service. For contracts that include pre-launch open enrollment support, the Company recognizes related revenues over the pre-launch open enrollment period based on the number of eligible members served.

The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. The Company determines the standalone selling prices based on overall pricing objectives, taking into consideration market conditions and other factors.

The majority of fees earned by the Company are considered to be variable consideration due to both the uncertainty regarding the total number of members for which the Company will invoice the customer, as well as the variable fees that are dependent upon the achievement of performance metrics and/or healthcare cost savings. Performance metrics are either measured monthly, quarterly or, annually, and with respect to the achievement of healthcare cost savings targets, annually (typically measured on a calendar year basis). Accordingly, at contract inception and on an ongoing basis, as part of the Company's estimate of the transaction price, the Company determines whether any such fees should be constrained, and the Company includes the estimated consideration for those fees for which a significant reversal of cumulative revenue is not probable (and is therefore considered to be unconstrained). Consideration related to the Company's achievement of healthcare cost savings is typically constrained until the end of the applicable calendar year due to

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

uncertainty related to factors outside of the Company's control. Consideration related to other performance metrics is typically not constrained based on the Company's prior success of achieving such metrics. On an ongoing basis, the Company reassesses its estimates for variable consideration, which can change based upon its assessment of the achievement of performance metrics and healthcare cost savings, as well as the number of members.

The Company typically invoices the customer on a periodic basis for the per-member-per-month fee, including the fees related to the achievement of performance metrics and/or the realization of healthcare cost savings, in advance of the services performed, and these fees are classified as deferred revenue on the Company's consolidated balance sheet until such time that revenue can be recognized. In the event the Company fails to satisfy any of the variable revenue requirements, the Company will refund the applicable portion of the fee or offset against a future invoice. The Company's accounts receivable represent rights to consideration that are conditional only upon the passage of time.

As of February 28, 2019, $165,857 of revenue is expected to be recognized from remaining performance obligations as follows:

Fiscal year ending February 28 (29),		
2020	$	101,075
2021		44,224
2022		20,552
2023		6
Total	$	165,857

The expected revenue includes variable fee estimates for the non-cancellable term of the Company's contracts. The expected revenue does not include amounts of variable consideration that are constrained.

Significant changes during the years ended February 28, 2018 and 2019 in the deferred revenue balances were the result of recognized revenue of $9,637 and $22,407, respectively, that were included in deferred revenue.

Adjustments in transaction price estimates related to performance obligations satisfied in prior periods were $4,410 and $1,665 during the years ended February 28, 2018 and 2019, respectively. These changes in estimates were primarily due to the inclusion of consideration that was previously constrained related to the Company's achievement of healthcare cost savings.

Cost to obtain and fulfill a contract

The Company capitalizes sales commissions paid to internal sales personnel that are both incremental to the acquisition of customer contracts and recoverable. These costs are recorded as deferred contract acquisition costs in the accompanying consolidated balance sheets. The Company capitalized commission costs of $1,233 and $1,830 for the fiscal years ended February 28, 2018 and 2019, respectively. The Company defers costs based on its sales

(2) Summary of Significant Accounting Policies (Continued)

compensation plans only if the commissions are incremental and would not have occurred absent the customer contract. Payments to direct sales personnel are typically made in two increments as follows: 75% upon signature of the contract, with the remaining 25% upon customer launch. The Company does not pay commissions on contract renewals.

Deferred commissions paid on the initial acquisition of a contract are amortized ratably over an estimated period of benefit of five years, which is the estimated customer life. The Company determined the period of amortization for deferred commissions by taking into consideration current customer contract terms, historical customer retention, and other factors. Amortization is included in sales and marketing expenses in the accompanying consolidated statements of operations and totaled $52 and $377 for the fiscal years ended February 28, 2018 and 2019, respectively. The Company periodically reviews deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the estimated period of benefit. There were no impairment losses recorded during the periods presented.

For certain customer contracts, the Company may incur direct and incremental costs related to customer set-up and implementation. The Company recorded deferred implementation costs of $367 and $667 for the fiscal years ended February 28, 2018 and 2019, respectively. These implementation costs are deferred and amortized over the expected useful life of the Company's customers, which is five years. Amortization is included in cost of revenues in the Company's consolidated statements of operations and totaled $1,616 and $417 for the fiscal years ended February 28, 2018 and 2019, respectively.

(k) Concentration of Credit Risk

Financial instruments that potentially subject us to credit risk consist principally of cash and cash equivalents. The Company maintains its cash primarily with domestic financial institutions of high credit quality, which may exceed federal deposit insurance corporation limits. The Company invests its cash equivalents in highly rated money market funds. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents and perform periodic evaluations of the credit standing of such institutions.

Significant customers are those which represent 10% or more of the Company's revenue during the period. For each significant customer, revenue as a percentage of total revenue was as follows:

	Fiscal Year Ended February 28,	
	2018	2019
Customer 1	45%	35%
Customer 2	16%	14%
Customer 3	0%	11%
Total	**61%**	**60%**

(2) Summary of Significant Accounting Policies (Continued)

As of February 28, 2018, there was $6,337 of accounts receivable outstanding related to Customer 1, all of which was subsequently collected. There were no accounts receivable outstanding at February 28, 2019 related to these customers.

(l) Stock-Based Compensation

The Company recognizes compensation cost for awards to employees, nonemployee directors, consultants, and advisors based on the grant date fair value of stock-based awards on a straight-line basis over the period during which an award holder is required to provide service in exchange for the award. The Company estimates the fair value of each employee stock option on the date of grant using the Black-Scholes option pricing model.

(m) Cost of Revenue, excluding depreciation and amortization

Cost of revenue, excluding depreciation and amortization, consists primarily of personnel costs including salaries, wages, overtime, bonuses, stock-based compensation expense, and benefits, as well as software and tools for telephony, business analytics, allocated overhead costs, and other expenses related to delivery and implementation of the Company's personalized technology-enabled solutions.

(n) Product and Technology

Product and technology expenses consist of personnel expenses, including salaries, bonuses, stock-based compensation expense, and benefits for employees and contractors for engineering, product, and design teams, and allocated overhead costs, as well as costs of software and tools for business analytics, data management, and IT applications that are not directly associated with delivery of the Company's solutions to customers.

(o) Income Taxes

The provision for income taxes was determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the period. Deferred taxes result from differences between the financial and tax basis of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates applicable in the years in which they are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax law is recognized in income in the period that includes the enactment date.

In evaluating the ability to realize deferred tax assets, the Company relies on taxable income in prior carryback years, the future reversals of existing taxable temporary differences, future taxable income, and tax planning strategies.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

Consistent with the provisions of FASB ASC Topic 740, *Income Taxes*, the Company does not recognize a tax benefit for a tax position in its financial statements unless it has concluded that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position; and that the amount of tax benefit recognized is measured at the largest amount of the tax benefit that, in the Company's judgment, is greater than 50% likely to be realized. U.S. GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing tax returns to determine whether the tax positions will more likely than not be sustained by the Company upon challenge by the applicable tax authority. Tax positions not deemed to meet the "more-likely than-not" threshold and that would result in a tax benefit or expense to the Company would be recorded as a tax benefit or expense in the current period. For the fiscal years ended February 28, 2018 and 2019, the Company did not recognize any amounts for unrecognized tax benefits. Tax years 2009 through present remain subject to examination by the U.S. and state taxing authorities.

(p) Segments

The Company's chief operating decision maker, its Chief Executive Officer, reviews the financial information presented on a consolidated basis for purposes of allocating resources and evaluating its financial performance. Accordingly, the Company has determined that it operates in a single reportable operating segment.

As of February 28, 2018 and 2019, substantially all of Accolade's long-lived assets were located in the United States, and all revenue was earned in the United States.

(q) Recently Issued Accounting Pronouncements

Revenue Recognition: In May 2014, the FASB issued ASC 606. See Note 2(j) for discussion regarding the impact of the Company's adoption of ASC 606.

Stock-Based Compensation: In May 2017, the FASB issued ASU No. 2017-09, *Compensation — Stock Compensation (Topic 718): Scope of Modification Accounting*, which provides clarity in applying the guidance in Topic 718 around modifications of stock-based payment awards. The Company adopted this ASU on March 1, 2018. In June 2018, the FASB issued ASU No. 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*. ASU No. 2018-07 simplifies the accounting for share-based payments granted to nonemployees for goods and services and aligns most of the guidance on such payments to the nonemployees with the requirements for share-based payments granted to employees. The standard is effective for the Company for the fiscal year ending February 29, 2020. Early adoption is permitted, but no earlier than a company's adoption date of ASC 606. The Company adopted this ASU on March 1, 2018. There was no material impact on the Company's consolidated financial statements related to the adoption of either standard.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(2) Summary of Significant Accounting Policies (Continued)

(r) New Accounting Pronouncements Not Yet Adopted

Leases: In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, and ASU No. 2018-11, *Leases (Topic 842)*, *Targeted Improvements*, which affect certain aspects of the previously issued guidance. In December 2018, the FASB issued ASU No. 2018-20, *Narrow-Scope Improvements for Lessor, Leases (Topic 842)*, which provides guidance on sales tax and other taxes collected from lessees. In March 2019, the FASB issued ASU No. 2019-01, *Codification Improvements to Topic 842, Leases*, which affect certain aspects of the previously issued guidance. Amendments include an additional transition method that allows entities to apply the new standard on the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings, as well as a new practical expedient for lessors. The guidance (collectively ASC 842) will require lessees to record all leases on their balance sheets, whether operating or financing, while continuing to recognize the expenses on their income statements in a manner similar to current practice. ASC 842 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. ASC 842 is effective for the Company for the fiscal year ending February 28, 2022. Early adoption is permitted. The Company is evaluating the accounting, transition and disclosure requirements of the standard and cannot currently estimate the financial statement impact of adoption.

Credit Losses: In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 introduces the current expected credit loss (CECL) model, which will require entities to estimate an expected lifetime credit loss on financial assets ranging from short-term trade accounts receivable to long-term financings. ASU 2016-13 is effective for the Company for the fiscal year ending February 28, 2023. Early adoption is permitted. The Company is evaluating the accounting, transition and disclosure requirements of the standard and cannot currently estimate the financial statement impact of adoption.

Internal Use Software: In August 2018, the FASB issued ASU No. 2018-15, *Intangibles — Goodwill and Other Internal Use Software* (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This ASU is effective for the fiscal year ending February 28, 2022, and interim periods within the fiscal year ending February 28, 2023. Early adoption is permitted. The Company is evaluating the accounting, transition, and disclosure requirements of the standard and cannot currently estimate the financial statement impact of adoption.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(3) Property and Equipment

Property and equipment consisted of the following:

	February 28,	
	2018	2019
Capitalized software development costs	$ 30,919	$ 32,862
Computer software	10,214	10,275
Computer equipment	6,913	7,828
Office equipment, furniture, and leasehold improvements	7,719	8,012
Office equipment and furniture under capital leases	1,251	1,252
	57,016	60,229
Less accumulated depreciation	(35,564)	(44,955)
Total	$ 21,452	$ 15,274

Depreciation and amortization expense was $7,982 and $9,391 for the fiscal years ended February 28, 2018 and 2019, respectively. Also, during 2018, the Company wrote off leasehold improvements, resulting in a loss on disposal of $144.

(4) Accrued Expenses

Accrued expenses consisted of the following:

	February 28,	
	2018	2019
Accrued professional and consulting fees	$ 528	$ 755
Accrued software, hardware, and communication costs	491	154
Accrued litigation matter	650	1,100
Accrued taxes	122	335
Accrued other	562	796
Total	$ 2,353	$ 3,140

See Note 12 for discussion regarding accrued litigation matter.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(5) Fair Value Measurements

The following table sets forth the fair value of the Company's financial assets and within the fair value hierarchy:

	February 28, 2018			
	Level 1	Level 2	Level 3	Fair Value
Assets				
Cash equivalents:				
Money market funds	$ 6,516	$ —	$ —	$ 6,516

	February 28, 2019			
	Level 1	Level 2	Level 3	Fair Value
Assets				
Cash equivalents:				
Money market funds	$ 28,661	$ —	$ —	$ 28,661

Also, the carrying value of the Company's debt approximates fair value based on interest rates available for debt with similar terms at February 28, 2018 and 2019.

(6) Debt

On January 30, 2017, the Company entered into two debt facilities, one of which is a $20,000 term loan (the Term Loan) and the other a $20,000 revolving credit facility (the 2017 Revolver).

During March 2018, an amendment to the Term Loan was entered into, as further discussed below. During April 2018, an amendment to the 2017 Revolver was entered into, as further discussed below.

During July 2019, the Company amended the Term Loan, terminated the 2017 Revolver and entered into a new revolving credit facility (the 2019 Revolver). In connection with the July 2019 transactions, the Company issued warrants to purchase up to 677,977 shares of the Company's common stock.

(a) Term Loan

Under the terms of the Term Loan, the Company was permitted to borrow up to an aggregate principal amount of $20,000, with the total amount of available borrowings subject to certain monthly recurring revenue calculations. As of February 28, 2019, there was $19,200 outstanding on the Term Loan (net of unamortized issuance costs), classified as non-current in the Company's consolidated balance sheet. There was no remaining borrowing capacity on this facility as of February 28, 2019.

Interest on the outstanding balance was payable monthly at a rate of 11.75%. Principal payments were scheduled to be made monthly beginning January 31, 2019, in equal installments calculated as 1/24th of the outstanding balance on December 31, 2018. However, the Company

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(6) Debt (Continued)

had the ability to extend the interest only period for an additional twelve months, subject to an additional fee and other conditions, which would extend the maturity date from December 31, 2020 to December 31, 2021. The Company committed to extend this interest only period, and the maturity date was extended to December 31, 2022. As a result, principal payments were scheduled to start January 2020. As of February 28, 2018 and 2019, there was no accrued but unpaid interest related to the Term Loan.

The Term Loan also provided for the issuance of a warrant to purchase 217,712 shares of the Company's common stock (the Term Loan Warrant) at an exercise price of $0.001 per share. The Term Loan Warrant vested 100% upon issuance and has a ten-year term, ending January 30, 2027. The Company calculated the fair value of the Term Loan Warrant using the Black-Scholes option pricing model, and the fair value of the Term Loan Warrant was determined to be $182. This amount was recorded as a debt discount and was being amortized ratably over the Term Loan period. Interest expense was $47 and $36, respectively, in the fiscal years ended February 28, 2018 and 2019, related to the Term Loan Warrant.

Also, the Company incurred issuance and other third-party costs of $429 related to the Term Loan, which were recorded as a debt discount and were being amortized ratably over the term of the Term Loan. Interest expense related to the amortization of these costs was $110 and $85, respectively, during the fiscal years ended February 28, 2018 and 2019.

During July 2019, the Company amended the existing Term Loan agreement, which resulted in an additional $2,000 of availability, increasing total availability to $22,000. As of December 5, 2019, the Company had borrowed all $22,000 available under the Term Loan. The classification of the 2017 Term Loan as of February 28, 2018 and 2019 was determined based upon the terms of the July 2019 amendment.

(b) Revolving Credit Facility

The 2017 Revolver was a 24-month senior secured $20,000 revolving line of credit, with borrowing availability subject to certain monthly recurring revenue calculations. As of February 28, 2018 and 2019, outstanding amounts were $5,000 and $0, respectively, and the availability under the 2017 Revolver was $20,000 at February 28, 2019. Under Amendment 1, the term of the 2017 Revolver was extended for an additional twelve months through January 2020.

Interest on the outstanding balance was due monthly at a rate of the lending institution's prime referenced rate plus 1.00%, with the prime reference rate defined as the greater of (i) the lending institution's prime rate and (ii) the 30-day LIBOR plus 2.50%. Principal and interest were due at maturity (extended in connection with Amendment 1 to January 30, 2020).

The 2017 Revolver also provided for the Company to issue warrants to purchase up to 111,442 shares of the Company's Common Stock (the 2017 Revolver Warrants), of which a warrant to purchase 55,721 shares was issued on January 30, 2017, and a warrant to purchase 55,721 shares was issued on January 30, 2018.

The Company incurred issuance and other third-party costs of $61 related to the 2017 Revolver, which were recorded as a debt discount and were being amortized ratably over the term of the 2017 Revolver. Interest expense related to the amortization of these costs was $30 and $16, respectively, during the fiscal years ended February 28, 2018 and 2019.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(6) Debt (Continued)

On April 20, 2018, the Company entered into Amendment 1 with the 2017 Revolver lender, which modified the revenue covenants, required the Company to exercise the extension of the interest only payment period of the Term Loan through December 2019 (from December 2018), and, in the event the Company raised proceeds in aggregate of at least $45,000 as part of a financing event, extended the term of the 2017 Revolver to January 30, 2020. This financing event occurred, and, accordingly, the term of the 2017 Revolver was extended.

Both the Term Loan and 2017 Revolver were collateralized by substantially all of the assets of the Company.

During July 2019, the Company terminated the 2017 Revolver and entered into a new revolving credit facility (the 2019 Revolver) with a syndicate of two banks, of which one was the lender under the 2017 Revolver. Under the 2019 Revolver, the Company has the capacity to borrow up to $50,000 on a revolving facility, and to the extent certain customer bookings thresholds are achieved, the capacity on the 2019 Revolver may increase by an additional amount of up to $30,000 (resulting in total potential availability of $80,000). Availability of borrowings on the 2019 Revolver is calculated as a multiple of the Company's eligible monthly recurring revenues (as defined in the 2019 Revolver). As of December 5, 2019, $50,000 was available for borrowing.

The 2019 Revolver has a term of 24 months, and there is an automatic extension of an additional 12-month period should the Company achieve certain revenues, as defined. The interest rate on the outstanding borrowings are at LIBOR plus 350 basis points or Base Rate (as defined) plus 250 basis points, and interest payments are to be made quarterly.

Future principal payments of the outstanding balance under the Term Loan as of February 28, 2019 were as follows:

Fiscal year ending February 28 (29),		
2020	$	—
2021		—
2022		—
2023		20,000
Total	$	20,000

These future payments reflect the terms of the July 2019 Term Loan amendment.

Current and noncurrent deferred issuance costs were $31 and $769, respectively, at February 28, 2019, and presented as a debt discount in the Company's consolidated balance sheet as of February 28, 2019.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(7) Convertible Preferred Stock

As of February 28, 2019, the authorized, issued and outstanding convertible preferred stock and their principal terms were as follows:

Series	Par Value	Shares Authorized	Shares Issued and Outstanding	Carrying Amount	Liquidation Value
A-1	$ 0.0001	17,800,001	17,800,001	$ 10,000	$ 10,000
A-2	0.0001	12,899,999	12,899,999	10,000	10,000
B	0.0001	20,293,681	20,293,681	16,944	16,944
C	0.0001	3,005,801	3,005,801	7,000	7,000
D	0.0001	8,759,373	8,759,373	30,000	30,000
E	0.0001	30,445,945	30,445,945	140,720	145,300
		93,204,800	93,204,800	$ 214,664	$ 219,244

During March 2018, the Company amended its Certificate of Incorporation to allow for additional Series E shares and issued 10,476,924 shares at $4.77239 per share during the period March through July 2018. The sales resulted in aggregate net cash proceeds of $49,933, after deducting $67 of issuance costs. In connection with this issuance, the Company issued warrants to purchase 2,540,003 shares of the Company's common stock. The warrants have an exercise price of $0.0001 per share and a term of ten years. The Company calculated the issuance date fair value of the warrants using the Black-Scholes option pricing model, which resulted in an approximate fair value of $2,387. Accordingly, the Company allocated the proceeds from the Series E preferred stock, on a relative fair value basis, resulting in $2,279 allocated to the warrants and recorded in additional paid in capital during the fiscal year ended February 28, 2019.

The preferred stock is convertible, at the option of the holder, at any time, into fully paid and nonassessable shares of common stock. The number of shares of common stock into which each share of preferred stock may be converted is determined by dividing the original issue price by the conversion price in effect on the date that the holder elects to convert the shares of preferred stock. The initial conversion price is equal to the original issue price. In connection with an initial public offering of securities, immediately prior to the public offering, the preferred stockholders will receive for each share of preferred stock held a number of shares of common stock as is determined by dividing the preference amount (discussed below) by the price per common share in the public offering. These shares are in addition to shares of common stock otherwise issuable upon conversion of the preferred stock.

Each share will automatically convert into shares of common stock upon the earlier of (i) the consummation of a firm commitment underwritten public offering of common stock (or common stock of successor corporation) at a public offering price of not less than $9.54478 (adjusted for any recapitalization) resulting in net proceeds to the Company (or successor corporation) of not less than $75,000, and listed on a national securities exchange or traded on the NASDAQ or (ii) the date specified by the written consent of the requisite preferred stockholders.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(7) Convertible Preferred Stock (Continued)

No dividend shall be declared or paid on any shares of any other series or class of shares of the Company unless and until such distribution is also ratably declared and paid on all of the outstanding preferred stock (based on as-if converted amounts) at the same time as such distribution is paid on such other equity interests. No dividends have been declared or paid through February 28, 2019.

In the event of any liquidation, dissolution, or winding up of the Company, either voluntarily or involuntarily and in the event of a sale of the Company, as defined, the holders of the preferred stock will be entitled to receive, prior and in preference to any distribution of any of the assets or funds of the Company to holders of shares of common stock or any other shares by reason of their ownership of such shares, for each share of preferred stock the sum of (i) the original purchase price paid per share of preferred stock (as adjusted for any stock dividends, combinations, splits, recapitalizations, and similar events) plus (ii) the amount of all accrued but unpaid dividends as discussed above (the sum is referred to as the preference amount). In the event the assets of the Company are not sufficient to distribute such amounts, each holder will receive their pro rata share of amounts available to be distributed. After full payment of the preference amount has been made to the holders of the preferred stock, the holders of common stock and the preferred stock shall be entitled to share ratably in all remaining assets and funds, if any, based upon the number of shares of common stock then held, with each share of preferred stock treated as holding the number of shares of common stock into which such shares of preferred stock are then convertible.

The preferred stockholders have the right to one vote for each common share into which their preferred stock could then be converted.

The preferred stock is considered contingently redeemable for accounting purposes, given the rights of the preferred stockholders under certain deemed liquidation events, as defined. Management has determined that none of these events were probable as of the balance sheet dates.

(8) Stock Options and Warrants

(a) Stock Options

In 2010, the Company adopted the Amended and Restated 2007 Stock Option Plan as amended (the Option Plan), which authorized the Company to grant shares of common stock to eligible employees, directors, and consultants to the Company in the form of restricted stock and stock options. As of February 28, 2019, the Company was authorized to issue up to 53,200,253 shares of common stock pursuant to the Option Plan. The amount, terms of grants, and exercisability provisions are determined by the board of directors. The term of the options may be up to 10 years and options generally vest over four years, with one quarter of the options vesting one year after grant and the remainder vesting on a monthly basis over three years. As of February 28, 2019, there were 782,244 shares of common stock available for future grants under the Option Plan.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(8) Stock Options and Warrants (Continued)

The Company recognizes stock-based compensation based on the grant date fair value of the awards and recognizes that cost using the straight-line method over the requisite service period of the award. The fair value of options, which vest in accordance with service schedules, is estimated on the date of grant using the Black-Scholes option pricing model. The absence of an active market for the Company's common stock requires it to estimate the fair value of its common stock for purposes of granting stock options and for determining stock-based compensation expense for the periods presented. The Company obtained contemporaneous third-party valuations to assist in determining the estimated fair value of its common stock. These contemporaneous third-party valuations used the methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. Expected volatilities are based on historical volatilities of comparable companies. The expected term of the options is based on the simplified method outlined in the SEC Staff accounting guidance, under which the Company estimates the term as the average of the option's contractual term and the option's weighted-average vesting period. The risk-free rate represents the yield on U.S. Treasury bonds with maturity equal to the expected term of the granted option. The Company accounts for forfeitures as they occur. All stock options outstanding at February 28, 2019 are expected to vest according to their specific schedules.

During the fiscal years ended February 28, 2018 and 2019, the Company recognized $8,406 and $5,721, respectively, of compensation expense related to stock options. Included in the $8,406 of total compensation expense is $4,324 related to stock option modifications made during the fiscal year ended February 28, 2018.

The following table summarizes the amount of stock-based compensation included in the consolidated statements of operations:

	Fiscal Year Ended February 28,	
	2018	2019
Cost of revenue	$ 376	$ 255
Product and technology	1,420	1,108
Sales and marketing	1,750	1,199
General and administrative	4,860	3,159
Total stock-based compensation	$ **8,406**	$ **5,721**

The Company did not capitalize any stock-based compensation expense to deferred costs for the fiscal years ended February 28, 2018 and 2019.

The weighted-average grant date fair value for stock options granted during the fiscal years ended February 28, 2018 and 2019 was $0.41 and $0.59, respectively. The fair value of the

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(8) Stock Options and Warrants (Continued)

Company's option grants is estimated at the grant date using the Black-Scholes option pricing model based on the following weighted-average assumptions:

	2018	2019
Estimated fair value of common stock	$0.39 - $0.47	$0.48 - $0.67
Exercise price	$0.84 - $0.93	$0.94 - $1.35
Expected volatility	46% - 52%	46% - 52%
Expected term (in years)	6.25	6.25
Risk-free interest rate	1.84% - 2.51%	2.65% - 2.94%
Dividend yield	—	—

The following is a summary of stock option activity under the Option Plan:

	Stock Options	Weighted-Average Exercise Price	Weighted Remaining Contractual Life In Years	Aggregate Intrinsic Value
Balance, March 1, 2017	32,689,529			
Granted	5,149,000			
Exercised	(1,116,239)			
Forfeited	(1,869,308)			
Balance, February 28, 2018	34,852,982			
Granted	8,175,575	1.19		
Exercised	(1,245,216)	0.80		
Forfeited	(1,045,804)	0.89		
Balance, February 28, 2019	40,737,537	$ 0.88	6.5 years	$ 19,025
Vested and expected to vest as of February 28, 2019	40,737,537	$ 0.88	6.5 years	$ 19,025
Exercisable as of February 28, 2019	26,416,622	$ 0.80	5.4 years	$ 14,653

The aggregate intrinsic value of stock options exercised was $305 and $206 for the fiscal years ended February 28, 2019 and 2018, respectively. The total grant date fair value of options vested during the fiscal year ended February 28, 2019 was $2,913. As of February 28, 2019, approximately $7,961 of unrecognized compensation expense related to the Company's stock options is expected to be recognized over a weighted-average period of 1.8 years.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(8) Stock Options and Warrants (Continued)

(b) Common Stock Warrants

The following tables summarize the activity for the Company's warrants for the periods presented as well as the number of warrants outstanding and related terms at February 28, 2018 and 2019:

	Common Stock Warrants	Exercisable	Exercise Price	Expiration Date
Balance, March 1, 2017	4,594,119			
Issued	55,721			
Exercised	(5,080)			
Balance, February 28, 2018	4,644,760	4,244,760	$0.0001 - $3.59	April 2020 - Jan 2027
Issued	2,705,883			
Exercised	(20,317)			
Balance, February 28, 2019	7,330,326	7,130,326	$0.0001 - $3.59	April 2020 - March 2028

	Number of Warrants Outstanding at February 28,		Exercise Price	Expiration Date
	2018	2019		
Series E holders	3,126,951	5,812,517	$0.0001	July 2026 - March 2028
Customer	800,000	800,000	$2.75	April 2020
Lenders	717,809	717,809	$0.001 - $3.59	Nov 2022 - Jan 2027
Total	4,644,760	7,330,326		

On June 29, 2015, the Company issued a warrant to its initial customer to purchase up to 1,000,000 shares of common stock. Based on the vesting provisions and the remaining period over which the warrant is exercisable, the maximum number of shares that can vest pursuant to the warrant is 800,000 shares of common stock, of which 400,000 and 600,000 were vested and exercisable as of February 28, 2018 and 2019, respectively. During April 2019, the remaining 200,000 warrant shares became vested and exercisable. The warrant is exercisable through April 2020. The fair value of the warrant shares that vested during 2018 and 2019 was $8 and $11, respectively, which is recorded as an adjustment to revenue on the consolidated statements of operations for the respective years then ended.

(9) Defined Contribution Retirement Plan

The Company sponsors a defined contribution retirement plan named the Accolade, Inc. 401(k) Plan (401(k) Plan). Under the 401(k) Plan, eligible employees may contribute up to the maximum allowed by law. Eligible employees are eligible for Company matching contributions on the first quarter following their one-year anniversary date, which are dollar for dollar up to 3% of an

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(9) Defined Contribution Retirement Plan (Continued)

employee's eligible compensation, up to $100 in annual compensation. Employer contributions are vested over a period of four years of service. The 401(k) Plan includes an employer discretionary profit-sharing contribution feature to allow the Company to make a contribution to eligible employees' 401(k) Plan accounts. Profit sharing contributions are vested over a period of four years of service. The Company incurred expenses related to matching contributions totaling $1,057 in 2018 and $1,260 in 2019, which were funded subsequent to each respective year-end.

(10) Income Taxes

Income (loss) before income taxes consists of the following components:

	Fiscal Year Ended February 28,	
	2018	2019
Domestic	$ (60,631)	$ (56,640)
Foreign	(655)	144
Total	$ (61,286)	$ (56,496)

Significant components of income taxes are as follows:

	Fiscal Year Ended February 28,	
	2018	2019
Currently payable:		
Federal	$ —	$ —
State and Local	—	—
Foreign	—	55
Total currently payable	—	55
Deferred:		
Federal	—	—
State and Local	—	—
Foreign	—	—
Total deferred	—	—
Provision for income taxes	$ —	$ 55

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(10) Income Taxes (Continued)

A reconciliation of income tax expense at the U.S. Federal statutory income tax rate to actual income tax provision is as follows:

	Fiscal Year Ended February 28,	
	2018	2019
Federal income tax expense at statutory tax rate	31.8%	21.0%
State income taxes, net of federal tax benefit	5.2	6.0
Stock-based compensation	(3.9)	(2.1)
Foreign rate benefit	0.0	0.0
Deferred tax rate changes	(31.2)	0.0
Changes in valuation allowances	(1.9)	(24.8)
Other	0.0	(0.2)
Effective income tax rate	0.0%	(0.1)%

Income tax expense for the fiscal year ended February 28, 2018 and the fiscal year ended February 28, 2019 differ from the U.S. statutory income tax rate due to certain discrete tax items for remeasurement of deferred income taxes related to tax legislation enactments, changes in valuation allowances, state income taxes, and other rate modifying items.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the Tax Act). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to: (i) reducing the U.S. federal corporate tax rate to 21 percent; (ii) eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; (iii) creating a new limitation on deductible interest expense; (iv) changing rules related to uses and limitations of net operating carryforwards created in tax years beginning after December 31, 2017; and (v) changing the U.S. federal taxation of earnings of foreign subsidiaries.

U.S. GAAP accounting for income taxes requires that the Company record the impact of any tax law change on deferred income taxes in the quarter that the tax law change was enacted. Due to the complexities involved in accounting for the enactment of the Tax Act, SEC Staff Accounting Bulletin (SAB) 118 allows the Company to provide a provisional estimate of the impacts of the Tax Act in its earnings for the fourth quarter and fiscal year ended February 28, 2018. The $0.0 net expense in the fiscal year ended February 28, 2018 resulted from the remeasurement of the Company's net deferred tax assets in the U.S. based on the new lower U.S. corporate income tax rate and an identical, offsetting decrease to the Company's valuation allowance. The taxation of earnings of foreign subsidiaries provision from the Tax Act did not impact the Company, as the lone foreign subsidiary of the Company is already treated as a branch for U.S. tax purposes.

The measurement period allowed by SAB 118 ended on December 22, 2018. The Company's accounting analysis has been finalized, and no changes to the provisional estimate were recorded.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(10) Income Taxes (Continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The carrying value of deferred tax assets is based on the Company's assessment that it is more likely than not that the Company will realize these assets after consideration of all available positive and negative evidence. The components of the Company's deferred tax assets and liabilities at February 28, 2018 and February 28, 2019 were as follows:

	Fiscal Year Ended February 28,	
	2018	2019
Deferred tax assets:		
Net operating loss carryforwards	$ 42,385	$ 55,664
Other accruals and reserves	3,625	3,529
Stock-based compensation	495	491
Deferred rent	1,170	1,066
Interest expense deduction limitation carryforward	84	742
Intangibles	20	19
Property and equipment	—	252
Other	248	139
Valuation allowance	(47,908)	(61,902)
Deferred tax assets	119	—
Deferred tax liabilities:		
Property and equipment	(119)	—
Deferred tax liabilities	(119)	—
Net deferred tax assets (liabilities)	$ —	$ —

Gross operating loss carryforwards amounted to $0.0 for foreign jurisdictions, $198,900 for U.S. federal, and $189,600 for U.S. states at February 28, 2019. These operating loss carryforwards related to the 2010 through current 2019 tax periods. At February 28, 2019, none of the operating loss carryforwards were subject to expiration until 2030. The operating loss carryforwards expiring in years 2030 through 2037 make up $44,000 of the recorded deferred tax asset. The remaining deferred tax asset relating to operating loss carryforwards of $11,700 have an indefinite expiration. Under Section 382 of the Internal Revenue Code, the yearly utilization of a corporation's net operating loss carryforwards may be limited following a change in ownership of greater than 50% (by value) over a three-year period. The yearly limitation is based on the value of the corporation immediately before the ownership change multiplied by the federal long-term tax-exempt rate. If a loss is not utilized in a year after an ownership change, that yearly limit is carried forward to future years for the balance of the net operating loss carryforward period. As of February 28, 2019, the Company's Section 382 analysis did not yield a greater than 50% ownership change, and therefore, the yearly limitation was not applicable.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(10) Income Taxes (Continued)

Management assesses the available positive and negative evidence to estimate if a valuation allowance is required to be recorded against existing deferred tax assets. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the Company's brief operating history and the net losses incurred since inception, management does not believe that it is more likely than not that the Company will realize the benefits of these deductible differences. As a result, a full valuation allowance has been provided at February 28, 2018 and 2019.

The changes in the valuation allowance were as follows:

	Fiscal Year Ended February 28,	
	2018	2019
Balance at the beginning of the period	$ 27,631	$ 47,908
Increase due to NOLs and temporary differences	20,277	13,994
Balance at the end of the period	$ 47,908	$ 61,902

The Company has recorded a deferred tax asset of $742 for interest expense limited under the Tax Act at February 28, 2019. The interest expense limited has an unlimited carryforward period.

U.S. income and foreign withholding taxes have not been recognized on the excess of the amount for financial reporting over tax basis of the investment in foreign subsidiary that is indefinitely reinvested outside the U.S. The foreign subsidiary is identified as a branch for U.S. tax purposes, and therefore, a gross temporary difference for investment basis differences is not applicable.

The Company had no material accrual for uncertain tax positions or interest or penalties related to income taxes on the Company's consolidated balance sheets at February 28, 2018 and 2019 and has not recognized any material uncertain tax positions or interest and/or penalties related to income taxes in the consolidated statement of operations for the years ended February 28, 2018 and 2019.

(11) Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share:

	Fiscal Year Ended February 28,	
	2018	2019
Net loss	$ (61,286)	$ (56,496)
Net loss per common share, basic and diluted	$ (3.28)	$ (2.43)
Weighted-average shares used to compute net loss per common share, basic and diluted	18,659,570	23,206,587

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(11) Net Loss Per Share (Continued)

As the Company has reported a net loss for each of the periods presented, all potentially dilutive securities are antidilutive. The following potential outstanding shares of common stock were excluded from the computation of diluted net loss per share for the periods presented because including them would have been antidilutive:

	Fiscal Year Ended February 28,	
	2018	2019
Stock options	34,852,982	40,737,537
Common stock warrants	911,442	911,442
Total	35,764,424	41,648,979

Unaudited Pro Forma Net Loss Per Share

Unaudited pro forma basic and diluted net loss per share for the fiscal year ended February 28, 2019 has been computed to give effect to the conversion of convertible preferred stock into common stock in connection with the initial public offering (IPO) as of the beginning of the period presented or the date of issuance as well as the automatic cashless exercises of warrants to purchase shares of common stock based on an assumption that the fair market value of the Company's common stock will be equal to the assumed IPO price of $ per share.

The following table sets forth the computation of the unaudited pro forma basic and diluted net loss per share:

	Fiscal Year Ended February 28, 2019
Numerator:	
Net loss	$ (56,496)
Denominator:	
Weighted-average shares used to compute net loss per common share, basic and diluted	23,206,587
Pro forma adjustment to reflect conversion of convertible preferred stock	
Pro forma adjustment to reflect automatic cashless exercise of warrants	
Weighted-average shares used to compute pro forma net loss per common share, basic and diluted	
Pro forma net loss per common share, basic and diluted (unaudited)	

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(12) Commitments

(a) Leases

The Company leases its office premises in Pennsylvania, Washington, Arizona, and the Czech Republic, pursuant to lease agreements that expire on various dates through 2027. The Company recognizes rent expense under such arrangements on a straight line basis. Rent expense was $4,599 and $4,294 for the fiscal years ended February 2018 and 2019, respectively.

On June 21, 2017, the Company entered into an agreement to sublease certain leased office space in its Pennsylvania office space to a subtenant. On December 1, 2017, the Company entered an Assignment and Assumption of Lease agreement for the subleased space, relieving the Company from all future minimum lease payments. Under the sublease and subsequent Assignment and Assumption agreement, the Company agreed to pay the assignee tenant improvement allowances up to an aggregate amount of $1,190 payable ratably over 60 months, commencing on October 1, 2017. Additionally, Accolade agreed to reimburse the assignee for a portion of the annual common area maintenance costs for the period January 1, 2018 through June 30, 2027. The transaction resulted in a loss of $512 in the Company's consolidated statement of operations for the fiscal year ended February 28, 2018.

As of both February 28, 2018 and 2019, the Company had security deposits of $460. The security deposits are included in other assets on the accompanying consolidated balance sheets.

On May 28, 2019, the Company entered into a new lease for its Seattle office space that expires in 2030. The new lease is subject to both certain early termination rights and an option to extend, as defined in the lease. The lease commencement date was October 1, 2019, and total future payments are $26,028.

The future aggregate minimum lease payments as of under all non-cancelable operating leases (including the Seattle lease discussed above) for the years noted were as follows:

Fiscal Year Ending February 28 (29)	
2020	$ 4,769
2021	6,805
2022	6,850
2023	6,487
2024	6,629
Thereafter	26,969
	$ 58,509

During 2013, the Company entered into certain leases related to office furniture and telephone equipment, which have been recorded as capital lease obligations. Minimum future lease payments as of February 28, 2018 and 2019 were $102 and $0, respectively.

(b) Legal Proceedings

The Company is involved in various claims, inquiries and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the Company's financial position or liquidity.

Accolade, Inc.

Notes to Consolidated Financial Statements (Continued)

(Dollar amounts in thousands except share and per share data)

February 28, 2018 and 2019

(12) Commitments (Continued)

On August 1, 2017, certain former and current employees filed a suit against the Company seeking back wages for unpaid overtime as a result of alleged misclassification by the Company under the Pennsylvania Minimum Wage Act and the Federal Fair Labor Standards Act. As of February 28, 2018, based upon the facts and circumstances of this suit as well as the resolution of other such similar suits, the Company had determined that it was probable that it had a liability. Accordingly, the Company recorded litigation expense and related accrued litigation expense in the amount of $650. During March 2019, a settlement agreement was executed by both parties in the amount of $1,100 (the Settlement). The Settlement was preliminarily approved by the court and is currently awaiting final approval. A hearing for final approval is scheduled for January 2020. Accordingly, during the fiscal year ended February 28, 2019, the Company recorded additional litigation expense and related accrual in the amount of $450 related to the Settlement.

(c) Employment Agreements

Certain officers of the Company have employment agreements providing for severance, continuation of benefits, and other specified rights in the event of termination without cause, including in the event of a change of control of the Company, as defined in the agreements.

(13) Related Party Transactions

Entities affiliated with one of the Company's significant customers own more than 5% of the Company's outstanding stock. Revenue related to this customer were $34,623 and $33,433 during the fiscal years ended February 28, 2018 and 2019, respectively. Accounts receivable related to this customer was $6,337 and none as of February 28, 2018 and 2019, respectively.

(14) Subsequent Events

(a) Acquisition of MD Insider, Inc.

During July 2019, the Company acquired MD Insider, Inc. (MD Insider), a California-based company that specializes in data insight and analysis of healthcare providers. The Company purchased MD Insider for total consideration of $8,000 that was paid in the form of common stock, cash, and the assumption of liabilities in exchange for all of MD Insider's outstanding equity interests. Additionally, the Company may be required to pay up to $2,000, also in common stock and cash, should certain performance-based provisions be achieved subsequent to the date of acquisition.

(b) Issuance of Series F Preferred Stock

During October 2019, the Company amended its Certificate of Incorporation to authorize Series F preferred stock (Series F) and issued 4,365,191 shares at $4.5817 per share, which resulted in net cash proceeds of $19,900, after deducting $100 of issuance costs. In connection with this issuance, the Company issued a warrant to purchase 425,000 shares of the Company's common stock that has an exercise price of $0.0001 per share and a term of ten years.

The Company has evaluated subsequent events from the balance sheet date through December 5, 2019, the date of which the financial statements were available to be issued, and determined there are no other items requiring disclosure.

Shares

Common Stock

Goldman Sachs & Co. LLC	**Morgan Stanley**	**BofA Securities**
Piper Jaffray	**Credit Suisse**	**William Blair**
Baird		**SVB Leerink**

Through and including , 2020 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discount, all of which will be paid by us. All amounts are estimated except the SEC registration fee, the Financial Industry Regulatory Authority, Inc. (FINRA) filing fee, and the exchange listing fee.

	Amount
SEC registration fee	$ *
FINRA filing fee	*
Exchange listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering permits indemnification of our directors, officers, employees, and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws that will be in effect upon the completion of this offering provide that we will indemnify our directors and officers and permit us to indemnify our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee, or agent of Accolade, Inc., provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interest of Accolade, Inc. At present, there is no pending litigation or proceeding involving a director or officer of Accolade, Inc. regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act that might be incurred by any director or officer in his or her capacity as such.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

The underwriting agreement to be filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Item 15. Recent Sales of Unregistered Securities.

Since November 1, 2016, we have issued the following unregistered securities:

(1) In October 2019, we sold an aggregate of 4,365,191 shares of Series F preferred stock and a warrant to purchase 425,000 shares of common stock to one accredited investor at a purchase price of $4.5817 per share of Series F preferred stock for an aggregate purchase price of $20.0 million.

(2) In July 2019, August 2019 and October 2019, we issued an aggregate of 1,442,886 shares of common stock to two accredited investors as consideration pursuant to an acquisition.

(3) From December 2017 through July 2019, we issued and sold an aggregate of 60,166 shares of our common stock upon the exercise of warrants at an exercise price of $0.0001 per share, for an aggregate exercise price of $6.02.

(4) From October 2017 through June 2018, we issued 1,814,427 shares of our common stock to employees in lieu of cash bonuses at prices per share ranging from $0.84 to $0.94 for an aggregate value of $1,584,694.

(5) From November 2016 through July 2018, we sold an aggregate of 10,833,131 shares of our Series E preferred stock and issued warrants to purchase an aggregate of 2,792,243 of common stock to a total of 46 accredited investors at a purchase price of $4.77239 per share of Series E preferred stock for an aggregate purchase price of $51.7 million.

(6) From November 2016 through October 2019, we granted to certain employees, consultants, and directors options to purchase an aggregate of 49,083,768 shares of our common stock under our 2007 Plan at exercise prices ranging from $0.30 to $20.51 per share.

(7) From November 2016 through December 2019, we issued and sold an aggregate of 6,002,713 shares of our common stock upon the exercise of options under our 2007 Plan, at exercise prices ranging from $0.30 to $20.51 per share, for an aggregate exercise price of $4,456,714.

(8) From November 2016 through July 2019, excluding the warrants issued in connection with our Series E and Series F financings, we issued to four accredited investors warrants to purchase an aggregate of 1,007,111 shares of our common stock at exercise prices ranging from $0.0001 to $4.75 per share, for an aggregate exercise price of $2.0 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to

information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Amended and Restated Bylaws of the Registrant, as amended July 2016, as currently in effect.
3.3*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective upon the completion of this offering.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be effective immediately prior to the completion of this offering.
4.1*	Form of common stock certificate of the Registrant.
4.2	Fifth Amended and Restated Registration Rights Agreement by and among the Registrant and certain of its stockholders, dated October 2, 2019.
5.1*	Opinion of Cooley LLP.
10.1+	Accolade, Inc. Amended and Restated 2007 Stock Option Plan, and forms of agreements thereunder.
10.2*+	Accolade, Inc. 2020 Equity Incentive Plan and forms of agreements thereunder.
10.3*+	Accolade, Inc. 2020 Employee Stock Purchase Plan and forms of agreements thereunder.
10.4*+	Form of Indemnification Agreement entered into by and between the Registrant and each director and executive officer.
10.5*+	Employment Agreement by and between the Registrant and Rajeev Singh dated October 2015.
10.6*+	Offer Letter by and between the Registrant and Stephen Barnes dated December 1, 2014.
10.7*+	Offer Letter by and between the Registrant and Robert Cavanaugh dated October 26, 2015.
10.8	Loan and Security Agreement by and between the Registrant and Escalate Capital Partners SBIC III, LP dated January 30, 2017.
10.9	First Amendment to Loan and Security Agreement by and between the Registrant and Escalate Capital Partners SBIC III, LP dated March 22, 2018.
10.10	Second Amendment to Loan and Security Agreement by and between the Registrant and Escalate Capital Partners SBIC III, LP dated July 19, 2019.
10.11	Credit Agreement by and among the Registrant, Comerica Bank and Western Alliance Bank dated July 19, 2019.

Exhibit Number	Description of Exhibit
10.12	Warrant to Purchase Common Stock of the Registrant issued to Comcast Alpha Holdings, Inc. dated July 6, 2015.
10.13	Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated February 22, 2007.
10.14	First Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated July 24, 2008.
10.15	Second Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated March 3, 2009.
10.16	Third Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated August 5, 2010.
10.17	Fourth Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated August 10, 2011.
10.18	Fifth Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated January 31, 2012.
10.19	Sixth Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated March 7, 2012.
10.20	Seventh Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated October 23, 2012.
10.21	Eighth Amendment to Lease by and between the Registrant and Brandywine Operating Partnership, L.P. dated December 1, 2017.
10.22*†	Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated June 29, 2015.
10.23*†	Amendment to Exhibits F and G to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated August 25, 2016.
10.24*†	Amendment to Exhibit C to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated October 27, 2016.
10.25*†	Amendment and Restatement of Exhibits F and G to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated September 18, 2017.
10.26*†	Renewal and Amendment to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated October 20, 2017.
10.27*†	Amendment to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated June 29, 2018.
10.28*†	Amendment 2 to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated July 1, 2019.

Exhibit Number	Description of Exhibit
10.29*†	Amendment to the Amended and Restated Services Agreement by and between the Registrant and Comcast Cable Communications Management, LLC dated August 12, 2019.
10.30*	Office Lease by and between the Registrant and 1201 Tab Owner, LLC dated May 28, 2019.
21.1*	List of subsidiaries of the Registrant.
23.1*	Consent of KPMG LLP, independent registered public accounting firm.
23.2*	Consent of Cooley LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page).

* To be filed by amendment.

\+ Indicates management contract or compensatory plan.

† Confidential treatment has been requested for certain provisions omitted from this Exhibit pursuant to Rule 406 promulgated under the Securities Act. The omitted information has been filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on , 2020.

ACCOLADE, INC.

By: _____

Rajeev Singh
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Rajeev Singh and Stephen Barnes, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ Rajeev Singh	Chief Executive Officer and Director (*Principal Executive Officer*)	
_____ Stephen Barnes	Chief Financial Officer (*Principal Financial and Accounting Officer*)	
_____ Edgar Bronfman, Jr.	Director	
_____ J. Michael Cline	Director	

Signature	Title	Date
_____ William H. Frist, Sr.	Director	
_____ Jeffrey Jordan	Director	
_____ Peter Klein	Director	
_____ Dawn Lepore	Director	
_____ James C. Madden, V	Director	
_____ Thomas Neff	Director	
_____ Michael T. Yang	Director	

Exhibit 3.1

SIXTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ACCOLADE, INC.
a Delaware Corporation
(Pursuant to Sections 228, 242 and 245 of the
General Corporation Law of the State of Delaware)

ACCOLADE, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: The original Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on June 14, 2010. An Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on March 29, 2012. A Second Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on December 11, 2013. A Third Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on July 6, 2015, as amended by that Certificate of Amendment filed with the Secretary of State of Delaware on October 28, 2015 and that Certificate of Amendment No. 2 filed with the Secretary of State of Delaware on November 19, 2015. A Fourth Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on July 26, 2016. A Fifth Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on March 15, 2018, a Certificate of Amendment to the Fifth Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on March 28, 2018 and a Certificate of Amendment to the Fifth Amended and Restated Certificate of Incorporation of Accolade, Inc. was filed with the Secretary of State of Delaware on April 24, 2019.

SECOND: The Sixth Amended and Restated Certificate of Incorporation of Accolade, Inc. in the form attached hereto as Exhibit A has been duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware by the directors and stockholders of the Corporation.

THIRD: The Sixth Amended and Restated Certificate of Incorporation so adopted reads in full as set forth in Exhibit A attached hereto and is hereby incorporated herein by this reference.

IN WITNESS WHEREOF, Accolade, Inc. has caused this Certificate to be signed by its Chief Executive Officer this 30 day of September, 2019.

ACCOLADE, INC.

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Chief Executive Officer

EXHIBIT A

SIXTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ACCOLADE, INC.
a Delaware Corporation

ARTICLE I

The name of this corporation (the "***Corporation***") is Accolade, Inc.

ARTICLE II

The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle 19808. The name of the registered agent at that address is Corporation Service Company.

ARTICLE III

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as the same may be amended from time to time (the "***DGCL***").

ARTICLE IV

A. Classes of Stock. The Corporation is authorized to issue two (2) classes of shares to be designated, respectively, Preferred Stock ("***Preferred Stock***") and Common Stock ("***Common Stock***"). The total number of shares of Preferred Stock that the Corporation shall have authority to issue is 97,569,991 shares. The total number of shares of Common Stock that the Corporation shall have authority to issue is 200,000,000. The Preferred Stock shall have a par value of $0.0001 per share and the Common Stock shall have a par value of $0.0001 per share.

B. 17,800,001 of the authorized shares of Preferred Stock are hereby designated "Series A-1 Preferred Stock" (the "***Series A-1 Preferred Stock***"), 12,899,999 of the authorized shares of Preferred Stock are hereby designated "Series A-2 Preferred Stock" (the "***Series A-2 Preferred Stock***", and, together with the Series A-1 Preferred Stock, the "***Series A Preferred Stock***"), 20,293,681 of the authorized shares of Preferred Stock are hereby designated "Series B Preferred Stock" (the "***Series B Preferred Stock***"), 3,005,801 of the authorized shares of Preferred Stock are hereby designated "Series C Preferred Stock" (the "***Series C Preferred Stock***"), 8,759,373 of the authorized shares of Preferred Stock are hereby designated "Series D Preferred Stock" (the "***Series D Preferred Stock***"), 30,445,945 of the authorized shares of Preferred Stock are hereby designated "Series E Preferred Stock" (the "***Series E Preferred Stock***" and together with the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock, the "***Existing Preferred***") and 4,365,191 of the authorized shares of Preferred Stock are hereby designated "Series F Preferred Stock" (the "***Series F Preferred Stock***").

C. Rights, Preferences and Restrictions of Preferred Stock. The rights, preferences, restrictions and other matters relating to the Preferred Stock are as follows:

1. Dividends.

(a) Dividends. No dividend or other distribution shall be declared or paid on any shares of capital stock of the Corporation unless and until such dividend or other distribution is also ratably declared and paid on all of the outstanding shares of Preferred Stock (based on "as-if converted" amounts) at the same time as such dividend or other distribution is paid on such other shares of capital stock.

(b) Non-Cash Distributions. Whenever a dividend or distribution provided for in this Section 1 shall be payable in property other than cash, the value of such dividend or distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors of the Corporation (the "***Board***").

(c) Adjustments. All numbers relating to the calculation of dividends pursuant to this Section 1 shall be subject to appropriate adjustment whenever there shall occur any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event effecting a change in the Corporation's capital structure (a "***Recapitalization***") to provide to the holders of Preferred Stock the same economic return as they would have received in the absence of such event.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, including, without limitation, upon any bankruptcy (a "***Liquidation Event***"), the holders of Preferred Stock shall be entitled to receive, out of assets or funds of the Corporation available for distribution to stockholders of the Corporation prior and in preference to any distribution of any of the assets or funds of the Corporation to holders of the Common Stock, by reason of their ownership of such stock, for each share of Preferred Stock, the sum of (i) the original purchase price (*i.e.*, $0.5618 per share of Series A-l Preferred Stock, $0.7752 per share of Series A-2 Preferred Stock, $0.83496 per share of Series B Preferred Stock, $2.32883 per share of Series C Preferred Stock, $3.42490274 per share of Series D Preferred Stock, $4.77239 per share of Series E Preferred Stock and $4.5817 per share of Series F Preferred Stock) for such share of Preferred Stock (as adjusted for any Recapitalizations, and as applicable to such series of Preferred Stock, the "***Original Issue Price***") *plus* (ii) the amount of all declared but unpaid dividends provided in Section 1 above (such sum, the "***Preference Amount***"). Notwithstanding the foregoing, upon any Liquidation Event, then each holder of Series F Preferred Stock shall be entitled to receive, for each share of each series of Series F Preferred Stock then held, out of the proceeds available for distribution, the greater of (i) the amount of cash, securities or other property to which such holder would be entitled to receive with respect to such shares in a Liquidation Event pursuant to the first sentence of this Section 2(a) or (ii) the amount of cash, securities or other property to which such holder would be entitled to receive in a Liquidation Event with respect to such shares if all shares of Series F Preferred Stock had been converted to Common Stock immediately prior to such Liquidation Event. In the event that the assets and funds legally available for distribution to the stockholders of the Corporation are insufficient to pay the Preference Amount in respect of each

share of Preferred Stock as described above, then all funds or assets legally available for distribution to the holders of Preferred Stock shall be paid to such holders of Preferred Stock pro rata based on the dollar amount to which they are otherwise entitled under this Section 2(a).

(b) In the event of any Liquidation Event, after, and only after, full payment has been made to the holders of the Preferred Stock required by Section 2(a), the holders of Common Stock and the Existing Preferred shall be entitled to share ratably in all remaining assets and funds, if any, available for distribution to the stockholders of the Corporation based upon the number of shares of Common Stock then held, with each share of Existing Preferred being treated as the number of shares of Common Stock into which such share of Existing Preferred is then convertible.

(c) For purposes of this Section 2, a Liquidation Event shall be deemed to be occasioned by, and to include any of the following transactions (a "***Sale Transaction***"): (i) a transaction or series of related transactions involving the Corporation, or its securities, whether by merger, consolidation, purchase of shares of capital stock or other reorganization or combination or otherwise, in which the beneficial holders of the Corporation's outstanding shares of capital stock immediately prior to such transaction cease to own, immediately after such transaction (in substantially the same proportions to one another as immediately prior to such transaction), securities representing at least fifty percent (50%) of the voting power of the entity surviving such transaction, or its ultimate parent entity, if any, in the same classes, series and amounts (excluding the issuances of shares of capital stock by the Corporation to third-party investors in bona fide financing transactions) or (ii) the closing of any of the following transactions: (1) any sale, lease, exclusive license, exchange or other transfer (in one (1) transaction or a series of related transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Corporation or (2) any plan or proposal for the liquidation or dissolution of the Corporation; *provided* that, the Company shall not enter into or consummate any Liquidation Event or Sale Transaction unless such transaction is approved by at least two (2) of (a) the First Voting Party, (b) the Second Voting Party and (c) the Third Voting Party (each as defined in the as Investor Rights Agreement (as defined in Article XIII)). The approval of each of the First Voting Party and the Third Voting Party shall no longer be required pursuant to this Section 2(c) if such Person or Persons are no longer deemed to be a Voting Party (as defined in the Investor Rights Agreement) pursuant to the Investor Rights Agreement, as applicable. For the avoidance of doubt, if at any time there are fewer than two (2) eligible Voting Parties the proviso of this Section 2(c) shall terminate and be of no further force and effect.

(d) In the event of any Sale Transaction, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined in good faith by the Board and approved in writing by the holders of at least seventy-five percent (75%) of the then outstanding shares of Preferred Stock, voting together as a single class on an "as-if converted" basis (the "***Required Holders***"). Any securities shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below:

(A) If traded on a securities exchange or through the NASDAQ National Market System, the value shall be deemed to be the average of the closing

prices of the securities on such exchange over the thirty (30)-day period ending three (3) days prior to the closing;

(B) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30)-day period ending three (3) days prior to the closing; and

(C) If there is no active public market, the value shall be the fair market value thereof, as determined by the Board and approved by the Required Holders.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an Affiliate (as defined below) or former Affiliate) shall be to make an appropriate discount from the market value determined as above in (d)(i)(A), (B) or (C) to reflect the approximate fair market value thereof, as determined by the Board and approved by the Required Holders.

(iii) Notwithstanding Section 2(d)(i) or (ii) above, in the event such securities are paid or distributed to holders of capital stock of the Corporation by an unaffiliated third party pursuant to a definitive transaction agreement (such as a merger agreement) in which the aggregate value of such securities is determined pursuant to an express formula set forth in such definitive transaction agreement, then the fair market value of such securities shall instead be determined in accordance with the express formula set forth in such definitive transaction agreement.

(e) In the event that there is more than one (1) type of consideration payable to the Corporation or its stockholders in connection with any Sale Transaction, the holders of the Preferred Stock may elect, by the written consent or vote of the Required Holders, to receive one (1) or more specified types of consideration in respect of the Preference Amount. Such type or types of consideration and the respective amounts of such types of consideration to be received by the holders of Preferred Stock in respect of the Preference Amount shall be determined by the Required Holders; *provided* that each series of Preferred Stock will receive the same type or types of consideration in the same proportions in respect of the Preference Amount as shall be received by all other classes of Preferred Stock in respect of their Preference Amount.

(f) Allocation of Escrow and Contingent Consideration. In the event of a Liquidation Event in which the Corporation is a constituent party and any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "***Additional Consideration***"), the applicable transaction agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "***Initial Consideration***") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2(a) and 2(b) above as if the Initial Consideration were the only consideration payable in connection with such Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2(a) and 2(b) after taking into account the previous payment of the Initial Consideration (and any subsequent consideration) as part of the same transaction. For the

purposes of this Subsection 2(f), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidation Event shall be deemed to be Additional Consideration.

3. Conversion. The holders of the Preferred Stock shall have conversion rights as follows:

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into fully paid and nonassessable shares of Common Stock of the Corporation. The number of shares of Common Stock into which each share of Preferred Stock may be converted shall be determined by dividing the Original Issue Price for such share of Preferred Stock by the Conversion Price for such share of Preferred Stock in effect on the date that the holder thereof elects to convert such share. The applicable "***Conversion Price***" for each share of Preferred Stock as of the Purchase Date (as defined below) is the Original Issue Price for such share. Each Conversion Price is subject to adjustment after the Purchase Date as set forth in this Section 3. For an initial public offering of securities, in addition to the shares of Common Stock otherwise issuable upon conversion of the Existing Preferred Stock pursuant to this Section 3 there shall be issued immediately prior to the public offering to the holders of the Existing Preferred Stock, for each share of Existing Preferred Stock held, the number of shares of Common Stock as is determined by dividing the Preference Amount for such share by the price per share of Common Stock in the public offering.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock (as set forth in Section 3(a)) upon the earlier of (i) the consummation of a firm commitment underwritten public offering of Common Stock registered under the Securities Act of 1933, as amended (the "***Securities Act***"), (x) at a public offering price per share of not less than $9.54478 (as adjusted for any Recapitalization), (y) resulting in net proceeds of not less than $75,000,000 and (z) after which the Common Stock is listed on a national securities exchange (a "***Qualified IPO***"); and (ii) with respect to shares of a particular series of Preferred Stock, the date specified by written consent of: (a) with respect to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, holders of at least seventy-five percent (75%) of the then outstanding shares of such series of Preferred Stock, each series voting as a separate class, and (b) with respect to the Series E Preferred Stock and the Series F Preferred Stock, the holders of at least two-thirds (66.7%) of the then outstanding shares of the Series E Preferred Stock and Series F Preferred Stock, voting together as a single class (provided that conversion of only the Series E Preferred Stock will require approval by 66.7% of the then outstanding Series E Preferred Stock, and conversion of only the Series F Preferred Stock will require approval by a majority of the then outstanding shares of the Series F Preferred Stock). Such conversion shall be automatic, without need for any further action by the holders of shares of Preferred Stock and regardless of whether the certificates representing such shares are surrendered to the Corporation or its transfer agent; *provided, however,* that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of Preferred Stock so converted are surrendered to the Corporation or the holder of record of such shares notifies the Corporation that such certificates have been lost, stolen or destroyed and such holder executes an agreement to indemnify the Corporation from any loss incurred by it in connection with such certificates, in each case in accordance with the

procedures described in Section 3(c) below. Upon the conversion of Preferred Stock pursuant to this Section 3(b), the Corporation shall promptly send written notice thereof to each holder of record of Preferred Stock, which notice shall state that certificates evidencing shares of Preferred Stock must be surrendered at the office of the Corporation (or of its transfer agent for the Common Stock, if applicable) in the manner described in Section 3(c) below.

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to receive certificates representing shares of Common Stock into which shares of Preferred Stock are converted pursuant to this Section 3, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock (or such holder shall notify the Corporation that such certificates have been lost, stolen or destroyed and such holder shall execute an agreement to indemnify the Corporation from any loss incurred by it in connection with such certificates), and shall give written notice to the Corporation at such office of the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable and in no event later than ten (10) days after the delivery of said certificates, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. The Person or Persons (as defined below) entitled to receive the shares of Common Stock issuable upon such conversion pursuant to this Section 3 shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the effective date of such conversion. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act, or any Sale Transaction, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering or the closing of such Sale Transaction, in which event the Person(s) entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities pursuant to such offering or the closing of such Sale Transaction.

(d) Conversion Price Adjustments for Certain Dilutive Issuances, Splits and Combinations. Each Conversion Price shall be subject to adjustment from time to time as follows:

(i) (A) In the event that the Corporation shall issue or sell, at any time, or from time to time, after the date of the filing of this Sixth Amended and Restated Certificate of Incorporation (this "***Certificate of Incorporation***") (such date, the "***Purchase Date***"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the applicable Conversion Price for a series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock, such Conversion Price in effect immediately prior to each such issuance shall be reduced, concurrently with such issuance or sale, to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale and (y) the number of shares of Common Stock that the aggregate consideration actually received by the Corporation for such Additional Stock so issued would purchase at such applicable Conversion Price in effect immediately prior to such issuance or sale, and the denominator of which shall be equal to the sum of (1) the number of shares of Common Stock outstanding immediately prior to such issue or sale and (2) the number of shares of Additional Stock (calculated

on an as-converted to Common Stock basis) so issued or sold. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issue or sale shall be calculated as if all shares of Preferred Stock and all vested securities that are then exercisable for or convertible into shares of Common Stock had been fully exercised for or converted into shares of Common Stock as of such time.

(B) Except to the limited extent provided for in Sections 3(d)(i)(E)(3) and (E)(4), no adjustment of the applicable Conversion Price pursuant to this Section 3(d) shall have the effect of increasing such Conversion Price above such Conversion Price in effect immediately prior to such adjustment. In no event shall any Conversion Price exceed the Original Issue Price of the applicable series of Preferred Stock.

(C) In the case of the issuance or sale of Additional Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor after deducting any discounts, commissions or other expenses paid or incurred by the Corporation in connection with the issuance or sale thereof.

(D) In the case of the issuance or sale of the Additional Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board and the Required Holders irrespective of any accounting treatment. The issuance or sale of Options (as defined below) or Convertible Securities (as defined below) together with other securities of the Corporation in an integrated transaction in which no specific consideration is allocated to such Options or Convertible Securities shall be deemed to be an issuance of shares of Common Stock at no consideration.

(E) In the event that the Corporation at any time or from time to time after the Purchase Date shall issue any securities by their terms convertible into or exchangeable for Common Stock ("***Convertible Securities***") or any options, rights or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities ("***Options***") or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, the following provisions shall apply for all purposes of this Section 3(d)(i) and Section 3(d)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise of such Options, assuming the satisfaction of any conditions to exercisability (including, without limitation, the passage of time), shall be deemed to be Additional Stock issued at the time such Options were issued and for a consideration equal to the consideration (determined in the manner provided in Sections 3(d)(i)(C) and 3(d)(i)(D)), if any, received by the Corporation upon the issuance of such Options plus the minimum exercise price provided in such Options.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for such Convertible Securities or upon the exercise of Options for such Convertible Securities and subsequent conversion or exchange thereof, assuming the satisfaction of any conditions to convertibility or exchangeability and exercisability (including, without limitation, the passage of time), shall be deemed to be

Additional Stock issued at the time such Convertible Securities were issued or such Options for Convertible Securities were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such Convertible Securities and related Options, plus the minimum additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such Convertible Securities or the exercise of any related Options (the consideration in each case to be determined in the manner provided in Sections 3(d)(i)(C) and 3(d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such Options or upon conversion of or in exchange for such Convertible Securities (including, without limitation, a change resulting from the antidilution provisions thereof), each Conversion Price, to the extent in any way affected by or initially determined using such Options or Convertible Securities, shall be recomputed to reflect such change.

(4) Upon the expiration of any such Options, each Conversion Price, to the extent in any way affected by the issuance of such Options, shall be recomputed to reflect the issuance of only the number of shares of Common Stock actually issued or issuable upon the exercise of such Options.

(5) No readjustment or readjustments pursuant to either Section 3(d)(i)(E)(3) or (4) shall have the effect of increasing any Conversion Price to an amount that exceeds the lower of (x) the Original Issue Price of the applicable series of Preferred Stock or (y) the applicable Conversion Price that would have resulted from all issuances of Additional Stock between the Purchase Date and such readjustment date. In the event of any adjustment to any Conversion Price as a result of the issuance of Options or Convertible Securities pursuant to this Section 3(d), no further adjustment to such Conversion Price shall be made for the actual issuance of Common Stock upon the exercise of any such Options or the conversion or exchange of such Convertible Securities.

(ii) "***Additional Stock***" shall mean all shares of Common Stock issued (or deemed to have been issued pursuant to Section 3(d)(i)(E)) by the Corporation after the Purchase Date other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Convertible Securities and Options (clauses (1) and (2), collectively, the "***Exempted Securities***"):

(A) shares of Common Stock issued pursuant to a transaction described in Section 3(d)(iii) hereof;

(B) up to 65,584,959 shares (plus such additional shares as may be added to such plan pursuant to the annual automatic increases set forth in the Company's Amended and Restated 2007 Stock Option Plan as approved by the Board of Directors on March 28, 2019) of Common Stock or Options issued to employees, officers, directors or consultants of the Corporation or any of its subsidiaries pursuant to an equity incentive plan or stock option plan adopted by the Board;

(C) shares of Common Stock issued upon conversion of any shares of Preferred Stock;

(D) with respect to (1) the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, as otherwise determined by the prior written consent of the holders of at least seventy-five percent (75%) of the then outstanding shares of such series of Preferred Stock, in each case with respect to such series of Preferred Stock, voting as a separate class, and (2) the Series E Preferred Stock and Series F Preferred Stock, as otherwise determined by the prior written consent of the holders of at least two-thirds (66.7%) of the then outstanding shares of the Series E Preferred Stock and Series F Preferred Stock voting together as a single class;

(E) shares of Common Stock or Convertible Securities issued (x) pursuant to bona fide acquisitions, strategic alliances, joint ventures or development projects, (y) to customers, suppliers, advisors or third party service providers in connection with the provision of goods or services or (z) to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction, provided that, in each case, the recipients of such issuances are Persons not Affiliated with either (1) any holder of a majority of the outstanding voting capital stock of the Corporation (calculated on an as-converted to Common Stock basis) or (2) any holder who has the right to designate at least a majority of the members of the Board and such issuances are otherwise approved by members of the Board who constitute at least two-thirds of the members constituting the whole Board;

(F) shares of Common Stock actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case, provided (1) such issuance is pursuant to the terms of such Option or Convertible Securities and (2) such Options or Convertible Securities were outstanding as of the Purchase Date or an adjustment to the applicable Conversion Price was already made pursuant to Section 3(d)(i)(E) with respect to the issuance of such Options or Convertible Securities (if applicable);

(G) shares of Preferred Stock issued pursuant to that certain Series F Preferred Stock Purchase Agreement dated on or about the date of filing of this Certificate of Incorporation, by and among the Corporation and the persons or entities parties thereto (the "***Series F Purchase Agreement***"), at any Closing (as defined therein) or shares of Common Stock issued upon the exercise of such warrants;

(H) 7,976,067 shares of Common Stock issuable upon exercise of warrants outstanding (including 55,721 warrants which are issuable to a bank upon certain conditions) as of the date of filing of this Certificate of Incorporation, as such number may be adjusted pursuant to the terms of such warrants; and

(I) shares of Common Stock issued in connection with a Qualified IPO.

(iii) In the event that the Corporation should at any time, or from time to time, after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock

or Options or Convertible Securities without payment of any consideration by such holder for the additional shares of Common Stock or Options or Convertible Securities (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), each Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion thereof shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Options or Convertible Securities (determined in the manner provided for deemed issuances set forth in Section 3(d)(i)(E)).

(iv) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, each Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion thereof shall be decreased in proportion to such decrease in outstanding shares.

(e) Reorganizations, Mergers or Consolidations. If at any time or from time to time the Common Stock is converted into other securities, assets or property, whether pursuant to a reorganization, merger, consolidation, sale of all or substantially all of the Corporation's assets or otherwise (other than a subdivision or combination provided for elsewhere in this Section 3 or a Sale Transaction constituting a Liquidation Event pursuant to Section 2), provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock, the number of shares of stock or other securities, assets or property of the Corporation to which a holder of Common Stock deliverable upon conversion would have been entitled in connection with such transaction.

(f) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock after aggregating all shares owned by the holder thereof and, in lieu of any fractional shares to which such holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then effective fair market value of a share of Common Stock, as determined in good faith by the Board.

(ii) Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 3, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) each Conversion Price at the time in effect and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of each series of the Preferred Stock.

(g) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the

holders thereof who are entitled to receive any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall give each holder of Preferred Stock, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(h) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all of the then outstanding shares of Preferred Stock, in addition to such other remedies as shall be available to the holder of Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Certificate of Incorporation.

(i) Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock upon conversion of any shares of Preferred Stock; *provided*, *however,* that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

(j) Definition of "Common Stock". As used in this Section 3, the term "Common Stock" shall mean and include the Corporation's authorized Common Stock, par value $0.0001 per share, as constituted on the Purchase Date and shall also include any security of the Corporation thereafter authorized which shall not be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends or in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation; *provided* that the shares of Common Stock receivable upon conversion of shares of Preferred Stock shall include only shares designated as Common Stock of the Corporation on the date of filing of this instrument, or in case of any reorganization of the outstanding shares thereof, the stock, securities or assets provided for in Section 3(e).

4. Voting Rights. In addition to any special class or series voting arrangements, the holder of each share of Preferred Stock shall have the right to one (1) vote for each share of Common Stock into which such share of Preferred Stock could then be converted and, with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (the "***Bylaws***") and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote (or consent by writing in lieu of a meeting); fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all fractional shares

into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole share (with one-half being rounded upward).

5. Protective Provisions.

(a) As long as any shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock are outstanding, the Corporation shall not (by means of amendment to this Certificate of Incorporation or by merger, consolidation or otherwise, and in addition to any other approval otherwise required pursuant to Sections 5(b), (c) or (d)) without first obtaining the approval (by affirmative vote or written consent) of the holders of at least seventy-five percent (75%) of the then outstanding shares of each series of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, as applicable, each voting as a separate class:

(i) amend, alter or repeal any provision of this Certificate of Incorporation, certificates of designation or Bylaws in a manner that is adverse to the voting or other powers, rights, preferences restrictions or privileges of such series, unless such amendment, alteration or repeal (A) is similarly adverse to the voting or other powers, rights, preferences restrictions or privileges of each other class or series of the Company's capital stock that ranks *pari passu* with such series, and (B) is completed in connection with a bona fide financing transaction that was led or co-led by a Person not otherwise a current holder of Preferred Stock or an Affiliate thereof (it being understood that the authorization and issuance of shares of any new series of Preferred Stock that is merely *pari passu* with or senior to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock shall not, in and of itself, (x) be deemed adverse to the voting or other powers, rights, preferences restrictions or privileges of such series or (y) require the approval of the holders of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock pursuant to this Section 5(a);

(ii) increase or decrease the authorized number of shares of such series;

(iii) reclassify, alter or amend any securities ranking junior or *pari passu* with such series into any equity security (including, without limitation, any security convertible into or exercisable for any such equity security) having voting or other powers, rights, preferences restrictions or privileges senior or superior to or *pari passu* with the voting or other powers, rights, preferences restrictions or privileges of such series;

(iv) declare or pay any dividend or declare or make any distribution in respect of, or redeem, purchase or otherwise acquire any of (or pay into or set aside for a sinking fund for such purpose), its capital stock or other equity securities; *provided*, *however*, that this restriction shall not apply to (A) any securities ranking senior to such series and (B) the repurchase of shares of Common Stock from employees, officers, directors, consultants or other Persons performing services for the Corporation or any subsidiary of the Corporation pursuant to agreements entered into in connection with the original issuance of such shares under which the Corporation has the option to repurchase such shares at the lower of cost and fair market value upon termination of such Person's employment or other relationship with the Corporation;

(v) amend, alter or repeal in an adverse manner Sections C(3)(d), C(5)(a), C(6)(a) through (d) of Article IV or Article XIII or Article XV (it being understood that any amendment, alteration or repeal of any provision in the Investor Rights Agreement (as defined in Article XIII) shall not be considered an amendment, alteration or repeal of Article XIII);

(vi) (1) amend, alter or repeal in an adverse manner clause (ii)(a) of Section C3(b) or (2) decrease the public offering price per share in clause (i)(x) of Section C3(b) to a price that is less than 2X the Original Issue Price of such series; or

(vii) waive the treatment of a Sale Transaction as a Liquidation Event pursuant to Section 2.

(b) As long as any shares of Series E Preferred Stock are outstanding, the Corporation shall not (by means of amendment to this Certificate of Incorporation or by merger, consolidation or otherwise and in addition to any approvals otherwise required pursuant to Sections 5(a), 5(c) or 5(d) hereof) without first obtaining the approval (by affirmative vote or written consent) of the holders of at least two-thirds (66.7%) of the then outstanding shares of Series E Preferred Stock, voting as a separate class:

(i) increase or decrease the authorized number of shares of Preferred Stock or Common Stock;

(ii) authorize or issue, or obligate itself to issue, or reclassify, alter or amend any securities into any equity security (including any security convertible into or exercisable for any such equity security) having rights, preferences or privileges senior or superior to, or *pari passu* with, the rights, preferences and privileges of the Preferred Stock; except shares of Series F Preferred Stock issued pursuant to the Series F Purchase Agreement;

(iii) redeem, purchase or otherwise acquire any of (or pay into or set aside for a sinking fund for such purpose), any Common Stock; *provided*, *however*, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other Persons performing services for the Corporation or any subsidiary of the Corporation pursuant to agreements entered into in connection with the original issuance of such shares under which the Corporation has the option to repurchase such shares at the lower of cost and fair market value upon termination of such Person's employment or other relationship with the Corporation;

(iv) declare or pay any dividend or declare or make any distribution in respect of, any shares of Common Stock or Preferred Stock;

(v) amend, alter or repeal any provision of this Certificate of Incorporation, certificates of designation or Bylaws that alters or changes the voting or other powers, rights, preferences, restrictions or privileges of the Series E Preferred Stock;

(vi) waive the treatment of a Sale Transaction as a Liquidation Event pursuant to Section 2;

(vii) amend, alter or repeal in an adverse manner Sections, C(3)(d), C(5)(b) and C(6)(e) of Article IV or Article XIII or Article XV (it being understood that any amendment, alteration or repeal of any provision in the Investor Rights Agreement (as defined in Article XIII) shall not be considered an amendment, alteration or repeal of Article XIII); or

(viii) (1) amend, alter or repeal in an adverse manner clause (ii)(b) of Section C(3)(b) or (2) decrease the public offering price per share in clause (i)(x) of Section C3(b) to a price that is less than 2X the Original Issue Price of the Series E Preferred Stock.

(c) As long as any shares of Series F Preferred Stock are outstanding, the Corporation shall not (by means of amendment to this Certificate of Incorporation or by merger, consolidation or otherwise and in addition to any approvals otherwise required pursuant to Sections 5(a), 5(b) or 5(d) hereof) without first obtaining the approval (by affirmative vote or written consent) of the holders of a majority of the then outstanding shares of Series F Preferred Stock, voting as a separate class:

(i) increase or decrease the authorized number of shares of Series F Preferred Stock;

(ii) alter or change the powers, preferences or special rights of the shares of Series F Preferred so as to affect them adversely, solely as required pursuant to DGCL 242(b)(2);

(iii) amend, alter or repeal in an adverse manner this Section C(5)(c) of Article IV or Article XV.

(d) As long as any shares of Preferred Stock are outstanding, the Corporation shall not (by means of amendment to this Certificate of Incorporation or by merger, consolidation or otherwise and in addition to any approvals otherwise required pursuant to Sections 5(a), 5(b) and 5(c) hereof) without first obtaining the approval (by affirmative vote or written consent) of the Required Holders:

(i) alter or change the voting or other powers, rights, preferences restrictions or privileges of the shares of Preferred Stock;

(ii) increase or decrease the authorized number of shares of Preferred Stock (or any series thereof);

(iii) authorize or issue, or obligate itself to issue, or reclassify, alter or amend any securities into any equity security (including any security convertible into or exercisable for any such equity security) having voting or other powers, rights, preferences restrictions or privileges senior or superior to, or *pari passu* with, the voting or other powers, rights, preferences restrictions or privileges of the Preferred Stock;

(iv) declare or pay any dividend or declare or make any distribution in respect of, or redeem, purchase or otherwise acquire any of (or pay into or set aside for a sinking fund for such purpose), its capital stock or other equity securities; *provided*, *however*, that this restriction shall not apply to the repurchase of shares of Common Stock from employees,

officers, directors, consultants or other Persons performing services for the Corporation or any subsidiary of the Corporation pursuant to agreements entered into in connection with the original issuance of such shares under which the Corporation has the option to repurchase such shares at the lower of cost and fair market value upon termination of such Person's employment or other relationship with the Corporation;

(v) (A) effect a Liquidation Event or Sale Transaction, (B) merge or consolidate with or into any other entity or (C) effect a reorganization, recapitalization or division;

(vi) permit any subsidiary of the Corporation to (A) sell, lease, assign, license, convey, or otherwise dispose of or encumber all or any substantial portion of its assets, property or business, (B) merge or consolidate with or into any other entity or (C) liquidate, dissolve or wind-up;

(vii) amend, alter or repeal any provision of this Certificate of Incorporation, certificates of designation or Bylaws;

(viii) (A) permit any subsidiary of the Corporation to authorize or issue any security to any Person other than to the Corporation or (B) sell, assign, encumber, convey or otherwise dispose of any security of any subsidiary of the Corporation;

(ix) sell, lease, assign, license, convey, or otherwise dispose of or encumber any assets or property of the Corporation or any subsidiary of the Corporation outside of the ordinary course of business;

(x) acquire or permit any subsidiary of the Corporation to acquire (by merger, purchase of stock or assets, any other business combination transaction or otherwise) any assets or securities in a cumulative, aggregate amount of more than $750,000 other than in the ordinary course of business;

(xi) engage, or permit any subsidiary of the Corporation to engage, in any business other than the business in which the Corporation is engaged on the Purchase Date;

(xii) incur any debt (other than trade payables incurred in the ordinary course of business) or guaranty the debt of any other Person or permit any subsidiary of the Corporation to incur any debt (other than trade payables incurred in the ordinary course of business) or guaranty any debt such that the aggregate outstanding amount of all debt and guarantees of third party obligations of the Company and its subsidiaries is more than $750,000:

(xiii) create, issue, authorize or grant (or permit any subsidiary of the Corporation to create, issue, authorize or grant) any payment or other consideration to any Person in connection with a Sale Transaction other than in respect of any outstanding equity interest in the Corporation;

(xiv) authorize or issue any shares of Common Stock, Options or Convertible Securities to any employee, director, officer, consultant or advisor of the Corporation

or any of its subsidiaries other than Common Stock issued pursuant to (A) restricted stock awards or stock options issued or granted after the Purchase Date pursuant to the Plan up to a maximum of 65,584,959 shares of Common Stock (as adjusted for any Recapitalization) (or such greater amount that results from the annual automatic increases to the Company's Amended and Restated 2007 Stock Option Plan as approved by the Board of Directors on March 28, 2019) or (B) restricted stock awards or stock options issued or granted after the Purchase Date pursuant to the Plan to the extent that any stock options or restricted stock awards previously granted pursuant to clause (A) of this Section 5(c)(xiv) are canceled or expire unexercised or are repurchased upon termination of employment or the applicable consulting arrangement with the Corporation at cost;

(xv) enter into, or permit any subsidiary of the Corporation to enter into, any agreement, understanding or transaction with any employee, director, officer, stockholder or Affiliate of the Corporation or any Affiliate or Family Member (as defined below) thereof other than (A) for payment of salary for services rendered to the Corporation's employees and (B) reimbursement of the Corporation's employees for reasonable expenses incurred on behalf of the Corporation; or

(xvi) grant or otherwise provide, or permit any subsidiary of the Corporation to grant or otherwise provide, any of the voting and consent rights of the holders of the Preferred Stock set forth in this Section 5 to any other Person.

"***Affiliate***" means, with respect to the Corporation or any other specified natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, or any government and agency and political subdivision thereof (each, a "***Person***"), any Person directly or indirectly controlling, controlled by or under direct or indirect common control with the Corporation or such other specified Person and shall also include, in the case of a specified Person who is an individual, any Family Member of such Person. "***Family Member***" means, with respect to any individual, such individual's parents, siblings (whether natural or adopted), spouse, and descendants (whether natural or adopted) and any trust or other vehicle formed for the benefit of any one or more of them. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

6. Board of Directors.

(a) The Board shall have at least seven (7) members but no more than eleven (11) members unless, with respect to (i) the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, as otherwise determined by the prior written consent of the holders of at least seventy-five percent (75%) of the then outstanding shares of such series of Preferred Stock, in each case with respect to such series of Preferred Stock, voting as a separate class and (ii) the Series E Preferred Stock, as otherwise determined by the prior written consent of the holders of at least two-thirds (66.7%) of the then outstanding shares of Series E Preferred Stock voting as a separate class consent to a different number.

(b) So long as any shares of Series A Preferred Stock remain outstanding, the holders of the Series A Preferred Stock shall be entitled, by vote of the holders of a majority of the then outstanding shares of Series A Preferred Stock, voting separately as a class, to elect two (2) members of the Board at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director.

(c) So long as any shares of Series B Preferred Stock remain outstanding, the holders of the Series B Preferred Stock shall be entitled, by vote of the holders of a majority of the then outstanding shares of Series B Preferred Stock, voting separately as a class, to elect one (1) member of the Board at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(d) So long as Carrick Capital Partners, L.P. or any of its Affiliates continues to hold at least twenty-five percent (25%) of the then outstanding shares of Series D Preferred Stock, the holders of the Series D Preferred Stock shall be entitled, by vote of the holders of a majority of the then outstanding shares of Series D Preferred Stock, voting separately as a class, to elect one (1) member of the Board at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(e) So long as any shares of Series E Preferred Stock remain outstanding, the holders of the Series E Preferred Stock shall be entitled, by vote of the holders of a majority of the then outstanding shares of Series E Preferred Stock, voting separately as a class, to elect one (1) member of the Board at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(f) The holders of the Common Stock and the Preferred Stock shall be entitled, by vote of the holders of a majority of the then outstanding shares of Common Stock and Preferred Stock (calculated on an as-converted basis), voting together as a single class, to elect all remaining members of the Board at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

7. No Reissuance of Preferred Stock. No share or shares of Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

8. Waiver. In addition to any other vote required by applicable law or this Certificate of Incorporation, (a) any of the rights, powers, preferences and other terms of the Preferred Stock as a class set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the Required Holders, (b) any of the rights, powers, preferences and other terms of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock set forth herein may be waived on behalf of

all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of at least seventy-five (75%) of the then outstanding shares of such series of Preferred Stock, each voting as a separate class, (c) any of the rights, powers, preferences and other terms of the Series E Preferred Stock set forth herein may be waived on behalf of all holders of Series E Preferred Stock by the affirmative written consent or vote of the holders of at least two-thirds (66.7%) of the then outstanding shares of Series E Preferred Stock voting as a separate class, and (d) any of the rights, powers, preferences and other terms of the Series F Preferred Stock set forth herein may be waived on behalf of all holders of Series F Preferred Stock by the affirmative written consent or vote of the holders of a majority of the then outstanding shares of Series F Preferred Stock voting as a separate class.

9. Notice. Any notice required or permitted by the provisions of this Certificate of Incorporation to be given to a holder of shares of Preferred Stock or Common Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation by registered or certified mail, by hand delivery or overnight courier or given by electronic communication in compliance with the provisions of the DGCL, and shall be deemed sent upon such mailing, delivery or electronic transmission.

D. Common Stock.

1. General. Except as required by applicable law or as provided in this Certificate of Incorporation, all shares of Common Stock shall be identical in all respects and shall entitle the holders thereof to the same rights and privileges, subject to the same qualifications, limitations and restrictions.

2. Dividend Rights. Subject to the provisions set forth herein and the preferential rights of holders of all classes of stock at the time outstanding having preferential rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board. The holders of shares of Common Stock shall be entitled to share equally, on a per share basis, in such dividends or distributions, subject to the limitations described below.

3. Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 2 of Article IV(C).

4. Redemption. The Common Stock is not redeemable.

5. Voting Rights. The holder of each share of Common Stock shall have the right to one (1) vote for each share of Common Stock held at all meetings of stockholders (and actions by written consent in lieu thereof), and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws, and shall be entitled to vote upon such matters and in such manner as may be provided by applicable law; *provided*, *however*, that, except as otherwise required by applicable law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of one (1) or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either

separately or together with the holders of one (1) or more other such series, to vote thereon pursuant to this Certificate of Incorporation or pursuant to the DGCL. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote (voting together as a single class on an as-converted basis) without the approval of the holders of Common Stock voting as a separate class, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V

The Corporation is to have perpetual existence.

ARTICLE VI

A director of the Corporation shall, to the fullest extent permitted by the DGCL as it now exists or as it may hereafter be amended, not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL or (d) for any transaction from which the director derived any improper personal benefit. If the DGCL is amended, after approval by the stockholders of this Article VI, to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

Any amendment, repeal or modification of this Article VI, or the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VI by the stockholders of the Corporation shall not apply to or adversely affect any right or protection of a director of the Corporation occurring prior to the time of such amendment, repeal, modification or adoption.

ARTICLE VII

The Corporation shall indemnify its directors, and shall provide for advancement of the expenses of such Persons, to the fullest extent provided by Section 145 of the DGCL. To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) agents of the Corporation (and any other Persons to which State law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other Persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the DGCL, subject only to limits created by applicable law (statutory or non-statutory), with respect to actions for breach of duty to the Corporation, its stockholders and others.

Any amendment, repeal or modification of the foregoing provision of this Article VII shall not adversely affect any right or protection of a director, officer, agent, or other Person existing at the time of, or increase the liability of any director of the Corporation with respect to

any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal, modification or adoption.

ARTICLE VIII

Subject to the provisions of Section 5 of Article IV(C) hereof, the Board may from time to time adopt, amend, alter, supplement, rescind or repeal any or all of the Bylaws without any action on the part of the stockholders; *provided, however,* that the stockholders may adopt, amend or repeal any Bylaw adopted by the Board, and no amendment or supplement to the Bylaws adopted by the Board shall vary or conflict with any amendment or supplement adopted by the stockholders.

ARTICLE IX

Subject to the provisions of Section 6 of Article IV(C) hereof, the number of directors of the Corporation shall be set from time to time by resolution of the Board.

ARTICLE X

Elections of directors need not be by written ballot unless the Bylaws shall so provide.

ARTICLE XI

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any statutory requirements) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws.

ARTICLE XII

The Corporation expressly elects not to be governed by Section 203 of the DGCL.

ARTICLE XIII

Certain holders of Preferred Stock have the right of first offer with respect to issuances by the Corporation of certain of its equity securities as set forth in, and subject to the terms and conditions set forth in, a Fifth Amended and Restated Investor Rights Agreement by and among the Corporation and certain of its stockholders, as such agreement may be amended or restated from time to time (the "***Investor Rights Agreement***").

ARTICLE XIV

The property and assets of the stockholders of the Corporation shall not, to any extent whatsoever, be subject to the payment of the debts of the Corporation.

ARTICLE XV

Pursuant to Section 122(17) of the DGCL, the Corporation hereby renounces any interest or expectancy of the Corporation or any subsidiary of the Corporation in, or in being offered an opportunity to participate in, any and all business opportunities that are presented to the holders of Preferred Stock or their Affiliates (including, without limitation, any representative or Affiliate of such holders of Preferred Stock serving on the Board or the board of directors or other governing body of any subsidiary of the Corporation (each, for purposes of this Article XV, a "***Board of Directors***")) (collectively, the "***Investor Parties***"). Without limiting the foregoing renunciation, the Corporation on behalf of itself and its subsidiaries (a) acknowledges that the Investor Parties are in the business of making investments in, and have or may have investments in, other businesses similar to and that may compete with the businesses of the Corporation and its subsidiaries ("***Competing Businesses***") and (b) agrees that the Investor Parties shall have the unfettered right to make investments in or have relationships with other Competing Businesses independent of their investments in the Corporation. By virtue of an Investor Party holding capital stock of the Corporation or by having Persons designated by or affiliated with such Investor Party serving on or observing at meetings of any Board of Directors or otherwise, no Investor Party shall have any obligation to the Corporation, any of its subsidiaries or any other holder of capital stock or securities of the Corporation to refrain from competing with the Corporation and any of its subsidiaries, making investments in or having relationships with Competing Businesses, or otherwise engaging in any commercial activity and none of the Corporation, any of its subsidiaries or any other holder of capital stock or securities of the Corporation shall have any right with respect to any investment or activities undertaken by such Investor Party. Without limitation of the foregoing, each Investor Party may engage in or possess any interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Corporation or any of its subsidiaries, and none of the Corporation, any of its subsidiaries or any other holder of capital stock or securities of the Corporation shall have any rights or expectancy by virtue of such Investor Parties' relationships with the Corporation, or otherwise in and to such independent ventures or the income or profits derived therefrom; and the pursuit of any such ventures, even if such investment is in a Competing Business, shall not for any purpose be deemed wrongful or improper. No Investor Party shall be obligated to present any particular investment opportunity to the Corporation or its subsidiaries even if such opportunity is of a character that, if presented to the Corporation or such subsidiary, could be taken by the Corporation or such subsidiary, and each Investor Party shall continue to have the right for its own respective account or to recommend to others any such particular investment opportunity.

ARTICLE XVI

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation (or any of its subsidiaries) to the Corporation or any of the Corporation's stockholders or (c) any action asserting a claim arising pursuant to any provision of the DGCL or this Certification of Incorporation or the Bylaws.

* * * * *

AMENDED AND RESTATED BYLAWS

OF

ACCOLADE, INC.
a Delaware corporation

Adopted July [•], 2016

These Amended and Restated Bylaws ("Bylaws") amend, restate and replace the Bylaws of the corporation previously adopted on June 14, 2010.

ARTICLE I
OFFICES

Section 1. Registered Office. The address of the initial registered office of the Corporation in the State of Delaware is State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle 19808. The name of its registered agent at such address is at that address is The Corporation Service Company. The registered agent may be changed by the Board of Directors from time to time.

Section 2. Other Offices. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Annual Meeting. An annual meeting of the stockholders for the election of directors shall be held at such place either within or without the State of Delaware as shall be designated on an annual basis by the Board of Directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Any other proper business may be transacted at the annual meeting.

Section 2. Notice of Annual Meeting. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Voting List. The officer who has charge of the stock ledger of the corporation shall prepare and make, or cause a third party to prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting

is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 4. Special Meetings. Special meetings of the stockholders of this corporation, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, shall be called by the President or Secretary at the request, in writing, of a majority of the members of the Board of Directors or the holder(s) of at least 25% of the total voting power of all outstanding shares of stock of this corporation then entitled to vote, and may not be called absent such a request. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Special Meetings. As soon as reasonably practicable after receipt of a request as provided in Section 4 of this Article II, written notice of a special meeting, stating the place, date (which shall be not less than ten nor more than sixty days from the date of the notice) and hour of the special meeting and the purpose or purposes for which the special meeting is called, shall be given to each stockholder entitled to vote at such special meeting.

Section 6. Scope of Business at Special Meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7. Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the chairman of the meeting or the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting as provided in Section 5 of this Article II.

Section 8. Qualifications to Vote. The stockholders of record on the books of the corporation at the close of business on the record date as determined by the Board of Directors and only such stockholders shall be entitled to vote at any meeting of stockholders or any adjournment thereof.

Section 9. Record Date. The Board of Directors may fix a record date for the determination of the stockholders entitled to notice of or to vote at any stockholders' meeting and at any adjournment thereof, or to express consent to corporate action in writing without a meeting, or to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action. The record date shall not be more than sixty nor less than ten days

before the date of such meeting, and not more than sixty days prior to any other action. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 10. Action at Meetings. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of applicable law or of the Certificate of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 11. Voting and Proxies. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless it is coupled with an interest sufficient in law to support an irrevocable power.

Section 12. Action by Stockholders Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its principal place of business, or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take the action were delivered to the corporation by delivery to its principal place of business, or to an officer or agent of the corporation having custody of the book in which proceedings or meetings of stockholders are recorded.

ARTICLE III
DIRECTORS

Section 1. Powers. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do

all such lawful acts and things as are not by applicable law or by the Certificate of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 2. Number; Election; Tenure and Qualification. Unless otherwise provided in the Certification of Incorporation or any voting agreement entered into from time to time by and among the corporation and its stockholders, the number of directors which shall constitute the whole board shall be fixed from time to time by resolution of the Board of Directors or by the stockholders at an annual meeting of the stockholders (unless the directors are elected by written consent in lieu of an annual meeting as provided in Article II, Section 12). Except as provided in the corporation's Certificate of Incorporation or in Section 3 of this Article III or any voting agreement entered into from time to time by and among the corporation and its stockholders, the directors shall be elected by a plurality vote of the shares represented in person or by proxy and each director elected shall hold office until his successor is elected and qualified unless he shall resign, become disqualified, disabled, or otherwise removed. Directors need not be stockholders.

Section 3. Vacancies and Newly Created Directorships. Unless otherwise provided in the Certificate of Incorporation or any voting agreement entered into from time to time by and among the corporation and its stockholders, vacancies and newly-created directorships resulting from any increase in the authorized number of directors may be filled by two thirds of the directors then in office, though less than a quorum, or by a sole remaining director. The directors so chosen shall serve until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by applicable law. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 4. Location of Meetings. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. Meeting of Newly Elected Board of Directors. The first meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of stockholders and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held at such time, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on two days' notice to each director either personally or by mail, telephone,

overnight courier service, facsimile, electronic mail or other form of recorded communication; special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least one director. Notice may be waived in accordance with Section 229 of the General Corporation Law of the State of Delaware.

Section 8. Quorum and Action at Meetings. At all meetings of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 10. Telephonic Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 11. Committees. Unless otherwise provided in the Certification of Incorporation or any voting agreement entered into from time to time by and among the corporation and its stockholders, the Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Section 12. Committee Authority. Unless otherwise provided in the Certification of Incorporation or any voting agreement entered into from time to time by and among the corporation and its stockholders, any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (a) approving, adopting or recommending to the stockholders, any action or matter expressly required by the General Corporation Law of the State of Delaware to be submitted to stockholders for approval, or (b)

adopting, amending or repealing any Bylaw of the corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 13. Committee Minutes. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required to do so by the Board of Directors.

Section 14. Directors Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 15. Resignation. Any director or officer of the corporation may resign at any time. Each such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by either the Board of Directors, the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective unless expressly so provided in the resignation.

Section 16. Removal. Unless otherwise restricted by the Certificate of Incorporation, these Bylaws, any voting agreement entered into from time to time by and among the corporation and its stockholders or applicable law, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

Section 1. Notice to Directors and Stockholders. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given two days after the same shall be deposited in the United States mail. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the corporation that the notice has been given shall in the absence of fraud, be prima facie evidence of the facts stated therein. Notice to directors may also be given by telephone, facsimile or telegram (with confirmation of receipt).

Section 2. Waiver. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. The written waiver need not specify the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors,

or members of a committee of directors. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Attendance at the meeting is not a waiver of any right to object to the consideration of matters required by the General Corporation Law of the State of Delaware to be included in the notice of the meeting but not so included, if such objection is expressly made at the meeting.

ARTICLE V
OFFICERS

Section 1. Enumeration. The officers of the corporation shall be chosen by the Board of Directors and shall include a President, a Secretary, a Treasurer or Chief Financial Officer and such other officers with such other titles as the Board of Directors shall determine. The Board of Directors may elect from among its members a Chairman or Chairmen of the Board and a Vice Chairman of the Board. The Board of Directors may also choose one or more Vice-Presidents, Assistant Secretaries and Assistant Treasurers. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide.

Section 2. Election. The Board of Directors at its first meeting after each annual meeting of stockholders shall elect a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine.

Section 3. Appointment of Other Agents. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 4. Compensation. The salaries of all officers of the corporation shall be fixed by the Board of Directors or a committee thereof. The salaries of agents of the corporation shall be fixed by the Board of Directors.

Section 5. Tenure. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

Section 6. Chairman of the Board and Vice-Chairman of the Board. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which the Chairman shall be present. The Chairman shall have and may exercise such powers as are, from time to time, assigned to the Chairman by the Board of Directors and as may be provided by law. In the absence of the Chairman of the Board, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which the Vice Chairman shall be present. The Vice Chairman shall have and may exercise such powers as are, from time to time, assigned to such person by the Board of Directors and as may be provided by law.

Section 7. President. The President shall be the Chief Executive Officer of the corporation unless such title is assigned to another officer of the corporation; in the absence of a Chairman and Vice Chairman of the Board, the President shall preside as the chairman of meetings of the stockholders and the Board of Directors; and the President shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

Section 8. Vice-President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice-President, if any (or in the event there be more than one Vice-President, the Vice-Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 9. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be subject. The Secretary shall have custody of the corporate seal of the corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the Secretary's signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by such officer's signature.

Section 10. Assistant Secretary. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 11. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, President or Chief Executive Officer, taking proper vouchers for such disbursements, and shall render to the President, Chief Executive Officer and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all

such transactions as Treasurer and of the financial condition of the corporation. If required by the Board of Directors, the Treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the Treasurer's office and for the restoration to the corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the possession or under the control of the Treasurer that belongs to the corporation.

Section 12. Assistant Treasurer. The Assistant Treasurer, or if there be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CAPITAL STOCK

Section 1. Certificates. The shares of the corporation shall be represented by a certificate, unless and until the Board of Directors adopts a resolution permitting shares to be uncertificated. Certificates shall be signed by, or in the name of the corporation by, (a) the Chairman of the Board, the Vice-Chairman of the Board, the President or a Vice-President, and (b) the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certifying the number of shares owned by such stockholder in the corporation. Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be specified.

Section 2. Class or Series. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the General Corporation Law of the State of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the Delaware Corporation Law or a statement that the corporation will furnish without charge, to each stockholder who so requests, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 3. Signature. Any of or all of the signatures on a certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 4. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or such owner's legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5. Transfer of Stock.

(a) In addition to, and not in limitation of, any restrictions otherwise provided by statute, by the Certificate of Incorporation or by any other governing documents or agreements between the corporation and its stockholders, no holder (each, a "Common Holder") of shares of common stock of the corporation (the "Restricted Common Stock") will be permitted to sell, transfer, pledge, assign or otherwise encumber ("transfer") any shares of Restricted Common Stock without the prior approval of a majority of the disinterested members of the Board of Directors. Notwithstanding anything to the contrary, shares of common stock of the corporation issued upon conversion or exchange of the preferred stock of the corporation shall not be deemed "Restricted Common Stock" or subject to the restrictions in this Section 5(a).

(b) The restrictions on transfer set forth in Section 5(a) above shall not apply to (i) shares of Restricted Common Stock transferred to an Affiliate or Family Member of any Common Holder or to a trust established solely for the benefit of the Common Holder and/or Family Members; (ii) any transfer made as part of the sale of all or at least fifty percent (50%) of the shares of capital stock of the corporation (including pursuant to a merger or consolidation); (iii) any transfer pursuant to an effective registration statement filed by the corporation under the Securities Act; (iv) a stockholder's bona fide pledge or mortgage of any Restricted Common Stock with a commercial lending institution; (v) an entity stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of common stock or capital reorganization of the entity stockholder, or pursuant to a sale of all or substantially all of the stock or assets of an entity stockholder; (vi) an entity stockholder's transfer of any or all of its shares to any or all of its equityholders; and (vii) a transfer of any or all of the shares held by a stockholder which is a limited or general partnership to any or all of its partners; provided that, in the case of a transfer pursuant to clauses (i) and (iv) through (vii), such shares shall remain subject to these Bylaws and any existing equity grant agreement and such transferee shall, as a condition to such transfer, deliver to the corporation a written instrument confirming that such transferee shall be bound by all of the terms and

conditions of these Bylaws and any applicable equity grant agreement and there shall be no further transfer of such shares except in accordance with these Bylaws. "Affiliate" any person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such specified person or entity, including any partner, officer, director, member or employee of such entity and any venture capital, private equity or investment fund now or hereafter existing that is controlled by or under common control with one or more general partners of or shares the same management company with such entity. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any entity shall mean the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise. "Family Member" means, with respect to any individual, such individual's parents, siblings (whether natural or adopted), spouse, and descendants (whether natural or adopted) and any trust or other vehicle formed solely for the benefit of, and controlled by, such individual and/or any one or more of them.

(c) Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the corporation.

(d) The provisions of this Section 5 shall terminate upon the earliest of (i) the closing of the sale of shares of common stock in an underwritten public offering pursuant to an effective registration statement filed by the corporation under the Securities Act or (ii) consummation of a Sale Transaction (as defined in the certificate of incorporation).

(e) The corporation shall not be required (i) to transfer on its books any shares which shall have been sold or otherwise transferred in violation of any of the provisions of this Section 5 or (ii) to treat as owner of such shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom any such shares shall have been so sold or transferred.

Section 6. Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholder or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 7. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the applicable provisions, if any, of the Certificate of Incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of capital stock, subject to the provisions of the Certificate of Incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the Board of Directors shall think conducive to the interest of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

Section 4. Seal. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 5. Loans. Unless otherwise provided in the Certification of Incorporation or any voting agreement entered into from time to time by and among the corporation and its stockholders, the Board of Directors of this corporation may, without stockholder approval, authorize loans to, or guaranty obligations of, or otherwise assist, including, without limitation, the adoption of employee benefit plans under which loans and guarantees may be made, any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the Board of Directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. Unless otherwise provided in the Certification of Incorporation or any voting agreement entered into from time to time by and among the corporation and its stockholders, the loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation.

ARTICLE VIII
INDEMNIFICATION

Section 1. Scope. The corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as that Section may be amended and supplemented from time to time, indemnify any director of the corporation, against expenses (including attorneys' fees), judgments, fines, amounts paid in settlement and/or other matters referred to in or covered by that Section, by reason of the fact that such person is or was a director of the corporation, or is or was serving at the request of the corporation as a director of another corporation, partnership, joint venture, trust or other enterprise.

Section 2. Advancing Expenses. Expenses (including attorneys' fees) incurred by a present or former director of the corporation in defending a civil, criminal, administrative or investigative action, suit or proceeding by reason of the fact that such person is or was a director of the corporation (or is or was serving at the request of the corporation as a director of another corporation, partnership, joint venture, trust or other enterprise) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized by relevant provisions of the General Corporation Law of the State of Delaware; provided, however, the corporation shall not be required to advance such expenses to a director (i) who commences any action, suit or proceeding as a plaintiff unless such advance is specifically approved by the Board of Directors, or (ii) who is a party to an action, suit or proceeding brought by the corporation and approved by the Board of Directors which alleges willful misappropriation of corporate assets by such director, disclosure of confidential information in violation of such director's fiduciary or contractual obligations to the corporation, or any other willful and deliberate breach in bad faith of such director's duty to the corporation or its stockholders.

Section 3. Continuing Obligation. The provisions of this Article VIII shall be deemed to be a contract between the corporation and each director of the corporation who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

Section 4. Nonexclusive. The indemnification and advancement of expenses provided for in this Article VIII shall (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director and (iii) inure to the benefit of the heirs, executors and administrators of such a person.

Section 5. Other Persons. In addition to the indemnification rights of directors of the corporation, the Board of Directors in its discretion shall have the power on behalf of the corporation to indemnify any other person made a party to any action, suit or proceeding who the corporation may indemnify under Section 145 of the General Corporation Law of the State of Delaware but such indemnification shall not be mandatory.

Section 6. Definitions. The phrases and terms set forth in this Article VIII shall be given the same meaning as the identical terms and phrases are given in Section 145 of the General Corporation Law of the State of Delaware, as that Section may be amended and supplemented from time to time.

ARTICLE IX
AMENDMENTS

Except as otherwise provided in the Certificate of Incorporation, these Bylaws may be altered, amended or repealed, or new Bylaws may be adopted, by the holders of a majority of the outstanding voting shares or by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation, at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

Exhibit 4.2

ACCOLADE, INC.

FIFTH AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

DATED AS OF OCTOBER 2, 2019

FIFTH AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS FIFTH AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "***Agreement***"), dated as of October 2, 2019 is made by and among **ACCOLADE, INC.**, a Delaware corporation (the "***Company***"), and the Persons (as defined below) set forth on Schedule A attached hereto (the "***Stockholders***").

RECITALS

WHEREAS, pursuant to that certain Series F Preferred Stock Purchase Agreement, dated as of the date hereof (the "***Purchase Agreement***"), by and among the Company and certain investors (the "***Series F Purchasers***"), the Company has agreed to sell and issue shares of the Company's Series F Preferred Stock, $0.0001 par value per share (the "***Series F Preferred Stock***"), to the Series F Purchasers;

WHEREAS, as an inducement for the Series F Investors to enter into the Purchase Agreement, the Company and the Stockholders have agreed to enter into this Agreement;

WHEREAS, certain of the Stockholders (the "***Prior Stockholders***") are holders of the Company's Series A-1 Preferred Stock, $0.0001 par value per share, and Series A-2 Preferred Stock, $0.0001 par value per share (collectively, the "***Series A Preferred Stock***"), the Company's Series B Preferred Stock, $0.0001 par value per share (the "***Series B Preferred Stock***"), the Company's Series C Preferred Stock, $0.0001 par value per share (the "***Series C Preferred Stock***"), the Company's Series D Preferred Stock, $0.0001 par value per share (the "***Series D Preferred Stock***") and the Company's Series E Preferred Stock, $0.0001 par value per share (the "***Series E Preferred Stock***");

WHEREAS, the Prior Stockholders and the Company are parties to that certain Fourth Amended and Restated Registration Rights Agreement dated as of March 16, 2018 (the "***Prior Agreement***"); and

WHEREAS, the Company and the Prior Stockholders representing the holders of a requisite number of shares of each class and series of the Company's capital stock necessary to approve amending and restating the Prior Agreement pursuant to Section 17.5 of the Prior Agreement desire to amend and restate the Prior Agreement in its entirety and accept the rights, obligations and covenants hereof in lieu of the rights, obligations and covenants under the Prior Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

1.1 "***A16Z***" means Andreessen Horowitz Fund IV, L.P., and each of its Affiliates that acquires shares of Preferred Stock.

1.2 "***Affiliate***" means, with respect to the Company or any other specified Person, any Person directly or indirectly controlling, controlled by or under direct or indirect common control with the Company or such other specified Person, respectively, including, any partner, officer, director, member or employee of such Person and any venture capital, private equity or investment fund now or hereafter existing that is controlled by or under common control with one or more general partners of, or shares the same management company with, such Person, and shall also include, in the case of a specified Person who is an individual, any Family Member of such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person shall mean the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

1.3 "***Carrick Investors***" means Carrick Capital Partners, L.P., a Delaware limited partnership, Carrick Capital Associates Fund, L.P., a Delaware limited partnership, and Carrick Capital Founders Fund, L.P., a Delaware limited partnership, and each of their respective Affiliates that acquire shares of Preferred Stock.

1.4 "***Certificate of Incorporation***" means the Company's Sixth Amended and Restated Certificate of Incorporation, as amended or restated from time to time in accordance with the terms thereof and, if applicable, the terms of this Agreement.

1.5 "***Commission***" means the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

1.6 "***Common Stock***" means the Company's common stock, $0.0001 par value per share.

1.7 "***CV***" means Comcast Ventures, LP, a Delaware limited partnership.

1.8 "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

1.9 "***Family Member***" means, with respect to any individual, such individual's parents, siblings (whether natural or adopted), spouse, and descendants (whether natural or adopted) and any trust or other vehicle formed solely for the benefit of, and controlled by, such individual and/or any one or more of them.

1.10 "***Initiating Stockholders***" means, (a) with respect to the Company's initial public offering of securities, the Stockholders holding at least a majority of the Preferred Registrable Shares and, (b) in all other cases, the Stockholders holding at least 10% of the Preferred Registrable Shares.

1.11 "***Other Registrable Shares***" means any shares of Common Stock (including shares issuable upon conversion, exercise or exchange of any option, warrant or other right) other than Preferred Registrable Shares; provided, however, that shares of Common Stock that are Other Registrable Shares shall cease to be Other Registrable Shares (a) upon any sale by the holders thereof pursuant to a Registration Statement or Rule 144 under the Securities Act, or (b) upon any sale in any manner to a Person which, by virtue of Section 16 hereof, is not entitled to the rights provided by this Agreement.

1.12 "***Person***" means an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization or other entity and any government, governmental department or agency or political subdivision thereof.

1.13 "***Preferred Registrable Shares***" means (a) the shares of Common Stock into which each share of Preferred Stock held by any Stockholder has been converted or is then convertible and (b) any other shares of Common Stock of the Company issued in respect of the shares described in clause (a) above because of stock splits, stock dividends, reclassifications, recapitalizations, reorganizations or other similar events; provided, however, that shares of Common Stock that are Preferred Registrable Shares shall cease to be Preferred Registrable Shares (i) upon any sale by the holders thereof pursuant to a Registration Statement or Rule 144 under the Securities Act, or (ii) upon any sale in any manner to a Person which, by virtue of Section 16 hereof, is not entitled to the rights provided by this Agreement. Wherever reference is made in this Agreement to a request or consent of holders of a certain percentage of Preferred Registrable Shares, the determination of such percentage shall include all shares of Common Stock issued or issuable pursuant to clause (a) of this Section 1.13.

1.14 "***Preferred Stock***" means, collectively, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and each other series of the Company's Preferred Stock designated in the future.

1.15 "***Registrable Shares***" means, collectively, the Preferred Registrable Shares and the Other Registrable Shares.

1.16 "***Registration Statement***" means a registration statement filed by the Company with the Commission for a public offering and sale of securities of the Company (other than a registration statement on Form S-8 or Form S-4, or their successors).

1.17 "***Required Holders***" means, at any time, those Stockholders holding at least seventy-five percent (75%) of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis.

1.18 "***Securities Act***" means the Securities Act of 1933, as amended.

1.19 "***Separate Series Required Holders***" means, at any time, (a) with respect to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, upon the written consent of Stockholders holding at least seventy-five percent (75%) of the then-outstanding shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, voting together as a single class on an as-converted basis, and (b) with respect to the Series E Preferred Stock, upon the written consent of the Stockholders holding at least sixty-six and two thirds percent (66.7%) of the then outstanding shares of Series E Preferred Stock, voting as a separate class.

1.20 "***Series B Investors***" means each of CV, FW Accolade Investors, L.P. and any of their respective Affiliates that may acquire shares of Preferred Stock.

Section 2. Legend. Each certificate representing the Registrable Shares shall bear a legend substantially in the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN REGISTRATION RIGHTS AGREEMENT, AS AMENDED FROM TIME TO TIME, BY AND AMONG THE STOCKHOLDER, THE COMPANY AND CERTAIN OTHER STOCKHOLDERS, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

Section 3. Required Registrations.

3.1 At any time after the earlier of (a) June 30, 2022 (other than within the one hundred eighty (180) day period after the effective date of the Registration Statement on Form S-1 filed in connection with the Company's initial public offering of securities) or (b) one hundred eighty (180) days after the effective date of the Registration Statement on Form S-1 filed in connection with the Company's initial public offering of securities, the Initiating Stockholders may request, in writing, on up to two (2) separate occasions (such limitation being subject to a requested registration having become declared or order effective), that the Company effect a registration on Form S-1 (or any successor form) of Preferred Registrable Shares owned by one or more Stockholders having minimum gross proceeds in each registration on Form S-1 of at least $10,000,000. If the Initiating Stockholders intend to distribute the Preferred Registrable Shares by means of an underwriting, they shall so advise the Company in their request. In the event such registration is underwritten, the right of other Stockholders to participate in such registration shall be conditioned on such Stockholders' participation in such underwriting. Upon receipt of any such request from the Initiating Stockholders, the Company shall promptly give written notice of such proposed registration to all other Stockholders. Such other Stockholders shall have the right, by giving written notice to the Company within thirty (30) days after the Company provides its notice, to elect to have included in such registration such of their Preferred Registrable Shares and/or Other Registrable Shares as such Stockholders may request in such notice of election. All Stockholders proposing to distribute their Preferred Registrable Shares and/or Other Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with an underwriter or underwriters that is mutually agreeable to the Company and the Stockholders holding a majority of the Preferred Registrable Shares and/or Other Registrable Shares that the Stockholders requested for inclusion in such registration. The Company shall, at its own expense and as expeditiously as possible, use its best efforts to effect the registration, on Form S-1 (or any successor form), of all Preferred Registrable Shares and/or Other Registrable Shares that the Company has been requested to so register. If the underwriter advises the holders of Preferred Registrable Shares and/or Other Registrable Shares requesting registration hereunder that, in its good faith view, marketing factors require a limitation of the number of shares to be underwritten, then the Company shall exclude from such registration (a) first, securities held by any Person who does not have any contractual rights to cause the Company to register such securities, (b) second, securities held by any Person with such contractual rights other than those granted under this Agreement, (c) third, any registered for primary issue securities held by the Company, (d) fourth, Other Registrable Shares pro rata among the holders thereof on the basis of the respective number of Other Registrable Shares requested to be included in such registration

and (e) fifth, Preferred Registrable Shares pro rata among the holders thereof on the basis of the respective number of Preferred Registrable Shares requested to be included in such registration. If any Registration Statement requested pursuant to this Section 3.1 does not become effective or remain effective for a period of one hundred eighty (180) days (or, if earlier, until all Preferred Registrable Shares and/or Other Registrable Shares covered thereby have been sold), the request for such registration shall not be included as one (1) of the registrations that may be requested pursuant to this Section 3.1 and shall be at the sole expense of the Company.

3.2 At any time after the Company becomes eligible to file a Registration Statement on Form S-3 (or any successor form relating to secondary offerings, hereinafter, "***Form S-3***"), the Initiating Stockholders will have the right to require the Company to effect Registration Statements on Form S-3 of Preferred Registrable Shares having a minimum gross proceeds in each registration on Form S-3 of at least $1,000,000. Upon receipt of any such request, the Company shall promptly give written notice of such proposed registration to all other Stockholders. Such other Stockholders shall have the right, by giving written notice to the Company within thirty (30) days after the Company provides its notice, to elect to have included in such registration such of their Preferred Registrable Shares and/or Other Registrable Shares as such Stockholders may request in such notice of election. Thereupon, the Company shall, as expeditiously as possible, use its best efforts to effect the registration on Form S-3 of all Preferred Registrable Shares and/or Other Registrable Shares that the Company has been requested to so register and, if so requested, maintain the effectiveness of such Registration Statement until all applicable Preferred Registrable Shares and/or Other Registrable Shares have been sold as permitted by Rule 415 of the Securities Act.

3.3 If at the time of any request to register Preferred Registrable Shares pursuant to this Section 3, (a) the Company has not delayed any other registration pursuant to this Section 3 for any period of time during the preceding twelve (12) month period and (b) the Company is engaged, or has fixed plans to engage within thirty (30) days of the time of such request, in a registered public offering as to which the Stockholders may include Preferred Registrable Shares pursuant to Section 4, the Company may delay any such requested registration for up to ninety (90) days from the effective date of such offering, provided, that such right to delay a request may be exercised by the Company not more than once in any twelve (12) month period.

Section 4. Company Registration.

4.1 Subject to Section 4.2, whenever the Company proposes to file a Registration Statement (including for this purpose, a registration effected by the Company for stockholders other than holders of Registrable Shares) at any time and from time to time, it will, prior to such filing, promptly give written notice to all Stockholders of its intention to do so and, if the Company receives the written request of any Stockholder holding Registrable Shares within twenty (20) days after the Company provides such notice, the Company shall use its best efforts to cause all Registrable Shares that the Company has been requested by such Stockholder or Stockholders to be registered under the Securities Act to the extent necessary to permit their sale or other disposition; provided, however, that the rights set forth in this Section 4 shall not apply to Registration Statements to be filed pursuant to Section 3 hereof; and provided further that the Company shall have the right to postpone or withdraw any registration effected pursuant to this Section 4 without obligation to any Stockholder.

4.2 In connection with any offering under this Section 4 involving an underwriting, the Company shall not be required to include any Registrable Shares in such underwriting unless the holders thereof accept the terms of the underwriting as reasonably agreed upon between the Company and the underwriter(s) selected by it. If the underwriter advises the holders of Registrable Shares requesting registration hereunder that, in its good faith view, marketing factors require a limitation of the number of shares to be underwritten, then the Company shall exclude from such registration (a) first, securities held by any Person who does not have any contractual rights to cause the Company to register such securities, (b) second, securities held by any Person with such contractual rights other than those granted under this Agreement, (c) third, shares held by the holders of Other Registrable Shares pro rata among such holders on the basis of the respective number of Other Registrable Shares requested to be included in such registration and (d) fourth, shares held by the holders of Preferred Registrable Shares pro rata among such holders on the basis of the respective number of Preferred Registrable Shares requested to be included in such registration, but in no event shall the amount of Preferred Registrable Shares included in the offering pursuant to this clause (d) be reduced below thirty percent (30%) of the total amount of securities included in such offering unless such offering is the initial public offering of the Company's securities and no other stockholder has included shares in such registration.

Section 5. Registration Procedures. If and whenever the Company is required by the provisions of this Agreement to effect the registration of any of the Registrable Shares under the Securities Act, the Company shall:

5.1 Prepare and file with the Commission a Registration Statement with respect to such Registrable Shares and use its best efforts to cause that Registration Statement to become and remain effective until the completion of the distribution;

5.2 As expeditiously as reasonably practicable, prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to keep the Registration Statement effective, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement;

5.3 As expeditiously as reasonably practicable, furnish to each selling Stockholder such reasonable numbers of copies of the Registration Statement, each amendment and supplement thereto, prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as the selling Stockholder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Shares owned by the selling Stockholder;

5.4 As expeditiously as reasonably practicable, use its best efforts to register or qualify the Registrable Shares covered by the Registration Statement under the securities or Blue Sky laws of such states as the selling Stockholders shall reasonably request, and do any and all other acts and things that may reasonably be necessary or desirable to enable the selling Stockholders to consummate the public sale or other disposition in such states of the Registrable Shares owned by the selling Stockholders; provided, however, that the Company shall not be

required in connection with this Section 5.4 to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction where it is not conducting business;

5.5 In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Stockholder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

5.6 Promptly notify each selling Stockholder of Registrable Shares covered by such Registration Statement, and each underwriter, if any, after it shall receive notice thereof, of the time when such Registration Statement has become effective or such supplement to any prospectus forming a part of such Registration Statement has been filed;

5.7 Promptly notify each selling Stockholder of Registrable Shares covered by such Registration Statement, and each underwriter, if any, of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

5.8 Prepare and promptly file with the Commission, and promptly notify each selling Stockholder of Registrable Shares covered by such Registration Statement, and each underwriter, if any, of such amendment or supplement to such Registration Statement or prospectus, as then in effect, as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, any event has occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances in which they were made;

5.9 Promptly notify each selling Stockholder of Registrable Shares covered by such Registration Statement, and each underwriter, if any, after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use all reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

5.10 At any time when a Registration Statement is effective under the Securities Act, promptly notify each selling Stockholder of Registrable Shares covered by such Registration Statement, and each underwriter, if any, (a) of the happening of any event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and (b) if due to such event the Company suspends its obligation to maintain the effectiveness of any Registration Statement or suspends the use of any prospectus or prospectus supplement in connection with any Registration Statement. The Company shall promptly prepare and file a supplement or amendment to such prospectus so that it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

5.11 Furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (a) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to each selling Stockholder of Registrable Shares covered by such Registration Statement and (b) a letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters and to each selling Stockholder of Registrable Shares covered by such Registration Statement;

5.12 If the Company has delivered preliminary or final prospectuses to the selling Stockholders and after having done so the prospectus is amended to comply with the requirements of the Securities Act, the Company shall promptly notify the selling Stockholders and, if requested, the selling Stockholders shall immediately cease making offers of Registrable Shares and return all prospectuses to the Company. The Company shall promptly provide the selling Stockholders with revised prospectuses and, following receipt of the revised prospectuses, the selling Stockholders shall be free to resume making offers of the Registrable Shares; and

5.13 Cause all such Registrable Shares to be listed on or included in each securities exchange or quotation system on which similar securities issued by the Company are then listed.

Section 6. Allocation of Expenses. The Company will pay all Registration Expenses (as defined below) of all registrations under this Agreement; provided, however, that if a registration under Section 3.1 is withdrawn at the request of the Initiating Stockholders (other than as a result of information concerning the business or financial condition of the Company that is made known in writing to the Stockholders requesting registration after the date on which such registration was requested) and if the Initiating Stockholders elect not to have such registration counted as a registration requested under Section 3.1, the Initiating Stockholders shall pay the Registration Expenses of such registration pro rata in accordance with the number of their Registrable Shares requested to be included in such registration. The term "***Registration Expenses***" shall mean all expenses incurred in complying with this Agreement, including all registration and filing fees, exchange listing fees, printing expenses, fees and disbursements of counsel for the Company and the reasonable fees and expenses in an amount up to $75,000 of one (1) counsel selected by the selling Stockholders to represent the selling Stockholders, state Blue Sky fees and expenses, and the expense of any special audits or "cold comfort" letters incident to or required by any such registration, but excluding underwriting discounts and selling commissions.

Section 7. Indemnification and Contribution.

7.1 In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, to the extent permitted by law, the Company will indemnify and hold harmless each selling Stockholder (including each member, manager, partner, Affiliate, officer and director thereof and legal counsel and independent accountant thereto), each underwriter of such selling Stockholder, and each other Person, if any, who controls such selling

Stockholder or underwriter within the meaning of the Securities Act or the Exchange Act (each, a "***Stockholder Indemnified Party***") against any expenses, losses, claims, damages or liabilities ("***Damages***"), joint or several, to which such Stockholder Indemnified Party may become subject under the Securities Act, the Exchange Act, state securities or Blue Sky laws or otherwise, including any of the foregoing incurred in connection with the settlement of any commenced or threatened litigation, insofar as such Damages (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in (a) any Registration Statement under which such Registrable Shares were registered under the Securities Act, (b) any preliminary prospectus or final prospectus contained in the Registration Statement or (c) any amendment or supplement to such Registration Statement, or arise out of or are based upon the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws or otherwise in connection with the offering covered by such Registration Statement; and the Company will reimburse such Stockholder Indemnified Party for any legal or any other expenses reasonably incurred by such Stockholder Indemnified Party in connection with investigating or defending any such Damages (or actions in respect thereof); provided, however, that the Company will not be liable to any Stockholder Indemnified Party in any such case to the extent that any such Damages arise out of or are based upon any untrue statement or omission made in such Registration Statement, final prospectus, or any such amendment or supplement, in reasonable reliance upon and in conformity with information furnished (or not furnished in the case of an omission or alleged omission) to the Company, in writing, by or on behalf of such Stockholder Indemnified Party specifically for use in the preparation thereof.

7.2 In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, to the extent permitted by law, each selling Stockholder, severally and not jointly, will indemnify and hold harmless the Company, each of the Company's directors and officers, each underwriter, if any, the Company's legal counsel and independent accountants, each Person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act, any other seller of Registrable Shares or any such seller's members, managers, partners, Affiliates, officers and directors, thereof, and legal counsel and independent accountant thereto, and each Person, if any, who controls such seller within the meaning of the Securities Act and the Exchange Act (each, a "***Company Indemnified Party***"; and together with the Stockholder Indemnified Parties, the "***Indemnified Parties***") against any Damages, joint or several, to which the Company Indemnified Party may become subject under the Securities Act, Exchange Act, state securities or Blue Sky laws or otherwise, including any of the foregoing incurred in connection with the settlement of any commenced or threatened litigation, insofar as such Damages (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in (a) any Registration Statement under which such Registrable Shares were registered under the Securities Act, (b) any preliminary prospectus or final prospectus contained in the Registration Statement, or (c) any amendment or supplement to the Registration Statement, or arise out of or are based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and each such seller of Registrable Shares will reimburse each Company Indemnified Party for any legal or any other expenses reasonably

incurred by each Company Indemnified Party entitled to indemnification in connection with investigating or defending any such Damages (or actions in respect thereof) but only if and to the extent the statement or omission was made in reliance upon and in conformity with information furnished (or not furnished in the case of an omission or alleged omission) in writing to the Company by or on behalf of such seller, specifically for use in connection with the preparation of such Registration Statement, prospectus, amendment or supplement; provided, however, that the obligations of each such Stockholder hereunder shall be limited to an amount equal to the net proceeds received by such Stockholder in connection with such offering of such Registrable Shares; provided, further, however, that no such Stockholder will be liable for any amount paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of such Stockholder, which consent shall not be unreasonably withheld, conditioned or delayed.

7.3 Each Indemnified Party entitled to indemnification under this Section 7 shall give written notice to the party required to provide indemnification (the "***Indemnifying Party***") promptly after such Indemnified Party has knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, however, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party, whose approval shall not be unreasonably withheld, conditioned or delayed; and, provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent that the Indemnifying Party's ability to defend against such claim or litigation is materially impaired as a result of such failure to give notice. The Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnifying Party shall pay such expense if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential conflicts of interests between the Indemnified Party and any other party represented by such counsel in such proceeding. No Indemnifying Party in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

7.4 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 7 is due in accordance with its terms but for any reason is held to be unavailable to an Indemnified Party in respect to any Damages referred to herein, then the Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such Damages to which such party may be subject in proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other in connection with the statements or omissions that resulted in such Damages, as well as any other relevant equitable

considerations. The relative fault of the Indemnifying Party and the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or omission of material fact related to information supplied by the Indemnifying Party or the Indemnified Party (or not supplied in the case of an omission or alleged omission) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Stockholders agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph of Section 7, (a) in no case shall any one (1) Stockholder be liable or responsible for any amount in excess of the net proceeds received by such Stockholder from the offering of Registrable Shares and (b) the Company shall be liable and responsible for any amount in excess of such proceeds; provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution for any Person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party or parties under this Section 7.4, notify in writing such party or parties from whom such contribution may be sought, but the omission so to notify such party or parties from contribution may be sought shall not relieve such party from any other obligation it or they may have thereunder or otherwise under this Section 7.4. No party shall be liable for contribution with respect to any action, suit, proceeding or claim settled without its prior written consent, which consent shall not be unreasonably withheld, condition or delayed.

7.5 The obligations of the Company and the Stockholders under this Section 7 shall survive completion of any offering of Registrable Shares in any Registration Statement and the termination of this Agreement.

Section 8. Indemnification with Respect to Underwritten Offering. In the event that Registrable Shares are sold pursuant to a Registration Statement in an underwritten offering pursuant to Section 3, the Company agrees to enter into an underwriting agreement containing customary representations and warranties with respect to the business and operations of an issuer of the securities being registered and customary covenants and agreements to be performed by such issuer, including customary provisions with respect to indemnification by the Company of the underwriters of such offering.

Section 9. Information by Holder. As a condition to be included in any Registration Statement, each holder of Registrable Shares included in any registration shall furnish to the Company such information regarding such holder and the distribution proposed by such holder as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

Section 10. Market Stand-Off Agreement. In connection with the initial underwritten public offering of the Common Stock, each Stockholder, if requested by the Company and the underwriters managing such public offering, shall agree not to (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly

or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise (other than those Registrable Shares sold to an underwriter pursuant to an underwriting agreement and included in the public offering) for a specified period of time determined by the Company and the underwriters following the effective date of a Registration Statement; provided, however, that:

(a) such agreement shall not exceed 180 days from the effective date of such registration except as may be required by applicable law or regulations promulgated by the Securities Act, the Exchange Act, any state securities laws, or any governing body (including, FINRA Rule 2711(F)(4) or NYSE Rule 472(F)(4) or any successor provisions or amendments thereto);

(b) all other holders of more than one percent (1%) of the Company's outstanding Common Stock (including shares of Common Stock issuable upon the conversion of the Preferred Stock or other convertible securities, or upon the exercise of options, warrants or other rights) and all officers and directors of the Company enter into similar agreements; provided, however, that any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Stockholders subject to such agreements, based on the number of shares subject to such agreements;

(c) such agreement shall only apply to the first such Registration Statement covering Common Stock of the Company to be sold on its behalf to the public in an underwritten offering; and

(d) such agreement shall not apply to the transfer of any shares to any trust for the direct or indirect benefit of any Family Member of a Stockholder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value.

Such agreement shall be in writing in a form reasonably satisfactory to the Company and such underwriter, and the underwriters in connection with such registration are intended third-party beneficiaries of this Section 10 and shall have the right, power and authority to enforce the provisions hereof as if they were parties hereto. The Company may impose stop-transfer instructions with respect to the Registrable Shares or other securities subject to the foregoing restriction until the end of the stand-off period.

Section 11. Limitations on Subsequent Registration Rights. The Company shall not, without the prior written consent of the Separate Series Required Holders, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder to (a) include securities of the Company in any registration filed under Section 3 or Section 4, (b) make a demand registration or (c) have registration rights that are *pari passu* with or superior to the rights granted to the Stockholders under this Agreement.

Section 12. Rule 144 Requirements. After the earliest of (a) the closing of the sale of securities of the Company pursuant to a Registration Statement, (b) the registration by the Company of a class of securities under Section 12 of the Exchange Act or (c) the issuance by the Company of an offering circular pursuant to Regulation A under the Securities Act, the Company agrees to:

(a) comply with the requirements of Rule 144(c) under the Securities Act with respect to making and keeping available current public information about the Company;

(b) use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) furnish to any holder of Registrable Shares promptly after receipt of a written request (i) a written statement by the Company as to its compliance with the requirements of said Rule 144(c), and the reporting requirements of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as such holder may reasonably request to avail itself of any similar rule or regulation of the Commission allowing it to sell any such securities without registration, including Rules 144 and 144A.

Section 13. Selection of Underwriter. The Company shall have the right to designate the managing underwriter in any underwritten offering, except for any registration effected pursuant to Section 3, which designation shall be subject to the approval of the Stockholders holding a majority of the Preferred Registrable Shares that all Stockholders requested to be included in such offering, and which approval shall not be unreasonably withheld, conditioned or delayed.

Section 14. Mergers, Etc. The Company shall not, directly or indirectly, enter into any merger, consolidation, or reorganization in which the Company shall not be the surviving corporation unless the proposed surviving entity shall, prior to such merger, consolidation, or reorganization, agree in writing to assume the obligations of the Company under this Agreement, and for that purpose references hereunder to "Registrable Shares" shall be deemed to be references to the securities that the Stockholders would be entitled to receive in exchange for Registrable Shares under the terms of any such merger, consolidation, or reorganization; provided, however, that the provisions of this Agreement shall not apply in the event of any merger, consolidation, or reorganization in which the Company is not the surviving entity if all Stockholders are entitled to receive in exchange for their Registrable Shares consideration consisting solely of (i) cash, (ii) securities of the acquiring entity that may be immediately sold to the public without registration under the Securities Act, or (iii) securities of the acquiring entity that the acquiring entity has agreed to register within ninety (90) days of completion of the transaction for resale to the public pursuant to the Securities Act.

Section 15. Successors and Assigns. Except as provided in Section 16, the provisions of this Agreement shall be binding upon, and inure to the benefit of, the respective successors, assigns, heirs, executors and administrators of the parties hereto.

Section 16. Transfers of Certain Rights.

16.1 Transfer of Rights. The rights of each Stockholder under this Agreement may be transferred to a transferee or assignee of the Registrable Shares; provided that the Stockholder shall, within ten (10) business days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the number of Registrable Shares with respect to which such rights are being assigned. The transferee or assignee of a Stockholder's rights and obligations hereunder shall be deemed a "Stockholder" for purposes of this Agreement.

16.2 Transferees. Any transferee of a Stockholder's Registrable Shares shall, as a condition to such transfer, deliver to the Company a written instrument by which such transferee agrees to be bound by the obligations imposed upon the Stockholders under this Agreement to the same extent as if such transferee were a Stockholder hereunder.

16.3 Subsequent Transferees. A transferee to whom rights are transferred pursuant to this Section 16 may not again transfer such rights to any other Person, other than as provided in Sections 16.1 or 16.2 above.

Section 17. Miscellaneous.

17.1 Counterparts; Execution by Electronic Means. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by signatures exchanged via facsimile or other electronic means.

17.2 No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities that is inconsistent with, grants any rights equal or superior to, or violates the rights granted to the holders of Registrable Shares in this Agreement, without first obtaining the prior written consent of the Required Holders.

17.3 Adjustments Affecting Registrable Shares. The Company will not take any action, or permit any change to occur, with respect to its securities that would adversely affect the ability of the holders of Registrable Shares to include such Registrable Shares in a registration undertaken pursuant to this Agreement or that would adversely affect the marketability of such Registrable Shares in any such registration (including effecting a stock split or a combination of shares).

17.4 No Waiver. No waiver of any provision or consent to any action shall constitute a waiver of any other provision or consent to any other action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver in the future except to the extent specifically set forth in writing.

17.5 Amendments and Waivers. Any provision of this Agreement may be amended or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of the Required Holders and, as to any amendment or waiver adversely changing a specified enumerated right or obligation hereunder of the Company, the Company; provided that the written consent of the Required Holders shall not be required for the Company to amend Schedule A to add a Stockholder as a

party to this Agreement in accordance with the terms of Section 17.7. Any amendment or waiver effected in accordance with this Section 17.5 shall be binding upon the Company and each of the Stockholders and their respective successors and assigns and the Company shall promptly notify any Stockholder who did not consent or approve such amendment or waiver following the taking of such action. Notwithstanding the foregoing, no amendment or waiver that would:

(a) (i) impose any additional obligations or liabilities on, or increase any liabilities of, A16Z, a Series B Investor or Carrick Investor, or (ii) have a disproportionately adverse effect on A16Z or any Series B Investor or Carrick Investor when compared with the other holders of Preferred Registrable Shares, will be effective against A16Z or such affected Series B Investor or Carrick Investor without the prior written consent of A16Z or such affected Series B Investor or Carrick Investor;

(b) be adverse to the holders of Series A Preferred Stock as a whole will be effective without the prior written consent of the holders of at least 75% of the then outstanding shares of Series A Preferred Stock, voting as a separate class, unless such amendment or waiver (i) is similarly adverse to the holders of any other Securities of the Company that rank *pari passu* with the Series A Preferred Stock and (ii) is effected in connection with a bona fide financing transaction that is led or co-led by a Person not otherwise a Stockholder or an Affiliate thereof;

(c) be adverse to the holders of Series B Preferred Stock as a whole will be effective without the prior written consent of the holders of at least 75% of the then outstanding shares of Series B Preferred Stock, voting as a separate class, unless such amendment or waiver (i) is similarly adverse to the holders of any other Securities of the Company that rank *pari passu* with the Series B Preferred Stock and (ii) is effected in connection with a bona fide financing transaction that is led or co-led by a Person not otherwise a Stockholder or an Affiliate thereof;

(d) be adverse to the holders of Series C Preferred Stock as a whole will be effective without the prior written consent of the holders of at least 75% of the then outstanding shares of Series C Preferred Stock, voting as a separate class, unless such amendment or waiver (i) is similarly adverse to the holders of any other Securities of the Company that rank *pari passu* with the Series C Preferred Stock and (ii) is effected in connection with a bona fide financing transaction that is led or co-led by a Person not otherwise a Stockholder or an Affiliate thereof;

(e) be adverse to the holders of Series D Preferred Stock as a whole will be effective without the prior written consent of the holders of at least 75% of the then outstanding shares of Series D Preferred Stock, voting as a separate class, unless such amendment or waiver (i) is similarly adverse to the holders of any other Securities of the Company that rank *pari passu* with the Series D Preferred Stock and (ii) is effected in connection with a bona fide financing transaction that is led or co-led by a Person not otherwise a Stockholder or an Affiliate thereof;

(f) be adverse to the holders of Series E Preferred Stock as a whole will be effective without the prior written consent of the holders of at least 66.7% of the then outstanding shares of Series E Preferred Stock, voting as a separate class, unless such amendment or waiver (i) is similarly adverse to the holders of any other Securities of the Company that rank *pari passu* with the Series E Preferred Stock and (ii) is effected in connection with a bona fide

financing transaction that is led or co-led by a Person not otherwise a Stockholder or an Affiliate thereof; or

(g) adversely alter the rights of the holders of Series F Preferred Stock in a manner that is disproportionate to, or different than, the manner in which it alters the rights of the holders of other series of Preferred Stock, will be effective without the prior written consent of the holders of at least a majority of the then outstanding shares of Series F Preferred Stock, voting as a separate class.

The parties hereto expressly acknowledge and agree that the authorization and issuance of shares of any new series of Preferred Stock that is merely *pari passu* with or senior to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock or Series F Preferred Stock shall not, in and of itself, (x) be deemed to adversely affect the rights of such Preferred Stock or (y) require the approvals provided for in subsections (a) through (e) of this Section 17.5. In connection with any transfer by a Series B Investor or Carrick Investor of any of their respective Securities of the Company to an Affiliate, such Affiliate will be considered a Series B Investor or Carrick Investor for all purposes under this Section 17.5.

17.6 Specific Performance. In addition to any and all other remedies that may be available under this Agreement and applicable law, in the event of any breach of this Agreement, each Stockholder shall be entitled to specific performance of the agreements and obligations of the Company hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction.

17.7 Joinder. The Company and, if applicable, each party hereto, shall require any Person that acquires, at any time following the date of this Agreement, Registrable Securities (whether from the Company or another Stockholder) to, upon and as a condition to such acquisition, execute a joinder pursuant to which such Person agrees to become subject to the obligations and restrictions applicable to a Stockholder pursuant to the terms of this Agreement

17.8 Remedies Cumulative. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

17.9 Jury Trial Waiver. To the fullest extent permitted by law, and as separately bargained-for-consideration, each party hereby waives any right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or relating to this Agreement.

17.10 Governing Law and Jurisdiction. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, as applicable to contracts executed and delivered in Delaware between Delaware residents and which are to be performed wholly within Delaware, without regard to principles of conflicts of law. Any proceeding brought with respect to this Agreement must be brought in any court of competent jurisdiction sitting in the State of Delaware and, by execution and delivery of this Agreement, each party (a) accepts, generally and unconditionally, the exclusive jurisdiction of such courts and any related appellate court and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement and (b) irrevocably waives any objection it may now or hereafter

have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum.

17.11 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile or other electronic means if sent during normal business hours of the recipient; if not, then on the next business day; (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address as set forth on the signature page hereof and to a Stockholder at such Stockholder's address as set forth on Schedule A attached hereto, or at such other address as the Company or a Stockholder may designate by ten (10) days advance written notice to the other parties hereto.

17.12 Severability. If any term or provision of this Agreement is determined to be illegal, unenforceable or invalid in whole or in part for any reason, such illegal, unenforceable or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this Section 17.12, then such stricken provision shall be replaced, to extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision as is legally possible.

17.13 Section Headings. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

17.14 No Registration of Preferred Stock. The registration rights contained herein apply only to the Company's Common Stock, and the Company shall not be obligated to register any shares of the Preferred Stock.

17.15 Expenses. The Company shall pay, and hold the Stockholders and all holders of Registrable Shares harmless against liability for the payment of the reasonable fees and expenses incurred with respect to the enforcement of the rights granted under, or any amendments or waivers to, this Agreement.

17.16 Termination of Agreement. This Agreement and the rights and obligations set forth herein shall terminate upon the earliest of (i) five (5) years following the consummation of a Qualified IPO (as defined in the Certificate of Incorporation), (b) at such time following an initial public offering as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares during a three-month period without registration, (iii) the consummation of a Sale Transaction (as defined in the Certificate of Incorporation) or (iv) the effectiveness of a Liquidation Event (as defined in the Certificate of Incorporation).

17.17 Entire Agreement. This Agreement and schedules referred to herein constitute the entire agreement among the parties and supersede all prior communications,

representations, understandings and agreements of the parties with respect to the subject matter hereof, including the Prior Agreement. All schedules hereto are hereby incorporated herein by reference. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

17.18 General Interpretation. The terms of this Agreement have been negotiated by the parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted, or in favor of the party receiving a particular benefit under this Agreement. No rule of strict construction will be applied against any Person.

17.19 Rules of Construction. The words "hereby," "herein," "hereof;" "hereunder" and words of similar import refer to this Agreement as a whole (including any Exhibits and Schedules hereto) and not merely to the specific section, paragraph or clause in which such word appears. All references herein to Articles, Sections, Exhibits, and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The definitions given for terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Except as otherwise expressly provided herein, all references to "dollars" or "$" shall be deemed references to the lawful money of the United States of America. The use of "or" is not intended to be exclusive unless expressly indicated otherwise.

17.20 Amendment and Restatement of Prior Agreement. The Prior Agreement is hereby amended and superseded in its entirety and restated herein. Such amendment and restatement is effective upon execution of this Agreement by the Company and by Stockholders holding at least seventy-five percent (75%) of the shares of Preferred Stock outstanding as of the date hereof, voting together as a single class on an as-converted basis. Upon such execution, all provisions of, rights granted and covenants made in the Prior Agreement are hereby waived, released and superseded in their entirety and shall have no further force to effect.

[Signatures on following pages]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

COMPANY:

ACCOLADE, INC.

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Chief Executive Officer

Address:
660 W. Germantown Pike Suite 500
Plymouth Meeting, PA 19462
Fax: (610) 834-5738

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

AVANTI HOLDINGS, LLC

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Partner

RAJEEV SINGH

/s/ Rajeev Singh
(Signature)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

HILTON FAMILY TRUST

By: /s/Michael Hilton
Name: Michael Hilton
Title: Trustee

MICHAEL HILTON

/s/ Michael Hilton
(Signature)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

Name of Entity (if Stockholder is not an individual

/s/ William Frist
(Signature)

Senator William Frist
Name of Signing Person (Printed)

Title:
(if Stockholder is not an individual)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

ACCRETIVE CARE HOLDING PARTNERSHIP

By Accretive II GP, LLC, General Partner

By: /s/ Michael Cline
Name: J. Michael Cline
Title: Managing Member

ACCRETIVE II, L.P.

By Accretive II GP, LLC, General Partner

By: /s/ Michael Cline
Name: J. Michael Cline
Title: Managing Member

ACCRETIVE II COINVESTMENT, L.P.

By Accretive II GP, LLC, General Partner

By: /s/ Michael Cline
Name: J. Michael Cline
Title: Managing Member

ACCRETIVE COINVESTMENT PARTNERS, LLC

By Accretive Associates I, LLC, Managing Member

By: /s/ Michael Cline
Name: J. Michael Cline
Title: Managing Member

ACCRETIVE INVESTORS SBIC, LP

By Accretive Associates SBIC, LLC, General Partner

By: /s/ Michael Cline
Name: J. Michael Cline
Title: Managing Member

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

_____
Name of Entity (if Stockholder is not an individual

/s/ Thomas J. Neff
(Signature)

Thomas J. Neff
Name of Signing Person (Printed)

Title: _____
(if Stockholder is not an individual)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

MS PACE LP

By: /s/ Buzz Benson

Name: Buzz Benson
Title: Managing Director

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

STEPHEN H. BARNES

/s/ Stephen H. Barnes
(Signature)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

MCKESSON VENTURES, LLC

By: /s/ Thomas L. Rodgers
(Signature)

Name: Thomas L. Rodgers
(Printed Name)

Title: SVP, Managing Director

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

MADERA TECHNOLOGY MASTER FUND, LTD.

By: /s/ Kris Drankiewicz
Name: Kris Drankiewicz
Title: Managing Partner

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

MADRONA VENTURE FUND VI, LP

By: /s/ Matt McIlwain
Name: Matt McIlwain
Title: Managing director

MADRONA VENTURE FUND VI-A, LP

By: /s/ Matt McIlwain
Name: Matt McIlwain
Title: Managing director

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

The Thomas K. Spann Family Trust dated January 18, 2012
Name of Entity (if Stockholder is not an individual)

/s/ Thomas K. Spann
Signature

Thomas K. Spann
Name of Signing Person (Printed)

Title: Person
(if Stockholder is not an individual)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

_____
Name of Entity (if Stockholder is not an individual)

/s/ Thomas K. Spann
Signature

Thomas K. Spann
Name of Signing Person (Printed)

Title: _____
(if Stockholder is not an individual)

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

COMCAST VENTURES, LP

By: Comcast CV GP, LLC, its general partner

By: /s/ Derek Squire
Name: Derek Squire
Title: General Counsel

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

Humana, Inc.
Name of Entity (if Stockholder is not an individual)

/s/ Brian A. Kane
Signature

Brian A. Kane
Name of Signing Person (Printed)

Title:
(if Stockholder is not an individual)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

CARRICK CAPITAL ASSOCIATES FUND

By: /s/ James C. Madden, V
Name: James C. Madden, V
Title: Managing Director

CARRICK CAPITAL PARTNERS, L.P.

By: /s/ James C. Madden, V
Name: James C. Madden, V
Title: Managing Director

CARRICK CAPITAL FOUNDERS FUND

By: /s/ James C. Madden, V
Name: James C. Madden, V
Title: Managing Director

CARRICK CAPITAL PARTNERS II CO-INVESTMENT FUND, LP

By: Carrick Management Partners II, LLC, its General Partner

By: /s/ James C. Madden, V
Name: James C. Madden, V
Title: Managing Director

CARRICK CAPITAL PARTNERS II CO-INVESTMENT FUND II, LP

By: Carrick Management Partners II, LLC, its General Partner

By: /s/ James C. Madden, V
Name: James C. Madden, V
Title: Managing Director

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

JAMES C. MADDEN, V. LIVING TRUST, ESTABLISHED NOVEMBER 18, 1999

By: /s/ James C. Madden, V
Name: James C. Madden, V
Title: Trustee

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

CROSS CREEK CAPITAL II, L.P.
By: Cross Creek Capital II GP, LLC Its Sole General Partner

By: /s/ Karey Barker
Name: Karey Barker
Title: Managing Director

CROSS CREEK CAPITAL PARTNERS IV, L.P.
By: Cross Creek Capital Partners IV GP, LLC Its Sole General Partner

By: /s/ Karey Barker
Name: Karey Barker
Title: Managing Director

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

ROBERT CAVANAUGH

/s/ Robert Cavanaugh
(Signature)

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

IN WITNESS WHEREOF, the undersigned has executed this Fifth Amended and Restated Registration Rights Agreement as of the date first above written.

STOCKHOLDER:

ANDREESSEN HOROWITZ FUND IV, L.P.
For itself and as nominee for Andreessen Horowitz Fund IV-A, L.P., Andreessen Horowitz Fund IV-B, L.P. and Andreessen Horowitz Fund IV-Q, L.P.

By: AH Equity Partners IV, L.L.C.
Its General Partner

By: /s/ Ben Horowitz
Name: Ben Horowjtz
Title: Managing Member

AH PARALLEL FUND IV, L.P.
For itself and as nominee for AH Parallel Fund IV-A, L.P., AH Parallel Fund IV-B, L.P. and AH Parallel Fund IV-Q, L.P.

By: AH Equity Partners IV, L.L.C.
Its General Partner

By: /s/ Ben Horowitz
Name: Ben Horowjtz
Title: Managing Member

[Signature page to Fifth Amended and Restated Registration Rights Agreement of Accolade, Inc.]

SCHEDULE A

LIST OF STOCKHOLDERS

Andreessen Horowitz Fund IV, L.P.
AH Parallel Fund IV, L.P.

2865 Sand Hill Road, Suite 101
Menlo Park, CA 94025
Attention:

Humana, Inc.
500 W. Main St., 21st Floor
Louisville, Kentucky 40202

Madrona Venture Fund VI, LP
Madrona Venture Fun VI-A, LP
c/o Madrona Venture Group
999 3rd Avenue
Seattle, WA 98104

AmeriHealth, Inc.
1901 Market St.
Philadelphia, PA 19103
Attention: Alan Krigstein

McKesson Ventures LLC
One Post Street
San Francisco, CA 94104
Attn: Tom Rodgers

Medtronic, Inc.
710 Medtronic Parkway
Minneapolis, MN, 55432

Avanti Holdings, LLC

Michael Hilton

Hilton Family Trust

Stephen H. Barnes

Luca Trust
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Thomas J. McGill
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Journey Partners, LLC
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Prentice Family Partners LLC
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Elisabeth L. Levin
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Carl M. Loeb Trust FBO Elisabeth L. Levin
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Arthur L. Loeb
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Carl M Loeb Trust — FBO Jean Troubh
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Carrick Capital Partners, L.P.
160 Spear Street, Suite 1620
San Francisco, CA 94105
Attention: James C. Madden, V
Fax: (415) 432-4101

Carrick Capital Associates Fund, L.P.
160 Spear Street, Suite 1620
San Francisco, CA 94105
Attention: James C. Madden, V
Fax: (415) 432-4101

Carrick Capital Founders Fund, L.P.
160 Spear Street, Suite 1620
San Francisco, CA 94105
Attention: James C. Madden, V
Fax: (415) 432-4101

Carrick Capital Partners II Co-Investment Fund II, LP
One California Street., Suite 1900
San Francisco, CA 94111

Carrick Capital Partners II Co-Investment Fund, LP
One California Street., Suite 1900
San Francisco, CA 94111

Accretive II, L.P.
c/o Accretive, LLC
116 West 32nd St., 9th Fl.
New York, New York 10001
Attention: J. Michael Cline
Fax: (646) 282-3138
Email: ashelley@accretivellc.com

Accretive Investors SBIC, L.P.
c c/o Accretive, LLC
116 West 32nd St., 9th Fl.
New York, New York 10001
Attention: J. Michael Cline
Fax: (646) 282-3138
Email: ashelley@accretivellc.com

Accretive Coinvestment Partners, LLC
c/o Accretive, LLC
116 West 32nd St., 9th Fl.
New York, New York 10001
Attention: J. Michael Cline
Fax: (646) 282-3138
Email: ashelley@accretivellc.com

Accretive II Coinvestment Partners, L.P.
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New York, New York 10001
Attention: J. Michael Cline
Fax: (646) 282-3138
Email: ashelley@accretivellc.com

Accretive Care Holding Partnership
c/o Accretive, LLC
116 West 32nd St., 9th Fl.
New York, New York 10001
Attention: J. Michael Cline
Fax: (646) 282-3138
Email: ashelley@accretivellc.com

Comcast Ventures, LP
One Comcast Center
1701 John F. Kennedy Blvd.
Philadelphia, PA 19103
Attention: General Counsel
e-mail: cv_legal@comcast.com

Comcast Holdings Corporation
One Comcast Center
1701 John F. Kennedy Blvd.
Philadelphia, PA 19103
Attention: General Counsel
e-mail: corporate_legal@comcast.com

FW Accolade Investors, L.P.
201 Main Street
Suite 3100
Fort Worth, TX 76102
Fax No.: (817) 820-1625

Thomas K. Spann

The Thomas K. Spann Family Trust Dated January 18, 2012
c/o Accolade, Inc.

John C. Stoddard

Spiegel Family, LLC

James C. Madden, V. Living Trust, established November 18, 1999
c/o Carrick Capital Partners, L.P.
160 Spear Street, Suite 1620
San Francisco, CA 94105
Fax: (415) 432-4101

John Rollins

The John D. Rollins Irrevocable Children’s Trust Dated May 22, 2005

Thomas J. Neff

Dale Prestipino

MLPF&S as Cust FBO Dale Prestipino IRRA

Pensco Trust Company LLC FBO

FBO Dale Prestipino IRA

Brian Doyle

Susan Ray

Equity Trust Company Custodian fbo Thomas R Boldt, IRA 137649

Thomas Boldt

Alan H. Spiro

Michael Mossman

Jill LaVigne

Michael Viola

Eduardo Cisneros

Roberta Greenberg

William Frist

Amy Loftus

Jeff Smith

Elizabeth Napolitano

Paula Bush

John Geiger

Kristin Heinly

Michael Perlmutter

Jeff Rubin

Donna Snow

Maria Canfield

John Hamlin

Marc Harfeld

Scott Hudgins

Brad Loftus
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Julie Stern

Sean Brady

Ronald Alleva

Toni Lo Sasso

Kyle Hood

Sean McGowan

Sarah Kline

Lorraine Knerr

Sean Engle

Mary Creedon

Virginia Ferlise

Bryan Walton

Eric Campbell

Jocelyn Stauffer

Maria Buera

Betty Nelson

Marybeth McMurray

Chris Simpkins

Kathleen Shelmerdine

Sean Purvis

Cross Creek Capital II, L.P.
505 South Wakara Way, Suite 215
Salt Lake City, UT 84108

Cross Creek Capital Partners IV, L.P.
505 South Wakara Way, Suite 215
Salt Lake City, UT 84108

Charles Patton

Harish Naidu

Colin McHugh

Escalate Capital Partners SBIC III, LP
300 W. 6th, Suite 2230
Austin, TX 78701

Madera Technology Master Fund, Ltd.
379 West Broadway
New York, NY 10012
Attn: Kris Drankiewicz
Email: kris@maderatp.com

MF Partners, LLC
660 Newport Center Drive, Suite 1220
Newport Beach, CA 92660

MZ Partners, LLC
660 Newport Center Drive, Suite 1220
Newport Beach, CA 92660

WST Partners, LLC
660 Newport Center Drive, Suite 1220
Newport Beach, CA 92660

William S. Thompson III Special Trust
660 Newport Center Drive, Suite 1220
Newport Beach, CA 92660

Emily M. Thompson Special Trust
660 Newport Center Drive, Suite 1220
Newport Beach, CA 92660

Bradley D. Thompson Special Trust
660 Newport Center Drive, Suite 1220
Newport Beach, CA 92660

Ronald A. and Angela M. Zeliski

John W. Meisenbach

Paul N. Bordonaro Trust

Monica B. Wooden Revocable Trust

1P Ventures, LLC
1948 Parnell Ave.
Los Angeles, CA 90025

AVGF - BIV2 Accolade 2018, LLC
201 Jones Rd.
Waltham, MA 02451

Joe Payne

Neil Baisler

Ben Franklin Technology Partners of Southeastern Pennsylvania
Building 100 Innovation Center, Suite 200
4801 S. Broad Street, The Navy Yard
Philadelphia, PA 19112

Daversa Partners
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

konciergeMD
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Veronica Kwong

Tara Cohn

Laura Janssen

Deborah F. Cohen

Dan Klein

Craig Hersh

Christopher Smiley

Michael Scofield

Theresa M. Dougherty

Julia Babij

Carolyn Young

Amit Aronson

Robert Patterson

Wendi McNeilly

Jillian Faccone

Teresa Dolan

Peter Muller

Susan Cepil

Robert Cavanaugh

Richard Eskew

Phong Nguyen

Rajeev Singh

Jerame Thurik

Marc Jacobs

Ricardo Barrera

Lynn Childs

David Burdge

Subha Bhattacharyay

Vamsi Krishna Kishore Manchella

Xin Tang

Patrick Doody

Scott Cariello

Daniel McKetta

Elizabeth Sanford

Todd Grove

Kevin Wheeler

Jerry Heller

Christy Scheuerman

Sheila Burke
c/o Accolade, Inc.
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Shah Asset Management, LLC
Raj Shah
14 West Roy Street
Seattle, WA 98119

Ivor Horn

Virginia Nash

Courtney Nash

Alyson Hemberger

Steve Thompson

David Crossgrove

Robert Lesicki

Carmen Spohn

Debra Ryherd

John D. Rollins Irrevocable Children’s Trust FBO Anne Rollins

John D. Rollins Irrevocable Children’s Trust FBO David Rollins

John D. Rollins Irrevocable Children’s Trust FBO Margaret Rollins

Jennifer Nishio

Matthew Wurst

Brianne Miller

Timothy Fitzgerald

Jakub Zeman

Ashley Haugdahl

Carrie Keener

Colin Rigby

Greatjoy Ndlovu

Basheer Malaa

Samuel Hammerman

Tanikia James

Adam Perlman

Lauren Dicair

Heather Duffy

Roger Robson

Kathryn Mowers

Joanne Stumm

Janet Delage

Beth Ralls

Cindy Pius

Allyson Wood

William Johnson

Randy DeOrio

Leslie Barretta

Daren Connelly

Jian Tan

Saul Weiner

Mary Johnston

Radim Bosticka

Lyndi Thompson

Lea Lonnberg-Hickling

Pamela Seplow

Joe Galley

Gabriella Napoli

Amy Ziring

Sarah Morvin

Craig Shellenberger

Judith Crouthamel

Michael Sheward

Amy Whitworth

Ryan Beaini

Amy Loftus

Robert Discolo
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

GC&H Investments, LLC
101 California Street 5th Floor
San Francisco, CA 94111

PCOM Primary Care Innovation Fund LLC
4170 City Avenue
Philadelphia, PA 19131

MS Pace LP
c/o SightLine Partners LLC
8500 Normandale Lake Boulevard, Suite 1070
Bloomington, MN 55437

Lori Discolo
c/o Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

Exhibit 10.1

ACCOLADE, INC.
AMENDED AND RESTATED 2007 STOCK OPTION PLAN

AS AMENDED AND RESTATED EFFECTIVE APRIL 25, 2014

ARTICLE ONE

GENERAL PROVISIONS

I. PURPOSE OF THE PLAN

This Amended and Restated 2007 Stock Option Plan is intended to promote the interests of Accolade, Inc., successor-in-interest to Accolade LLC (the "Company"), by providing eligible persons with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Company as an incentive for them to remain in the service of the Company.

Capitalized terms herein shall have the meanings assigned to such terms in the attached Appendix.

II. STRUCTURE OF THE PLAN

The Plan shall be an Equity Grant Program under which eligible persons may, at the discretion of the Plan Administrator, be granted Awards. Each option for Common Shares issued under the Accolade LLC 2007 Stock Option Plan (the "Existing Plan") remains outstanding and continues to represent an option for the purchase of shares of Common Stock under the Plan on the same terms and conditions as such option was subject to under the Existing Plan including without limitation, the same number of shares, exercise price, vesting conditions, forfeiture, termination and other restrictions.

III. ADMINISTRATION OF THE PLAN

A. The Plan shall be administered by the Board. However, any or all administrative functions otherwise exercisable by the Board may be delegated to the Committee. Members of the Committee shall serve for such period of time as the Board may determine and shall be subject to removal by the Board at any time. The Board may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

B. The Plan Administrator shall have full power and authority (subject to the provisions of the Plan) to establish such rules and regulations as it may deem appropriate for proper administration of the Plan and to make such determinations under, and issue such interpretations of, the Plan and any outstanding Awards thereunder as it may deem necessary or advisable. Decisions of the Plan Administrator shall be final and binding on all parties who have an interest in the Plan or any Award thereunder.

IV. ELIGIBILITY

A. The persons eligible to participate in the Plan are as follows:

(1) Employees;

(2) non-employee members of the Board or the non-employee members of the board of directors of any Subsidiary; and

(3) consultants and other independent advisors who provide services to the Company (or any Subsidiary).

B. The Plan Administrator shall have full authority to determine which eligible persons are to receive Awards, the time or times when such Awards are to be made, the number of shares to be covered by each such Award, the status of a granted option as either an Incentive Option or a Non-Statutory Option, the time or times at which an option is to become exercisable, the vesting schedule (if any) applicable to the Awards and the maximum term for which an option is to remain outstanding.

C. The Plan Administrator shall have the absolute discretion to grant Awards in accordance with the Equity Grant Program.

V. STOCK SUBJECT TO THE PLAN

A. The shares issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock. The maximum number of shares of Common Stock which may be issued over the term of the Plan shall not exceed 65,584,959 shares.

B. Shares of Common Stock subject to Awards shall be available for subsequent issuance under the Plan to the extent that (i) in the case of options, the options expire or terminate for any reason prior to exercise in full, (ii) in the case of Restricted Stock, the Restricted Stock is cancelled or forfeited for any reason, or (iii) the Awards are cancelled in accordance with the cancellation-regrant provisions of Article Two. Shares issued under the Plan and subsequently repurchased by the Company pursuant to the Company's repurchase rights under the Plan shall also be available for reissuance through one or more subsequent Award grants under the Plan.

C. Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration, appropriate adjustments shall be made to (i) the maximum number and/or class of securities issuable under the Plan and (ii) the number and/or class of securities and the exercise price per share (as applicable) in effect under each outstanding Award in order to prevent the dilution or enlargement of benefits thereunder. The adjustments determined by the Plan Administrator shall be final, binding and conclusive. In no event shall any such adjustments be made in connection with the conversion of one or more outstanding shares of preferred stock of the Company into shares of Common Stock.

ARTICLE TWO

EQUITY GRANT PROGRAM

I. OPTION TERMS

Each option shall be evidenced by one or more documents in the form approved by the Plan Administrator; provided, however, that each such document shall comply with the terms specified below. Each document evidencing an Incentive Option shall, in addition, be subject to the provisions of the Plan applicable to such options.

A. **Exercise Price**.

(1) The exercise price per share shall be fixed by the Plan Administrator and may be equal to, less than or greater than the Fair Market Value per share of Common Stock on the option grant date.

(2) The exercise price shall become immediately due upon exercise of the option and shall, subject to the provisions of Section I of Article Three and the documents evidencing the option, be payable in cash or check made payable to the Company. Should the Common Stock be registered under Section 12(g) of the 1934 Act at the time the option is exercised, then the exercise price may also be paid as follows:

a) in shares of Common Stock held for the requisite period necessary to avoid a charge to the Company's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date, or

b) to the extent the option is exercised for vested shares, through a special sale and remittance procedure pursuant to which the Participant shall concurrently provide irrevocable written instructions (i) to a Company-designated brokerage firm to effect the immediate sale of the purchased shares and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares plus all applicable Federal, state and local income and employment taxes required to be withheld by the Company by reason of such exercise and (ii) to the Company to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale.

Except to the extent such sale and remittance procedure is utilized, payment of the exercise price of the purchased shares must be made on the Exercise Date.

B. **Exercise and Term of Options**. Each option shall be exercisable at such time or times, during such period and for such number of shares as shall be determined by the Plan Administrator and set forth in the documents evidencing the option. However, no option shall have a term in excess of ten (10) years measured from the option grant date. If no vesting schedule is specified by the Plan Administrator, (i) the Participant shall vest in twenty-five percent (25%) of the shares of Common Stock issuable upon exercise of an option upon

completion of one (1) year of continuous Service from the vesting commencement date specified by the Plan Administrator and (ii) the Participant shall vest in the balance of such shares in a series of equal installments of 1/48 of the shares subject to the initial grant on a monthly basis upon the Participant's completion of each successive month of Service within the thirty-six (36) month period beginning on the first anniversary of the initial vesting commencement date.

C. **Effect of Termination of Service**.

(1) The following provisions shall govern the exercise of any options held by the Participant at the time of cessation of Service:

a) Any option outstanding at the time of the Participant's cessation of Service for any reason shall remain exercisable for a period of forty-five (45) days thereafter, except as otherwise determined by the Plan Administrator and set forth in the documents evidencing the option, but no such option shall be exercisable after the expiration of the option term.

b) During the applicable post-Service exercise period, the option may not be exercised in the aggregate for more than the number of vested shares for which the option is exercisable on the date of the Participant's cessation of Service. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the option shall terminate and cease to be outstanding for any vested shares for which the option has not been exercised. However, the option shall, immediately upon the Participant's cessation of Service, terminate and cease to be outstanding to the extent the option is not otherwise at that time exercisable for vested shares.

c) The effect which death, Disability, Involuntary Termination or other event designated by the Plan Administrator is to have on the vesting schedule shall be determined by the Plan Administrator and incorporated into the Stock Option Agreement and shall supersede any provisions to the contrary in this section.

d) In the event of an Involuntary Termination following a Company Transaction, the provisions of Section III of this Article Two shall govern the period for which the outstanding options are to remain exercisable following the Participant's cessation of Service and shall supersede any provisions to the contrary in this section.

(2) The Plan Administrator shall have the discretion, exercisable either at the time an option is granted or at any time while the option remains outstanding, to:

a) extend the period of time for which the option is to remain exercisable following Participant's cessation of Service from the limited period otherwise in effect for that option to such greater period of time as the Plan Administrator shall deem appropriate, but in no event beyond the expiration of the option term, and/or

b) permit the option to be exercised, during the applicable post- Service exercise period, not only with respect to the number of vested shares of Common Stock for which such option is exercisable at the time of the Participant's cessation of Service but also with respect to one or more additional installments in which the Participant would have vested under the option had the Participant continued in Service.

D. **Shareholder Rights**. The holder of an option shall have no shareholder rights with respect to the shares subject to the option until such person shall have exercised the option, paid the exercise price and become a holder of record of the purchased shares and, unless otherwise specified by the Plan Administrator, until such shares shall have vested.

E. **Repurchase Rights**. The Plan Administrator shall have the discretion to grant options which are exercisable for vested or unvested shares of Common Stock. Should the Participant cease Service while holding such shares, the Company shall have the right to repurchase in the case of vested shares at Fair Market Value and in the case of unvested shares at the exercise price paid per share or, if less, Fair Market Value. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

F. **Shareholder Agreements**. Each Participant shall, upon and as a condition to the receipt of any shares of Common Stock issued upon the exercise of any options granted under the Plan, become a party to an Investor Rights Agreement, Right of First Refusal and Co-Sale Agreement and Registration Rights Agreement dated as of June 14, 2010 between the Company and holders of capital stock in the Company party thereto, as amended and/or restated from time to time, and agree to be bound by all terms and conditions set forth therein.

G. **Limited Transferability of Shares**. Until such time as the Common Stock is first registered under Section 12(g) of the 1934 Act, the Board shall have the right to consent in its absolute discretion to any proposed disposition by the Participant (or any successor in interest) of any shares of Common Stock issued under the Plan.

H. **Limited Transferability of Options**. During the lifetime of the Participant, the option shall be exercisable only by the Participant and shall not be assignable or transferable other than by will or by the laws of descent and distribution following the Participant's death.

I. **Withholding**. The Company's obligation to deliver shares of Common Stock upon the exercise of any options granted under the Plan shall be subject to the satisfaction of all applicable Federal, state and local income and employment tax withholding requirements.

II. INCENTIVE OPTIONS

The terms specified below shall be applicable to all Incentive Options. Except as modified by the provisions of this Section II, all the provisions of the Plan shall be applicable to Incentive Options. Options which are specifically designated as Non-Statutory Options shall not be subject to the terms of this Section II.

A. **Eligibility**. Incentive Options may only be granted to Employees.

B. **Exercise Price**. The exercise price per share shall not be less than one hundred percent (100%) of the Fair Market Value per share of Common Stock on the option grant date.

C. **Dollar Limitation.** The aggregate Fair Market Value of the shares of Common Stock (determined as of the respective date or dates of grant) for which one or more options granted to any Employee under the Plan (or any other option plan of the Company or any Subsidiary) may for the first time become exercisable as Incentive Options during any one (1) calendar year shall not exceed the sum of One Hundred Thousand Dollars ($100,000). To the extent the Employee holds two (2) or more such options which become exercisable for the first time in the same calendar year, the foregoing limitation on the exercisability of such options as Incentive Options shall be applied on the basis of the order in which such options are granted.

D. **10% Shareholders**. If any Employee to whom an Incentive Option is granted is a 10% Shareholder, then the exercise price per share shall not be less than one hundred ten percent (110%) of the Fair Market Value per share of Common Stock on the option grant date and the option term shall not exceed five (5) years measured from the option grant date.

III. RESTRICTED STOCK

The terms specified below shall be applicable to all Restricted Stock. Except as modified by the provisions of this Section III, all the provisions of the Plan shall be applicable to Restricted Stock

A. **Issuance**. Restricted Stock may be issued either alone or in conjunction with other Awards. The Board will determine the time or times within which Restricted Stock may be subject to forfeiture, and all other conditions of such Awards.

B. **Awards and Certificates**. Restricted Stock issue shall be evidenced by one or more documents in the form approved by the Plan Administrator; provided, however, that each document shall comply with the terms specified below. The purchase price for Restricted Stock may, but need not, be zero.

Any share certificate issued in connection with an Award of Restricted Stock will be registered in the name of the Participant receiving the Award, and will bear any legend required by the document evidencing the Award or any shareholder, voting or similar agreement entered into by the stockholders of the Company.

Share certificates evidencing Restricted Stock will be held in custody by the Company or in escrow by an escrow agent until the restrictions have lapsed. As a condition to any Restricted Stock award, the Participant may be required to deliver to the Company a share power, endorsed in blank, relating to the Shares covered by such Award.

C. **Restrictions and Conditions**. Restricted Stock will be subject to the following restrictions and conditions, and any other restrictions and conditions set forth in the applicable document evidencing the Award.

(1) During a period commencing with the date of an Award of Restricted Stock and ending at such time or times as specified by the Board (the "Restriction Period"), the Participant will not be permitted to sell, transfer, pledge, assign or otherwise encumber Restricted Stock awarded under the Plan. The Board may condition the lapse of restrictions on Restricted Stock upon the continued employment or service of the recipient, the attainment of specified individual or corporate performance goals, or such other factors as the Board may determine, in its sole and absolute discretion.

(2) Except as provided in this Paragraph (2) or the applicable document evidencing the award, the Participant will have, with respect to the Restricted Stock, all of the rights of a holder of the Company's Common Stock, including the right to receive any cash distributions or dividends. The Board, in its sole discretion, may require cash distributions or dividends to be subjected to the same Restriction Period as is applicable to the Restricted Stock with respect to which such amounts are paid, or, if the Board so determines, reinvested in additional Restricted Stock to the extent Shares are available under Section V(A) of Article One. Any distributions or dividends paid in the form of securities with respect to Restricted Stock will be subject to the same terms and conditions as the Restricted Stock with respect to which they were paid, including, without limitation, the same Restriction Period.

(3) Subject to the applicable provisions of the document evidencing the Award, if a Participant's service with the Company terminates prior to the expiration of the Restriction Period, all of that Participant's Restricted Stock which then remain subject to forfeiture will then be forfeited automatically.

(4) If any when the Restriction Period expires without a prior forfeiture of the Restricted Stock subject to such Restriction Period (or if and when the restrictions applicable to Restricted Stock are removed pursuant to a Company Transaction or otherwise), any certificates for such Shares will be replaced with new certificates, without the restrictive legend applicable to such lapsed restrictions, and such new certificates will be promptly delivered to the Participant, the Participant's representative (if the Participant has suffered a Disability), or the Participant's estate or heir (if the Participant has died).

D. **Repurchase Rights**. Should the Participant cease Service while holding shares of Restricted Stock, the Company shall have the right to repurchase the Common Stock, in the case of vested shares, at Fair Market Value and, in the case of unvested shares, the lesser of the original purchase price paid per share or Fair Market Value. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

E. **Shareholder Agreements**. Each Participant shall, upon and as a condition to the receipt of any shares of Common Stock issued pursuant to any Award granted under the Plan, become a party to an Investor Rights Agreement, Right of First Refusal and Co-Sale Agreement and Registration Rights Agreement dated as of June 14, 2010 between the Company and holders

of capital stock in the Company party thereto, as amended and/or restated from time to time, and agree to be bound by all terms and conditions set forth therein.

F. **Limited Transferability of Shares**. Until such time as the Common Stock is first registered under Section 12(g) of the 1934 Act, the Board shall have the right to consent in its absolute discretion to any proposed disposition by the Participant (or any successor in interest) of any shares of Common Stock issued under the Plan.

G. **Withholding**. The Company's obligation to deliver shares of Common Stock upon the exercise of any Award granted under the Plan shall be subject to the satisfaction of all applicable Federal, state and local income and employment tax withholding requirements.

IV. COMPANY TRANSACTION

A. In the event of any Company Transaction, each outstanding Award shall be (i) assumed by the successor entity (or parent thereof), (ii) in the case of an option, replaced with a comparable option to purchase shares of the successor entity (or parent thereof) or with a cash incentive program of the successor entity which preserves the spread existing on the unvested option shares at the time of the Company Transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such option, or (iii) in the case of Restricted Stock, cancelled in exchange for restricted stock with respect to the capital stock of the successor entity (or parent thereof). The determination of option comparability under clause (ii) above shall be made by the Plan Administrator, and its determination shall be final, binding and conclusive. However, to the extent the successor entity (or parent thereof) does not effect such assumption or replacement, each outstanding option shall automatically accelerate so that each such option shall, immediately prior to the effective date of the Company Transaction, become fully exercisable for all of the shares of Common Stock at the time subject to such option and may be exercised for any or all of those shares as fully-vested shares of Common Stock.

B. All outstanding repurchase rights shall also be assigned to the successor entity (or parent thereof) in the event of any Company Transaction. However, to the extent the successor entity (or parent thereof) does not accept such assignment, the outstanding repurchase rights shall terminate automatically, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, upon the consummation of the Company Transaction, except to the extent such accelerated vesting is precluded by other limitations imposed by the Plan Administrator at the time the repurchase right is issued.

C. Unless otherwise provided by the Plan Administrator, immediately following the consummation of the Company Transaction, all outstanding options shall terminate and cease to be outstanding, except to the extent assumed by the successor entity (or parent thereof).

D. Each option which is assumed in connection with a Company Transaction shall be appropriately adjusted, immediately after such Company Transaction, to apply to the number and class of securities which would have been issuable to the Participant in consummation of such Company Transaction, had the option been exercised immediately prior to such Company Transaction. Appropriate adjustments shall also be made to (i) the number and class of securities

available for issuance under the Plan following the consummation of such Company Transaction and (ii) the exercise price payable per share under each outstanding option, provided the aggregate exercise price payable for such securities shall remain the same.

E. The Plan Administrator shall have the discretion, exercisable either at the time an option is granted or at any time while an option remains outstanding, to provide for the automatic acceleration, in whole or in part, of one or more outstanding options (and the automatic termination, in whole or in part, of one or more outstanding repurchase rights, with the immediate vesting of the shares of Common Stock subject to those terminated rights) upon the occurrence of a Company Transaction, whether or not those options are to be assumed or replaced (or those repurchase rights are to be assigned) in the Company Transaction. In the case of Restricted Stock, the Plan Administrator shall have the discretion to cause any or all outstanding Restricted Stock to become non-forfeitable, in whole or in part, upon the occurrence of a Company Transaction, whether or not the Restricted Stock is to be assumed or exchanged in the Company Transaction.

F. The Plan Administrator shall also have full power and authority to grant options under the Plan which will automatically accelerate in whole or in part should the Participant's Service subsequently terminate by reason of an Involuntary Termination within a designated period (not to exceed twelve (12) months) following the effective date of any Company Transaction in which those options are assumed or replaced and do not otherwise accelerate. Any options so accelerated shall remain exercisable for fully- vested shares until the earlier of (i) the expiration of the option term or (ii) the expiration of the ninety (90) day period measured from the effective date of the Involuntary Termination. In addition, the Plan Administrator may provide that one or more of the Company's outstanding repurchase rights with respect to shares held by the Participant at the time of such Involuntary Termination shall immediately terminate in whole or in part, and the shares subject to those terminated rights shall accordingly vest. In the case of Restricted Stock, the Plan Administrator shall also have full power and authority to grant Restricted Stock under the Plan which will automatically become non-forfeitable in whole or in part should the Participant's Service subsequently terminate by reason of an Involuntary Termination within a designated period (not to exceed twelve (12) months) following the effective date of any Company Transaction in which Restricted Stock is not assumed or exchanged and does not otherwise become non-forfeitable.

G. The portion of any Incentive Option accelerated in connection with a Company Transaction shall remain exercisable as an Incentive Option only to the extent the applicable One Hundred Thousand Dollar ($100,000) limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such option shall be exercisable as a Non- Statutory Option under the Federal tax laws.

H. The grant of Awards under the Plan shall in no way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

V. CANCELLATION AND REGRANT OF OPTIONS

The Plan Administrator shall have the authority to effect, at any time and from time to time, with the consent of the affected option holders, the cancellation of any or all outstanding options under the Plan and to grant in substitution therefor new options covering the same or different number of shares of Common Stock but with an exercise price per share based on the Fair Market Value per share of Common Stock on the new option grant date.

ARTICLE THREE

MISCELLANEOUS

I. FINANCING

The Plan Administrator may permit any Participant to pay the option exercise price for shares issued to such person under the Plan by delivering a promissory note that constitutes valid consideration under the applicable state law payable in one or more installments. The terms of any such promissory note (including the interest rate and the terms of repayment) shall be established by the Plan Administrator in its sole discretion. Promissory notes may be authorized with or without security or collateral. In all events, the maximum credit available to the Participant may not exceed the sum of (i) the aggregate option exercise price payable for the purchased shares (less the par value of such shares) plus (ii) any Federal, state and local income and employment tax liability incurred by the Participant in connection with the option exercise.

II. EFFECTIVE DATE AND TERM OF PLAN

A. The Plan shall become effective when adopted by the Board, but no option granted under the Plan may be exercised, and no shares shall be issued under the Plan, until the Plan is approved by the Company's shareholders. If such shareholder approval is not obtained within twelve (12) months after the date of the Board's adoption of the Plan, then all options previously granted under the Plan shall terminate and cease to be outstanding, and no further options shall be granted and no shares shall be issued under the Plan. Subject to such limitation, the Plan Administrator may grant options and issue shares under the Plan at any time after the effective date of the Plan and before the date fixed herein for termination of the Plan.

B. The Plan shall terminate upon the earliest of (i) the expiration of the ten (10)-year period measured from the date the Plan is adopted by the Board, (ii) the date on which all shares available for issuance under the Plan shall have been issued or (iii) the termination of all outstanding Awards in connection with a Company Transaction. Upon such Plan termination, all options and unvested share issuances outstanding under the Plan shall continue to have full force and effect in accordance with the provisions of the documents evidencing such options or issuances.

III. AMENDMENT OF THE PLAN

A. The Board shall have complete and exclusive power and authority to amend or modify the Plan in any or all respects. However, no such amendment or modification shall

adversely affect the rights and obligations with respect to Awards at the time outstanding under the Plan unless the Participant consents to such amendment or modification.

B. Options to purchase shares of Common Stock may be granted under the Plan and shares of Common Stock may be issued under the Plan that are in each instance in excess of the number of shares then available for issuance under the Plan, provided any excess shares actually issued under the Plan are held in escrow until there is obtained shareholder approval of an amendment sufficiently increasing the number of shares of Common Stock available for issuance under the Plan. If such shareholder approval is not obtained with twelve (12) months after the date the first such excess issuances are made, then (i) any unexercised options granted on the basis of such excess shares shall terminate and cease to be outstanding, (ii) any outstanding Restricted Stock granted on the basis of such excess shares shall be forfeited, and (iii) the Company shall promptly refund to the Participants the exercise price paid for any excess shares issued under the Plan and held in escrow, together with interest (at the applicable Short-Term Federal Rate) for the period the shares were held in escrow, and such shares shall thereupon be automatically cancelled and cease to be outstanding.

IV. USE OF PROCEEDS

Any cash proceeds received by the Company from the sale of Common Stock under the Plan shall be used for general corporate purposes.

V. WITHHOLDING

The Company's obligation to deliver shares of Common Stock pursuant to any Award or upon the issuance or vesting of any shares issued under the Plan shall be subject to the satisfaction of all applicable Federal, state and local income and employment tax withholding requirements.

VI. REGULATORY APPROVALS

The implementation of the Plan, the granting of any Awards under the Plan and the issuance of any shares of Common Stock pursuant to any Award shall be subject to the Company's procurement of all approvals and permits required by regulatory authorities having jurisdiction over the Plan, the Awards granted under it and the shares of Common Stock issued pursuant to it.

VII. NO EMPLOYMENT OR SERVICE RIGHTS

Nothing in the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing or retaining such person) or of the Participant, which rights are hereby expressly reserved by each, to terminate such person's Service at any time for any reason, with or without cause.

APPENDIX

The following definitions shall be in effect under the Plan:

A. **Award** shall mean a grant of options to purchase Common Stock or the issuance of Restricted Stock pursuant to the provisions of this Plan.

B. **Board** shall mean the Company's Board of Directors.

C. **Code** shall mean the Internal Revenue Code of 1986, as amended.

D. **Committee** shall mean a committee of two (2) or more Board members appointed by the Board to exercise one or more administrative functions under the Plan.

E. **Common Stock** shall mean shares of the Company's common stock, par value $0.0001 per share.

F. **Company Transaction** shall mean any of the following transactions:

(1) Any "person," as such term is used in Sections 13(d) and 14(d) of the 1934 Act (other than Accretive II, L.P., any of its affiliates, the Company or any Subsidiary, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any Subsidiary), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the 1934 Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of either (a) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board or (b) the then outstanding shares of Common Stock on an as converted basis; or

(2) The stockholders of the Company shall approve (a) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, shares representing in the aggregate more than fifty percent (50%) of the voting shares of the Company or the acquirer issuing cash or securities in the consolidation or merger (or of its ultimate parent company, if any), (b) any sale, lease, exclusive license, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (c) any plan or proposal for the liquidation or dissolution of the Company.

G. **Company** shall mean Accolade, Inc., a Delaware corporation.

H. **Disability** shall mean that if, as a result of the Participant's incapacity due to physical or mental illness, the Participant shall have been absent from his duties with the Company on a full-time basis for three (3) consecutive months or an aggregate of 120 days in any twenty-four month period, and within thirty (30) days after written notice of termination is

given, the Participant shall not have returned to the full-time performance of the Participant's duties.

I. **Employee** shall mean an individual who is in the employ of the Company (or any Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

J. **Equity Grant Program** shall mean the equity grant program in effect under the Plan.

K. **Exercise Date** shall mean the date on which the Company shall have received written notice of the option exercise.

L. **Fair Market Value** per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(1) If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as such price is reported by the National Association of Securities Dealers on the Nasdaq National Market or any successor system. If there is no closing selling price for the Common Stock on the date on question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(2) If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(3) If the Common Stock is at the time neither listed on any Stock Exchange nor traded on the Nasdaq National Market, then the Fair Market Value shall be determined by the Plan Administrator after taking into account such factors as the Plan Administrator shall deem appropriate.

M. **Good Reason** shall mean that an individual has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (a) a substantial diminution or other substantive adverse change, not consented to by such individual, in the nature or scope of such individual's responsibilities, authorities, powers, functions or duties; (b) such individual is removed from his or her position other than for Misconduct; (c) an involuntary reduction in the base salary of such individual except for across-the-board reductions similarly affecting all or substantially all of the Company's (or any Subsidiary's) employees; or (d) a breach by the Company of any of its other material obligations under any employment agreement to which such individual is a party and the failure of the Company to cure such breach within thirty (30) days after written notice thereof by such individual; or (e) the involuntary relocation of the Company's offices at which the individual is principally employed or the

involuntary relocation of the offices of individual's primary workgroup to a location more than fifty (50) miles from such offices, or the requirement by the Company that individual be based anywhere other than the Company's offices at such location on an extended basis, except for required travel on the Company's business to an extent substantially consistent with the individual's travel obligations. "Good Reason Process" shall mean that (i) such individual reasonably determines in good faith that a "Good Reason" event has occurred; (ii) such individual notifies the Company in writing of the occurrence of the Good Reason event; (iii) such individual cooperates in good faith with the Company's efforts, for a period not less than ninety (90) days following such notice, to modify such individual's employment situation in a manner acceptable to such individual and the Company; and (iv) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner reasonably acceptable to such individual. If the Company cures the Good Reason event in a manner reasonably acceptable to such individual during the ninety (90) day period, Good Reason shall be deemed not to have occurred.

N. **Incentive Option** shall mean an option which satisfies the requirements of Code Section 422.

O. **Involuntary Termination** shall mean the termination of the Service of any individual which occurs by reason of:

(1) Such individual's involuntary dismissal or discharge by the Company (or any Subsidiary) for reasons other than Misconduct, or

(2) Such individual's voluntary resignation for Good Reason.

P. **Misconduct** shall mean each of the following actions, failures and events by or affecting the Participant (as determined in the reasonable opinion of the Board): (1) breach of confidentiality, nonsolicitation or noncompetition obligations by the Participant or Participant or other material breach by the Participant of any material provision of any employment agreement to which the Participant is a party or the formed policies of the Company (or any Subsidiary) applicable to the Participant which has not been cured by the Participant within thirty (30) days after receipt by the Participant of written notice from the Company of such breach; (2) gross negligence or willful misconduct of the Participant in connection with the performance of his or her duties, or the Participant's willful refusal to perform any of her material duties or responsibilities which has not been cured by Participant within thirty (30) days after receipt by Participant of written notice from the Company of such conduct and/or refusal; (3) the Participant's misappropriation for personal use of assets or business opportunities of the Company (or any Subsidiary); (4) the Participant's embezzlement of the Company's (or any Subsidiary's) funds or property, or fraud on the part of the Participant or Participant; (5) the Participant's conviction of, or plea of no contest to, a felony or any other crime which in the Board's sole opinion renders the Participant unfit to serve the Company (or any Subsidiary) as contemplated herein; or (6) a knowing misrepresentation of a material fact made by the Participant to the Board, with the intention of misleading the Board.

Q. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended.

R. **Non-Statutory Option** shall mean an option not intended to satisfy the requirements of Code Section 422.

S. **Participant** shall mean any person to whom an Award is granted under the Plan.

T. **Plan** shall mean the Company's Amended and Restated Equity Incentive Plan, as set forth in this document.

U. **Plan Administrator** shall mean either the Board or the Committee, to the extent the Committee is at the time responsible for the administration of the Plan.

V. **Restricted Stock** shall mean shares of Common Stock that are subject to restrictions pursuant to Section III of Article Two.

W. **Service** shall mean the provision of services to the Company (or any Subsidiary) by a person in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor, except to the extent otherwise specifically provided in the documents evidencing the option grant.

X. **Stock Exchange** shall mean either the American Stock Exchange or the New York Stock Exchange.

Y. **Subsidiary** shall mean any entity (other than the Company) in an unbroken chain or entities beginning with the Company, provided each entity (other than the last entity) in the unbroken chain owns, at the time of the determination, securities possessing fifty percent (50%) or more of the total combined voting power of all classes of equity securities in one of the other entities in such chain.

Z. **10% Shareholders** shall mean the owner of stock (as determined under Code Section 424(d)) possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (or any Subsidiary).

ACCOLADE, INC.
NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following option grant (the "Option") to purchase shares of Common Stock of Accolade, Inc. (the "Company"):

Optionee:	Optionee Name
Grant Date:	Month XX, 20XX
Vesting Commencement Date:	Month XX, 20XX
Exercise Price:	$X.XX per Option Share
Number of Option Shares:	X,XXX
Expiration Date:	The 10th Anniversary of the Grant Date
Type of Option:	x Incentive Stock Option
	o Non-Statutory Stock Option
Date Exercisable:	Month XX, 20XX

Vesting Schedule: Twenty-five percent (25%) of the shares subject to the Option shall vest on the first anniversary of the date of grant, and the remainder of the shares subject to the Option shall vest in equal installments of 1/48 of the shares subject to the initial Option grant on a monthly basis thereafter over the next three years.

Optionee understands and agrees that the Option is granted subject to and in accordance with the terms of the Accolade, Inc. Amended and Restated 2007 Stock Option Plan (the "Plan"). Optionee further agrees to be bound by the terms of the Plan and the terms of the Option as set forth in the Stock Option Agreement attached hereto as Exhibit A. Optionee understands that any Option Shares purchased under the Option will be subject to the terms set forth in the Stock Purchase Agreement attached hereto as Exhibit B. Both the Company and Optionee agree and acknowledge that the Option Shares are granted solely in consideration for future services to be provided by Optionee subsequent to the date hereof.

Optionee hereby acknowledges receipt of a copy of the Plan in the form attached hereto as Exhibit C.

REPURCHASE RIGHTS. OPTIONEE HEREBY AGREES THAT ALL OPTION SHARES ACQUIRED UPON THE EXERCISE OF THE OPTION SHALL BE SUBJECT TO CERTAIN REPURCHASE RIGHTS EXERCISABLE BY THE COMPANY AND ITS ASSIGNS. THE TERMS OF SUCH RIGHTS ARE SPECIFIED IN THE ATTACHED STOCK PURCHASE AGREEMENT.

No Employment or Service Contract. Nothing in this Notice or in the attached Stock Option Agreement or Plan shall confer upon Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason, with or without cause.

Definitions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the attached Stock Option Agreement.

Dated: Month XX, 20XX

ACCOLADE, INC.

By: _____

Name: Rajeev Singh
Title: Chief Executive Officer

OPTIONEE
Optionee Name

_____

Address:

ACCOLADE, INC.
STOCK OPTION AGREEMENT

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board or the board of directors of any Subsidiary and consultants and other independent advisors who provide services to the Company (or any Subsidiary).

B. Optionee is to render valuable services to the Company (or a Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Company's grant of an option to Optionee.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix.

AGREEMENT

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Option.** The Company hereby grants to Optionee, as of the Grant Date, an option to purchase up to the number of Option Shares specified in the Grant Notice. The Option Shares shall be purchasable from time to time during the option term specified in Paragraph 2 at the Exercise Price.

2. **Option Term.** This option shall have a term of ten (10) years measured from the Grant Date and shall accordingly expire at the close of business on the Expiration Date, unless sooner terminated in accordance with Paragraph 5 or 17.

3. **Limited Transferability.** This option shall be neither transferable nor assignable by Optionee other than by will or by the laws of descent and distribution following Optionee's death and may be exercised, during Optionee's lifetime, only by Optionee.

4. **Dates of Exercise.** This option shall become exercisable for the Option Shares in one or more installments as specified in the Grant Notice. As the option becomes exercisable for such installments, those installments shall accumulate and the option shall remain exercisable for the accumulated installments until the Expiration Date or sooner termination of the option term under Paragraph 5 or 17.

5. **Cessation of Service.** The option term specified in Paragraph 2 shall terminate (and this option shall cease to be outstanding) prior to the Expiration Date should any of the following provisions become applicable:

(a) Should Optionee cease to remain in Service for any reason (other than death or Disability) while this option is outstanding, then Optionee shall have a period of forty-

five (45) days (commencing with the date of such cessation of Service) during which to exercise this option, but in no event shall this option be exercisable at any time after the Expiration Date.

(b) Should Optionee die while this option is outstanding, then the personal representative of Optionee's estate or the person or persons to whom the option is transferred pursuant to Optionee's will or in accordance with the laws of descent and distribution shall have the right to exercise this option. Such right shall lapse and this option shall cease to be outstanding upon the earlier of (i) the expiration of the one hundred eighty (180) day period measured from the date of Optionee's death or (ii) the Expiration Date.

(c) Should Optionee cease Service by reason of Disability while this option is outstanding, then Optionee shall have a period of one hundred eighty (180) days (commencing with the date of such cessation of Service) during which to exercise this option. In no event shall this option be exercisable at any time after the Expiration Date.

(d) During the limited period of post-Service exercisability, this option may not be exercised in the aggregate for more than the number of vested Option Shares for which the option is exercisable at the time of Optionee's cessation of Service. Upon the expiration of such limited exercise period or (if earlier) upon the Expiration Date, this option shall terminate and cease to be outstanding for any vested Option Shares for which the option has not been exercised. To the extent Optionee is not vested in the Option Shares at the time of Optionee's cessation of Service, this option shall immediately terminate and cease to be outstanding with respect to those shares.

(e) In the event of a Company Transaction, the provisions of Paragraph 6 shall govern the period for which this option is to remain exercisable following Optionee's cessation of Service and shall supersede any provisions to the contrary in this paragraph.

6. **Company Transaction.**

(a) In the event of any Company Transaction, this option shall be (i) assumed by the successor entity (or parent thereof) or (ii) replaced with a comparable option to purchase shares of the successor entity (or parent thereof) or with a cash incentive program of the successor entity which preserves the spread existing on the unvested option shares at the time of the Company Transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such option. However, to the extent the successor entity (or parent thereof) does not effect such assumption or replacement, this option shall automatically accelerate, and the Company's repurchase rights with respect to the Option Shares shall terminate, so that each such option shall, immediately prior to the effective date of the Company Transaction, become fully exercisable for all of the shares of Common Stock at the time subject to such option and may be exercised for any or all of those shares as fully-vested shares of Common Stock.

(b) All outstanding repurchase rights shall also be assigned to the successor entity (or parent thereof) in the event of any Company Transaction. However, to the extent the successor entity (or parent thereof) does not accept such assignment, the outstanding repurchase rights shall terminate automatically, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, upon the consummation of the Company Transaction,

except to the extent such accelerated vesting is precluded by other limitations imposed by the Plan Administrator at the time the repurchase right is issued.

(c) Immediately following the consummation of the Company Transaction, all outstanding options shall terminate and cease to be outstanding, except to the extent assumed by the successor entity (or parent thereof).

(d) If this option is assumed in connection with a Company Transaction, then this option shall be appropriately adjusted, immediately after such Company Transaction, to apply to the number and class of securities which would have been issuable to Optionee in consummation of such Company Transaction had the option been exercised immediately prior to such Company Transaction, and appropriate adjustments shall also be made to the Exercise Price, provided the aggregate Exercise Price shall remain the same.

(e) This Agreement shall not in any way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

7. **Adjustment in Option Shares.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration, appropriate adjustments shall be made to (i) the total number and/or class of securities subject to this option and (ii) the Exercise Price in order to reflect such change and thereby preclude a dilution or enlargement of benefits hereunder.

8. **Shareholder Rights.** The holder of this option shall not have any shareholder rights with respect to the Option Shares until such person shall have exercised the option, paid the Exercise Price and become a holder of record of the purchased shares and until such Option Shares have vested.

9. **Manner of Exercising Option.**

(a) In order to exercise this option with respect to all or any part of the Option Shares for which this option is at the time exercisable, Optionee (or any other person or persons exercising the option) must take the following actions:

(i) Execute and deliver to the Company a Purchase Agreement for the Option Shares for which the option is exercised.

(ii) Pay the aggregate Exercise Price for the Option Shares in cash or check made payable to the Company.

(b) Should the Common Stock be registered under Section 12(g) of the 1934 Act at the time the option is exercised, then the Exercise Price may also be paid as follows:

(i) in shares of Common Stock held by Optionee (or any other person or persons exercising the option) for the requisite period necessary

to avoid a charge to the Company's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date; or

(ii) to the extent the option is exercised for vested Option Shares, through a special sale and remittance procedure pursuant to which Optionee (or any other person or persons exercising the option) shall concurrently provide irrevocable written instructions (a) to a Company-designated brokerage firm to effect the immediate sale of the purchased shares and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased shares plus all applicable Federal, state and local income and employment taxes required to be withheld by the Company by reason of such exercise and (b) to the Company to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale.

(c) Except to the extent the sale and remittance procedure is utilized in connection with the option exercise, payment of the Exercise Price must accompany the Purchase Agreement delivered to the Company in connection with the option exercise and the Optionee must:

(i) Furnish to the Company appropriate documentation that the person or persons exercising the option (if other than Optionee) have the right to exercise this option.

(ii) execute and deliver to the Company such written representations as may be requested by the Company in order for it to comply with the applicable requirements of Federal and state securities laws.

(iii) make appropriate arrangements with the Company (or Subsidiary employing or retaining Optionee) for the satisfaction of all Federal, state and local income and employment tax withholding requirements applicable to the option exercise.

(d) As soon as practical after the Exercise Date, the Company shall issue to or on behalf of Optionee (or any other person or persons exercising this option) a certificate for the purchased Option Shares, with the appropriate legends affixed thereto.

(e) In no event may this option be exercised for any fractional shares.

10. **REPURCHASE RIGHTS.** ALL OPTION SHARES ACQUIRED UPON THE EXERCISE OF THIS OPTION SHALL BE SUBJECT TO CERTAIN RIGHTS OF THE COMPANY AND ITS ASSIGNS TO REPURCHASE THOSE SHARES IN ACCORDANCE WITH THE TERMS SPECIFIED IN THE PURCHASE AGREEMENT.

11. **Compliance with Laws and Regulations.**

(a) The exercise of this option and the issuance of the Option Shares upon such exercise shall be subject to compliance by the Company and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange (or the Nasdaq National Market, if applicable) on which the Common Stock may be listed for trading at the time of such exercise and issuance.

(b) The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Common Stock pursuant to this option shall relieve the Company of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. The Company, however, shall use its best efforts to obtain all such approvals.

12. **Successors and Assigns.** Except to the extent otherwise provided in Paragraphs 3 and 6, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and Optionee, Optionee's assigns and the legal representatives, heirs and legatees of Optionee's estate.

13. **Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated below Optionee's signature line on the Grant Notice. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

14. **Financing.** The Plan Administrator may, in its absolute discretion and without any obligation to do so, permit Optionee to pay the Exercise Price for the purchased Option Shares by delivering a promissory note that constitutes valid consideration under applicable state law. The terms of any such promissory note (including the interest rate, the requirements for collateral and the terms of repayment) shall be established by the Plan Administrator in its sole discretion.

15. **Construction.** This Agreement and the option evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this option.

16. **Governing Law**. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without resort to that State's conflict-of-laws rules.

17. **Shareholder Approval.**

(a) The grant of this option is subject to approval of the Plan by the Company's shareholders within twelve (12) months after the adoption of the Plan by the Board. Notwithstanding any provision of this Agreement to the contrary, this option may not be exercised in whole or in part until such shareholder approval is obtained. In the event that such shareholder approval is not obtained, then this option shall terminate in its entirety and Optionee shall have no further rights to acquire any Option Shares hereunder.

(b) If the Option Shares covered by this Agreement exceed, as of the Grant Date, the number of shares of Common Stock which may without shareholder approval be issued under the Plan, then this option shall be void with respect to such excess shares, unless shareholder approval of an amendment sufficiently increasing the number of shares of Common Stock issuable under the Plan is obtained in accordance with the provisions of the Plan.

18. **Additional Terms Applicable to an Incentive Option.** In the event this option is designated an Incentive Option in the Grant Notice, the following terms and conditions shall also apply to the grant:

(a) This option shall cease to qualify for favorable tax treatment as an Incentive Option if (and to the extent) this option is exercised for one or more Option Shares: (i) more than three (3) months after the date Optionee ceases to be an Employee for any reason other than death or Disability or (ii) more than twelve (12) months after the date Optionee ceases to be an Employee by reason of Disability.

(b) This option shall not become exercisable in the calendar year in which granted if (and to the extent) the aggregate Fair Market Value (determined at the Grant Date) of the Common Stock for which this option would otherwise first become exercisable in such calendar year would, when added to the aggregate value (determined as of the respective date or dates of grant) of the Common Stock and any other securities for which one or more other Incentive Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Company or any Subsidiary) first become exercisable during the same calendar year, exceed One Hundred Thousand Dollars ($100,000) in the aggregate. To the extent the exercisability of this option is deferred by reason of the foregoing limitation, the deferred portion shall become exercisable in the first calendar year or years thereafter in which the One Hundred Thousand Dollar ($100,000) limitation of this Paragraph 18(b) would not be contravened, but such deferral shall in all events end immediately prior to the effective date of a Company Transaction in which this option is not to be assumed, whereupon the option shall become immediately exercisable as a Non-Statutory Option for the deferred portion of the Option Shares.

(c) Should Optionee hold, in addition to this option, one or more other options to purchase Common Stock which become exercisable for the first time in the same calendar year as this option, then the foregoing limitations on the exercisability of such options as Incentive Options shall be applied on the basis of the order in which such options are granted.

APPENDIX

The following definitions shall be effect under the Agreement:

A. **Agreement** shall mean this Option Agreement.

B. **Board** shall mean the Company's Board of Directors.

C. **Code** shall mean the Internal Revenue Code of 1986, as amended.

D. **Common Stock** shall mean shares of the Company's common stock, par value $0.0001 per share.

E. **Company Transaction** shall mean any of the following transactions:

1. Any "person," as such term is used in Sections 13(d) and 14(d) of the 1934 Act (other than Accretive II, L.P., any of its affiliates, the Company or any Subsidiary, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any Subsidiary), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the 1934 Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of either (a) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board or (b) the then outstanding shares of Common Stock on an as converted basis; or

2. The stockholders of the Company shall approve (a) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, shares representing in the aggregate more than fifty percent (50%) of the voting shares of the Company or the acquirer issuing cash or securities in the consolidation or merger (or of its ultimate parent company, if any), (b) any sale, lease, exclusive license, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (c) any plan or proposal for the liquidation or dissolution of the Company.

F. **Company** shall mean Accolade, Inc., a Delaware corporation.

G. **Disability** shall mean that if, as a result of the Optionee's incapacity due to physical or mental illness, Optionee shall have been absent from his duties with the Company on a full-time basis for three (3) consecutive months or an aggregate of 120 days in any twenty-four month period, and within thirty (30) days after written notice of termination is given, Optionee shall not have returned to the full-time performance of Optionee's duties.

H. **Employee** shall mean an individual who is in the employ of the Company (or any Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

I. **Exercise Date** shall mean the date on which the option shall have been exercised in accordance with Paragraph 9 of the Agreement.

J. **Exercise Price** shall mean the exercise price per share as specified in the Grant Notice.

K. **Expiration Date** shall mean the date on which the option expires as specified in the Grant Notice.

L. **Fair Market Value** per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

1. If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as the price is reported by the National Association of Securities Dealers on the Nasdaq National Market or any successor system. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

2. If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

3. If the Common Stock is at the time neither listed on any Stock Exchange nor traded on the Nasdaq National Market, then the Fair Market Value shall be determined by the Plan Administrator after taking into account such factors as the Plan Administrator shall deem appropriate.

M. **Grant Date** shall mean the date of grant of the option as specified in the Grant Notice.

N. **Grant Notice** shall mean the Notice of Grant of Stock Option accompanying the Agreement, pursuant to which Optionee has been informed of the basic terms of the option evidenced hereby.

O. **Incentive Option** shall mean an option which satisfies the requirements of Code Section 422.

P. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended.

Q. **Non-Statutory Option** shall mean an option not intended to satisfy the requirements of Code Section 422.

R. **Option Shares** shall mean the number of shares of Common Stock subject to the option.

S. **Optionee** shall mean the person to whom the option is granted as specified in the Grant Notice.

T. **Plan** shall mean the Company's Amended and Restated 2007 Stock Option Plan.

U. **Plan Administrator** shall mean either the Board or a committee of Board members, to the extent the committee is at the time responsible for the administration of the Plan.

V. **Purchase Agreement** shall mean the stock purchase agreement in substantially the form of Exhibit B to the Grant Notice.

W. **Service** shall mean the Optionee's performance of services for the Company (or any Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor.

X. **Stock Exchange** shall mean the American Stock Exchange or the New York Stock Exchange.

Y. **Subsidiary** shall mean any entity (other than the Company) in an unbroken chain of entities beginning with the Company, provided each entity (other than the last entity) in the unbroken chain owns, at the time of the determination, securities possessing fifty percent (50%) or more of the total combined voting power of all classes of equity securities in one of the other entities in such chain.

Exhibit B

ACCOLADE, INC.

STOCK PURCHASE AGREEMENT

(FULLY VESTED OPTION EXERCISES)

This STOCK PURCHASE AGREEMENT (this "Agreement") is made as of this day of , 20 by and among Accolade, Inc., a Delaware corporation, and , an individual ("Optionee").

All capitalized terms in this Agreement shall have the meaning assigned to them in this Agreement or in the attached Appendix.

A. EXERCISE OF OPTION

1. Exercise. Optionee hereby purchases shares of Common Stock (the "Purchased Shares") pursuant to that certain option (the "Option") granted Optionee on the day of , (the "Grant Date") to purchase up to shares of Common Stock under the Plan (the "Purchased Shares") at the exercise price of $ per share (the "Exercise Price").

2. Payment. Concurrently with the delivery of this Agreement to the Company, Optionee shall pay the Exercise Price for the Purchased Shares in accordance with the provisions of the Option Agreement and shall deliver whatever additional documents may be required by the Option Agreement as a condition for exercise.

3. Shareholder Rights. Until such time as the Company exercises the Repurchase Right, Optionee (or any successor in interest) shall have all the rights of a shareholder (including dividend, liquidation and voting rights) with respect to the Purchased Shares, subject, however, to the transfer restrictions of Articles B and C.

B. SECURITIES LAW COMPLIANCE

1. Restricted Securities. The Purchased Shares have not been registered under the 1933 Act and are being issued to Optionee in reliance upon the exemption from such registration provided by SEC Rule 701 for securities issuances under compensatory benefit plans such as the Plan. Optionee hereby confirms that Optionee has been informed that the Purchased Shares are restricted securities under the 1933 Act and may not be resold or transferred unless the Purchased Shares are first registered under the Federal securities laws or unless an exemption from such registration is available. Accordingly, Optionee hereby acknowledges that Optionee is prepared to hold the Purchased Shares for an indefinite period and that Optionee is aware that SEC Rule 144 issued under the 1933 Act which exempts certain resales of unrestricted securities is not presently available to exempt the resale of the Purchased Shares from the registration requirements of the 1933 Act.

2. Restrictions on Disposition of Purchased Shares. Optionee shall make no disposition of the Purchased Shares (other than a Permitted Transfer) unless and until there is compliance with all of the following requirements:

(a) Optionee shall have provided the Company with a written summary of the terms and conditions of the proposed disposition.

(b) Optionee shall have complied with all requirements of this Agreement applicable to the disposition of the Purchased Shares.

(c) Optionee shall have complied with all requirements of the Right of First Refusal and Co-Sale Agreement dated as of June 14, 2010, as amended and/or restated from time to time applicable to the disposition of the Purchased Shares.

(d) Optionee shall have provided the Company with written assurances, in form and substance satisfactory to the Company, that (i) the proposed disposition does not require registration of the Purchased Shares under the 1933 Act or (ii) all appropriate action necessary for compliance with the registration requirements of the 1933 Act or any exemption from registration available under the 1933 Act (including Rule 144) has been taken.

The Company shall not be required (i) to transfer on its books any Purchased Shares which have been sold or transferred in violation of the provisions of this Agreement or (ii) to treat as the owner of the Purchased Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom the Purchased Shares have been transferred in contravention of this Agreement.

3. Restrictive Legends. The stock certificates for the Purchased Shares shall be endorsed with the following restrictive legends:

(a) "The securities represented by this Certificate have not been registered under the Securities Act of 1933 or any other securities laws. These securities may not be sold, retransferred or otherwise disposed of in the absence of (1) an effective registration statement covering such securities under the Securities Act of 1933 and any other applicable securities laws, or (2) an opinion of counsel reasonably satisfactory to the Company that registration is not required."

(b) "The voting and sale, transfer, hypothecation, negotiation, pledge, assignment, encumbrance, or other disposition of this share certificate and the shares of Common Stock of the Company represented hereby are restricted by and are subject to all of the terms, conditions and provisions of a Stock Purchase Agreement. The shares of Common Stock of the Company represented by this Certificate are also subject to repurchase obligations under such Agreement. A copy of such Agreement may be obtained by appropriate parties upon written request to the Secretary of the Company."

C. TRANSFER RESTRICTIONS

1. Restriction on Transfer. Except for any Permitted Transfer, Optionee shall not transfer, assign, encumber or otherwise dispose of any of the Purchased Shares without the consent of the Board (which may be granted or withheld in its absolute discretion).

2. Transferee Obligations. Each person (other than the Company) to whom the Purchased Shares are transferred by means of a Permitted Transfer must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that such person is bound by the provisions of this Agreement and that the transferred shares are subject to (i) the Repurchase Right, and (ii) the transfer restrictions contained in this Article C

(including the Market Stand-Off), to the same extent such shares would be so subject if retained by Optionee.

3. Approved Sale. If at any time after the date of this Agreement the Board approves a Company Transaction (an "Approved Sale"), Owner will consent to and agrees to raise no objections against, such Approved Sale. If the Approved Sale is structured as a (i) merger or consolidation, Owner will waive any dissenter's rights, appraisal rights or similar rights in connection with such merger or consolidation or (ii) a sale of stock (including by recapitalization, consolidation, reorganization, combination or otherwise), Owner will agree to sell all of the Purchased Shares and all other securities of the Company held by him on the terms and conditions approved by the Board. Owner will take all necessary or desirable actions (including the exercise of options and warrants) and execute and deliver all documents in connection with consummation of the Approved Sale as requested by the Board. The proceeds of any Approved Sale will be distributed in accordance with the applicable provisions of the Company's Certificate of Incorporation. Owner will join in any indemnification or other obligations undertaken by the sellers of the Owner's outstanding capital stock in connection with any Approved Sale; provided, that Owner shall not be liable or obligated for any amount in excess of the net proceeds received by Owner in connection with the Approved Sale. In connection with any Approved Sale, Owner hereby appoints the Secretary of the Company as its true and lawful proxy and attorney in fact, with full power of substitution, to transfer Owner's Purchased Shares and other securities pursuant to the terms of such Approved Sale and to execute any purchase agreement or other documentation required in connection therewith. The powers granted herein shall be deemed to be coupled with an interest, shall be irrevocable and shall survive the death or incompetency of Owner.

4. Market Stand-Off.

(a) In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the 1933 Act, including the Company's initial public offering, Owner shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to, any Purchased Shares without the prior written consent of the Company or its underwriters. Such restriction (the "Market Stand-Off") shall be in effect for such period of time from and after the effective date of the final prospectus for the offering as may be requested by the Company or such underwriters. In no event, however, shall such period exceed one hundred eighty (180) days.

(b) Owner shall be subject to the Market Stand-Off provided and only if the officers and directors of the Company are also subject to similar restrictions.

(c) Any new, substituted or additional securities which are by reason of any Recapitalization or Reorganization distributed with respect to the Purchased Shares shall be immediately subject to the Market Stand-Off, to the same extent the Purchased Shares are at such time covered by such provisions.

(d) In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Purchased Shares until the end of the applicable stand-off period.

D. REPURCHASE RIGHT

1. Grant. The Company is hereby granted the right (the "Repurchase Right"), exercisable at any time during the three hundred sixty-five (365) day period following the date Optionee ceases for any reason to remain in Service, to repurchase at the Fair Market Value all or any portion of the Purchased Shares.

2. Exercise of the Repurchase Right. The Repurchase Right shall be exercisable by written notice delivered to each Owner of the Purchased Shares prior to the expiration of the three hundred sixty five (365) day exercise period. The notice shall indicate the number of Purchased Shares to be repurchased and the date on which the repurchase is to be effected, such date to be not more than thirty (30) days after the date of such notice. The certificates representing the Purchased Shares to be repurchased shall be delivered to the Company prior to the close of business on the date specified for the repurchase. Concurrently with the receipt of such certificates, the Company shall pay to Owner, in cash or cash equivalents (including the cancellation of any purchase-money indebtedness), an amount equal to the Fair Market Value of any Purchased Shares which are to be repurchased from Owner.

3. Termination of the Repurchase Right. The Repurchase Right shall terminate with respect to any Purchased Shares for which it is not timely exercised under Article D.2. All Purchased Shares as to which the Repurchase Right lapses shall, however, remain subject to the transfer restrictions contained in Article C (including the Market Stand-Off).

4. Aggregate Vesting Limitation. If the Option is exercised in more than one increment so that Optionee is a party to one or more other Stock Purchase Agreements (the "Prior Purchase Agreements") which are executed prior to the date of this Agreement, then the total number of Purchased Shares as to which Optionee shall be deemed to have a fully-vested interest under this Agreement and all Prior Purchase Agreements shall not exceed in the aggregate the number of Purchased Shares in which Optionee would otherwise at the time be vested, in accordance with the Vesting Schedule, had all the Purchased Shares (including those acquired under the Prior Purchase Agreements) been acquired exclusively under this Agreement.

5. Recapitalization. Any new, substituted or additional securities or other property (including cash paid other than as a regular cash dividend) which is by reason of any Recapitalization distributed with respect to any Purchased Shares shall be immediately subject to the Repurchase Right, but only to the extent the Purchased Shares are at the time covered by such right. Appropriate adjustments to reflect such distribution shall be made to the number and/or class of Purchased Shares subject to this Agreement and to the price per share to be paid upon the exercise of the Repurchase Right in order to reflect the effect of any such Recapitalization upon the Company's capital structure; provided, however, that the aggregate purchase price shall remain the same.

6. Company Transaction.

(a) The Repurchase Right shall be assigned to the successor entity in any Company Transaction. However, to the extent the successor entity does not accept such assignment, the Repurchase Right shall lapse immediately prior to the consummation of the Company Transaction.

(b) To the extent the Repurchase Right remains in effect following a Company Transaction, such right shall apply to the new capital stock or other property (including any cash payments) received in exchange for the Purchased Shares in consummation of the Company Transaction, but only to the extent the Purchased Shares are at the time covered by such right. Appropriate adjustments shall be made to the price per share payable upon exercise of the Repurchase Right to reflect the effect of the Company Transaction upon the Company's capital structure; provided, however, that the aggregate purchase price shall remain the same.

E. TAX DISCLAIMER

1. The acquisition of the Purchased Shares may result in adverse tax consequences. OPTIONEE SHOULD CONSULT WITH HIS OR HER TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES OF ACQUIRING THE PURCHASED SHARES. OPTIONEE ACKNOWLEDGES THAT IT IS OPTIONEE'S SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO OBTAIN SUCH TAX ADVICE AND COMPANY WILL NOT BE LIABLE FOR ANY TAX THAT MAY BE OWED BY OPTIONEE RESULTING FROM ACQUISITION OF THE PURCHASED SHARES GENERAL PROVISIONS.

F. GENERAL PROVISIONS

1. Assignment.

(a) The Company may assign the Repurchase Right to any person or entity selected by the Board, including (without limitation) one or more shareholders of the Company.

(b) If the assignee of the Repurchase Right is other than (i) a wholly owned subsidiary of the Company or (ii) the parent company owning one hundred percent (100%) of the Company's outstanding capital stock, then such assignee must make a cash payment to the Company, upon the assignment of the Repurchase Right, in an amount equal to the excess (if any) of (i) the Fair Market Value of the Purchased Shares at the time subject to the assigned Repurchase Right over (ii) the aggregate repurchase price payable for the Purchased Shares.

2. No Employment or Service Contract. Nothing in this Agreement or in the Plan shall confer upon Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason, with or without cause.

3. Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the address indicated below such party's signature line on this Agreement or at such other address at such party may designate by ten (10) days advance written notice under this paragraph to all other parties to this Agreement.

4. No Waiver. The failure of the Company in any instance to exercise the Repurchase Right shall not constitute a waiver of any other repurchase rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Optionee or Optionee's spouse. No waiver of any breach or condition of this Agreement shall be

deemed to be a waiver of any other or subsequent breach or condition, whether of like or different nature.

5. Cancellation of Shares. If the Company shall make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Purchased Shares to be repurchased in accordance with the provisions of this Agreement, then from and after such time, the person from whom such shares are to be repurchased shall no longer have any rights as a holder of such shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such shares shall be deemed purchased in accordance with the applicable provisions hereof, and the Company shall be deemed the owner and holder of such shares, whether or not the certificates therefor have been delivered as required by this Agreement.

6. Escrow. In order to enable the Company to exercise the Repurchase Right, certificates for the Purchased Shares (together with an appropriate assignment in blank) shall be deposited and held in escrow with the Company and released within 30 days after termination of the Repurchase Right or surrendered upon exercise thereof by the Company.

G. MISCELLANEOUS PROVISIONS

1. Optionee Undertaking. Optionee hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either Optionee or the Purchased Shares pursuant to the provisions of this Agreement.

2. Agreement is Entire Contract. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without resort to that State’s conflict- of-laws rules.

4. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

5. Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns an upon Optionee, Optionee’s permitted assigns and the legal representatives, heirs and legatees of Optionee’s estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

ACCOLADE, INC.

By: _____
Name:
Title:

OPTIONEE

By: _____
Name:
Title:

The following definitions shall be effect under the Agreement:

A. Agreement shall mean this Stock Purchase Agreement.

B. Board shall mean the Company's Board of Directors.

C. Code shall mean the Internal Revenue Code of 1986, as amended.

D. Common Stock shall mean shares of the Company's common stock, par value $0.0001 per share.

E. Company Transaction shall mean and include any of the following transactions:

(a) a transaction or series of related transactions involving the Company, or its securities, whether by merger, consolidation, purchase of shares of capital stock or other reorganization or combination or otherwise, in which the beneficial holders of the Company's outstanding shares of capital stock immediately prior to such transaction cease to own, immediately after such transaction (in substantially the same proportions to one another as immediately prior to such transaction), securities representing at least fifty percent (50%) of the voting power of the entity surviving such transaction, or its ultimate parent entity, if any, in the same classes, series and amounts (excluding the issuances of shares of capital stock by the Company to third-party investors in bona fide financing transactions) or (b) the closing of any of the following transactions: (i) any sale, lease, exclusive license, exchange or other transfer (in one (1) transaction or a series of related transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (iii) any plan or proposal for the liquidation or dissolution of the Company.

F. Company shall mean Accolade, Inc., a Delaware corporation.

G. Disability shall mean that if, as a result of Optionee's incapacity due to physical or mental illness, Optionee shall have been absent from his duties with the Company on a full-time basis for three (3) consecutive months or an aggregate of 120 days in any twenty-four month period, and within thirty (30) days after written notice of termination is given, Optionee shall not have returned to the full-time performance of Optionee's duties.

H. Exercise Price shall have the meaning assigned to such term in Article A.1.

I. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

1. If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as the price is reported by the National Association of Securities Dealers on the Nasdaq National Market or any successor system. If there is no closing selling price for the Common Stock

on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

2. If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

3. If the Common Stock is at the time neither listed on any Stock Exchange nor traded on the Nasdaq National Market, then the Fair Market Value shall be determined by the Plan Administrator after taking into account such factors as the Plan Administrator shall deem appropriate.

J. Grant Date shall have the meaning assigned to such term in Article A. 1.

K. Grant Notice shall mean the Notice of Grant of Stock Option pursuant to which Optionee has been informed of the basic terms of the Option.

L. Incentive Option shall mean an option which satisfies the requirements of Code Section 422.

M. Market Stand-Off shall mean the market stand-off restriction specified in Article C.3.

N. 1933 Act shall mean the Securities Act of 1933, as amended.

O. Non-Statutory Option shall mean an option not intended to satisfy the requirements of Code Section 422.

P. Option shall have the meaning assigned to such term in Article A. 1.

Q. Option Agreement shall mean all agreements and other documents evidencing the Option.

R. Optionee shall mean the person to whom the Option is granted under the Plan.

S. Owner shall mean Optionee and all subsequent holders of the Purchased Shares who derive their claim of ownership through a Permitted Transfer from Optionee.

T. Permitted Transfer shall mean (i) a gratuitous transfer of the Purchased Shares, provided and only if (A) Optionee obtains the Company's prior written consent to such transfer, (B) prior to the completion of the transfer the transferee shall have executed documents assuming the obligations of the Optionee under this Agreement with respect to the transferred securities and (C) prior to the completion of the transfer the transferee shall have executed an irrevocable proxy appointing the transferring Optionee as the transferee's proxy and giving the transferring Optionee full power of substitution to vote all of the shares transferred pursuant to a gratuitous transfer, (ii) a transfer of title to the Purchased Shares effected pursuant to Optionee's will or the laws of intestate succession following Optionee's death or (iii) a transfer to the Company in

pledge as security for any purchase-money indebtedness incurred by Optionee in connection with the acquisition of the Purchased Shares.

U. Plan shall mean the Company's Amended and Restated 2007 Stock Option Plan.

V. Plan Administrator shall mean either the Board or a committee of Board members, to the extent the committee is at the time responsible for administration of the Plan.

W. Prior Purchase Agreement shall have the meaning assigned to such term in Article IV.4.

X. Purchased Shares shall have the meaning assigned to such term in Article A. 1.

Y. Recapitalization shall mean any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock as a class without the Company's receipt of consideration.

Z. Reorganization shall mean any of the following transactions:

1. a merger or consolidation in which the Company is not the surviving entity,

2. a sale, transfer or other disposition of all or substantially all of the Company's assets,

3. a reverse merger in which the Company is the surviving entity but in which the Company's outstanding voting securities are transferred in whole or in part to a person or persons different from the persons holding those securities immediately prior to the merger, or

4. any transaction effected primarily to change the state in which the Company is incorporated or to create a holding company structure.

AA. Repurchase Right shall mean the right granted to the Company in accordance with Article D.

BB. SEC shall mean the Securities and Exchange Commission.

CC. Service shall mean the provision of services to the Company (or any Subsidiary) by a person in the capacity of an employee, subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance, a non-employee member of the board of directors or a consultant or independent advisor.

DD. Subsidiary shall mean any entity (other than the Company) in an unbroken chain of entities beginning with the Company, provided each entity (other than the last entity) in the unbroken chain owns, at the time of the determination, securities possessing fifty percent (50%) or more of the total combined voting power of all classes of equity securities in one of the other entities in such chain.

EE. Vesting Schedule shall mean the vesting schedule specified in the Plan or in the Grant Notice.

Exhibit 10.8

EXECUTION VERSION

THIS LOAN AND SECURITY AGREEMENT IS SUBJECT TO THE TERMS OF A SUBORDINATION AND INTERCREDITOR AGREEMENT AMONG COMERICA BANK, BORROWER, AND LENDER DATED AS OF JANUARY 30, 2017, AS SUCH SUBORDINATION AND INTERCREDITOR AGREEMENT MAY BE AMENDED, RESTATED, REPLACED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME.

LOAN AND SECURITY AGREEMENT

Dated as of January 30, 2017

by and between

ESCALATE CAPITAL PARTNERS SBIC III, LP,

as Lender

and

ACCOLADE, INC.,

as Borrower

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LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT, dated as of January 30, 2017 (this "***Loan Agreement***"), is entered into by and between ACCOLADE, INC., a Delaware corporation ("***Borrower***") and ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership (together with its successors and assigns, "***Lender***"). All capitalized terms used herein and not otherwise defined shall have the meanings provided in Section 13 hereof.

In consideration of the covenants, conditions and agreements set forth herein and intending to be legally bound, the parties hereto hereby agree as follows:

1. THE LOAN.

1.1 Commitment. Subject to the terms and conditions of this Loan Agreement, Lender agrees (the "***Commitment***") to advance to Borrower term loans in the aggregate principal amount of up to Twenty Million Dollars ($20,000,000) (the "***Commitment Amount***") as follows: (i) on the date hereof, a term loan (the "***Initial Advance***") in an aggregate original principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000), such Initial Advance to be advanced in connection with the payoff of the amounts owing under the Prior Facility, as further detailed in the Payoff Letter, and (ii) subject to satisfaction of the conditions set forth in Section 2.3, at any time on or before December 31, 2018 (the ***"Funding Termination Date"***), Lender agrees to advance one or more additional term loans to Borrower in the aggregate principal amount of up to Twelve Million Five Hundred Thousand Dollars ($12,500,000) (each an "***Incremental Advance***" and collectively, the "***Incremental Advances***", and the Incremental Advances, together with the Initial Advance, individually and collectively, the "***Advances***"). Each Incremental Advance shall not be in an amount of less than One Million Dollars ($1,000,000). Each Advance shall be made in accordance with and subject to the applicable provisions of Section 2 hereof. The date of the Initial Advance is referred to herein as the "***Initial Closing Date***" and the date of each Incremental Advance is referred to herein as an "***Incremental Closing Date***." Each of the Initial Closing Date and each Incremental Closing Date shall be referred to as a "***Closing Date***."

1.2 Interest, Payments and Payment Terms.

(a) Interest. Interest shall accrue on the unpaid principal amount of the Advances outstanding from time to time at a rate equal to 11.75% per annum (the "***Interest Rate***"). The Lender's determination of the amount of the Advances outstanding at any time shall be conclusive and binding, absent manifest error. Interest on the outstanding principal amount of the Advances will be computed on the basis of a year of 360 days and the actual number of days elapsed.

(b) Payments of Interest. Borrower shall pay accrued and unpaid interest on the Advances, monthly in arrears on the last business day of each calendar month, commencing on January 31, 2017 pursuant to Section 1.2(a). In addition, accrued and unpaid interest shall be payable on the maturity of the Advances, whether by acceleration or otherwise, and on the date of any prepayment (with respect to the amount prepaid).

(c) Payments of Principal.

(i) Borrower shall repay to Lender the outstanding principal balance of the Advances in equal monthly payments, each payable on the last business day of each calendar month, commencing on January 31, 2019; provided, however, Borrower, upon providing written notice to Lender on or before December 31, 2018, may elect to extend the principal commencement date to January 31, 2020 (the "***Principal Commencement Date***"), with each such payment in an amount equal to the aggregate principal amount of the outstanding Advances as of the Principal Commencement Date divided by twenty-four (24).

(ii) Each monthly repayment of principal pursuant to Section 1.2(c)(i) shall be made together with payment of (x) all accrued and unpaid interest on the then outstanding principal amount of the Advances and (y) all fees, expenses and other amounts outstanding and then due hereunder and under the other Transaction Documents.

(iii) The entire outstanding principal balance of the Advances, all accrued and unpaid interest thereon, and all fees, expenses and other amounts outstanding hereunder and under the other Transaction Documents shall be immediately due and payable on the earlier to occur of (1) an Event of Default consisting of an Insolvency Event, or (2) the date of a Change of Control, or (3) December 31, 2020; or, if Borrower elects to extend the Principal Commencement Date to January 31, 2020, in accordance with Section 1.2(c)(i), December 31, 2021 (the "***Maturity Date***").

(d) Application of Payments; No Reborrowing. All payments shall be applied first to fees and expenses, then to interest, and then to principal. Once repaid, no amount of the Advance may be reborrowed hereunder.

(e) Prepayment. Borrower may prepay the Advances (or any portion thereof) with no premium or penalty upon not less than five (5) business days prior written notice to Lender. Prior to the occurrence of an Event of Default, any prepayment of Advances shall be applied to the remaining principal installments of the Advances on a pro rata basis.

(f) Place and Manner. Borrower shall make all payments due to Lender in lawful money of the United States, in immediately available funds, without set-off, deduction or counterclaim. Unless otherwise agreed by Lender, Lender shall debit Borrower's Deposit Account set forth in the Authorization Agreement for principal and interest payments due with respect to the Advances or any other amounts due to Lender. Borrower shall notify Lender promptly upon the opening of any new Deposit Accounts or the closing of, change of account number for, or modification of any existing Deposit Accounts, and shall provide to Lender the account numbers and other information, and at all times provide to the financial institution at

which the deposit accounts are held the instructions and authorizations, necessary for Lender to debit Borrower's Deposit Accounts as provided in this Section 1.2(f).

(g) Default Rate and Maximum Rate. Subject to the Act, if any amounts required to be paid by Borrower under this Loan Agreement or the other Transaction Documents (including, without limitation, principal or interest payable on the Advances, any fees or other amounts) remain unpaid after such amounts are due and such failure to pay continues for three (3) business days, then Borrower shall pay interest on the aggregate, outstanding principal balance hereunder from such date until such past due amounts are paid in full, at a per annum rate (the "***Default Rate***") equal to the applicable per annum interest rate under this Loan Agreement, plus three percent (3%) per annum. The provision in this clause (g) for default interest shall not be construed as Lender's consent to Borrower's failure to pay any amounts in strict accordance with this Loan Agreement or the other Transaction Documents and Lender's acceptance of any such payments shall not restrict Lender's exercise of any remedies arising out of any such failure. All computations of default interest shall be based on a year of 360 days and actual days elapsed.

(h) SBA Cost of Money Limitation. The sum of (i) the Interest Rate paid by the Borrower to Lender and (ii) all other consideration paid by the Borrower to Lender pursuant to the Note and any other provision of this Loan Agreement that constitutes Cost of Money, shall not exceed, with respect to Lender, the ceiling for the Cost of Money that is applicable to the Note pursuant to the Act. Any payment to Lender of the Default Rate or other consideration pursuant to this Loan Agreement that results in the Cost of Money for the Note being in excess of the applicable ceiling for the Cost of Money for the Note shall be considered an error and such excess amount shall be returned to the Borrower.

(i) Repayment Pursuant to Minimum EMRR. In the event that the aggregate amount of the Advances outstanding at the reporting date exceeds Minimum Eligible Monthly Recurring Revenue, Borrower shall have five (5) business days from the reporting date to repay that portion of the Advances that exceeds the Minimum Eligible Monthly Recurring Revenue. Borrower's failure to repay in accordance with this Section 1.2(i) shall be an Event of Default. For the avoidance of doubt, the "reporting date" shall be thirty (30) days after the last day of each calendar month.

1.3 Fees. The Borrower shall pay to EC Management Services, Inc., an Affiliate of Lender, (a) a facility fee in the amount of $200,000 (the "***Closing and Arrangement Fee***") on the Initial Closing Date, (b) on the earlier to occur of the Maturity Date or the date the Obligations are repaid in full, a facility fee equal to the greater of (i) $160,000 or (ii) 1.00% of the aggregate amount of Advances funded pursuant to this Loan Agreement (the "***Aggregate Facility Fee***"), and (c) upon Borrower's election to extend the Principal Commencement Date to January 31, 2020 in accordance with Section 1.2(c)(i), a facility fee in the amount of 1.00% of the aggregate amount of Advances funded pursuant to this Loan Agreement (the "***Principal Extension Facility Fee***" and together with the Closing and Arrangement Fee and the Aggregate Facility Fee, the "***Facility Fees***").

1.4 Lender's Expenses. Borrower agrees to pay to Lender (i) on the Initial Closing Date, all costs and expenses (not to exceed $35,000) of Lender, including reasonable attorneys'

fees and expenses, incurred in connection with the preparation, negotiation, and closing of the Transaction Documents through such Initial Closing Date, and (ii) after the Initial Closing Date, all costs and expenses (including reasonable and documented attorneys' fees and expenses) of Lender as and when they become due, incurred in connection with the preparation, negotiation, and administration of the Transaction Documents; Collateral audit fees; and Lender's documented attorneys' fees and expenses incurred in amending, enforcing or defending the Transaction Documents (including fees and expenses of appeal) incurred before, during and after an Insolvency Event, whether or not suit is brought.

2. CLOSING

2.1 Conditions to Funding the Initial Advance. As a condition to the obligation of Lender to fund the Initial Advance, Lender shall have received, in connection with the closing of the Initial Advance, on or before the Initial Closing Date, in form and substance satisfactory to Lender:

(a) This Loan Agreement, duly executed by Borrower;

(b) An Authorization Agreement in the form attached hereto as **Exhibit A**, duly executed by Borrower;

(c) A Secured Promissory Note issued to Lender ("***Note***") in the form attached hereto as **Exhibit B**, in the aggregate original principal amount of up to Twenty Million Dollars ($20,000,000);

(d) An officer's certificate of Borrower, certifying copies of: (A) the operative formation documents, amended as of the date of this Loan Agreement as necessary, certified by the Secretary of State (or equivalent) of the applicable jurisdiction of organization, and bylaws (or equivalent) of such Person (as amended to the date of this Loan Agreement, as necessary), (B) the resolutions adopted by such Person's board of directors, members, manager or other applicable governing body authorizing the transactions contemplated hereby and the documents being executed in connection therewith, substantially in the form attached hereto as **Exhibit C**, (C) the incumbency of the officers, member or managers executing this Loan Agreement and the other Transaction Documents on behalf of such Person, and (D) certificates of existence and good standing (including tax status, if available) with respect to such Person from its jurisdiction of organization and each foreign jurisdiction in which it is authorized to do business, as of a date acceptable to Lender, except as to any such foreign jurisdiction where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect;

(e) All consents (in form and substance reasonably satisfactory to Lender) of each of Borrower's board of directors, and stockholders, and all material consents of any other material third parties necessary in connection with such Person's execution, delivery and performance of this Loan Agreement and the other Transaction Documents and the transactions contemplated thereby;

(f) The Warrant to Purchase Common Stock in favor of Lender (the "***Warrant***"), in the form attached hereto as **Exhibit D-1**, duly executed by Borrower;

(g) The Second Amended and Restated Warrant to Purchase Common Stock in favor of Lender (the "***Second A&R Warrant***"), in the form attached hereto as **Exhibit D-2**, duly executed by Borrower;

(h) An Intellectual Property Security Agreement in the form attached hereto as **Exhibit E**, duly executed by Borrower;

(i) Borrower shall have delivered evidence of its insurance as required by Section 5.8 of this Loan Agreement, and the loss payable/additional insured endorsements required thereby;

(j) The SBA Letter Agreement, duly executed by Borrower in the form attached hereto as **Exhibit F**;

(k) Originals executed by Borrower of each of (A) the Size Status Declaration on SBA Form 480, substantially in the form attached hereto as **Exhibit G-1**, and (B) the Assurance of Compliance on SBA Form 652, substantially in the form attached hereto as **Exhibit G-2**;

(l) All information and documentation that Lender shall have requested in connection with the preparation and completion of the Portfolio Financing Report on SBA Form 1031, section A and B, substantially in the form attached hereto as **Exhibit G-3**;

(m) Copies of all Senior Loan Documents;

(n) A lien search on Borrower of the Uniform Commercial Code records of the Secretary of State of the applicable state of organization and other applicable jurisdictions;

(o) Copies of Borrower's audited financial statements for Fiscal Year 2015 and unaudited financial statements for the eleven (11) months ended November 30, 2016;

(p) Borrower's financial and business projections and budget for Fiscal Year 2017, including the business plan and quarterly projected balance sheets and income statements;

(q) A subordination and intercreditor agreement with Senior Lender in form and substance reasonably satisfactory to Lender;

(r) Each Control Agreement described on Schedule 5.14 in form and substance reasonably acceptable to Lender, duly executed by the parties thereto;

(s) No Event of Default shall have occurred and be continuing;

(t) No event or condition shall exist that has had or could be reasonably expected to have a Material Adverse Effect since December 31, 2015;

(u) The representations and warranties contained in this Loan Agreement and the other Transaction Documents of Borrower shall be true and correct in all material respects as if made on the date of funding of the Initial Advance, except to the extent such representations

and warranties expressly refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date;

(v) Each of the Transaction Documents shall be valid and binding and in full force and effect;

(w) Borrower shall have provided to Lender such documents, instruments and agreements, including financing statements or amendments to financing statements, as Lender shall reasonably request to evidence the perfection and priority of the security interests granted to Lender in this Loan Agreement and in the other Transaction Documents;

(x) Lender shall have received the Closing and Arrangement Fee;

(y) Lender shall have received all necessary internal approvals to execute this Loan Agreement and fund the Initial Advance;

(z) The Management Rights Agreement;

(aa) Lender shall have received a disbursement request including wire instructions;

(bb) Lender shall have received funds from Borrower sufficient to pay off the Prior Facility in accordance with the terms of the Payoff Letter;

(cc) Borrower shall have provided to Lender such other documents, instruments and agreements as Lender shall reasonably request; and

(dd) Borrower shall have authorized a sufficient number of shares of Common Stock to permit Lender to fully exercise the Warrant and the Second A&R Warrant (the "***Warrant Shares***").

2.2 Request for Incremental Advances. Borrower may request Incremental Advances under this Loan Agreement. To obtain an Incremental Advance, Borrower shall deliver to Lender a written request for such Incremental Advance in a form reasonably prescribed by the Lender by noon California time no less than five (5) business days before the requested date of such Incremental Advance, which shall be a business day; *provided that* as of the close of business on the third (3rd) business day after Lender's receipt of such notice, such notice shall be irrevocable. Each Incremental Advance made pursuant to this Loan Agreement and all payments made on the Incremental Advances shall be recorded by Lender on its books and records. The failure to record any Incremental Advance, prepayment, or payment shall not limit or otherwise affect the obligation of Borrower to pay any amounts due hereunder on the Incremental Advances.

2.3 Conditions to each Incremental Advance. Prior to each Incremental Advance, the following conditions with respect to such Incremental Advance shall have been satisfied or waived by the Lender:

(a) Borrower shall have provided to Lender certificates of existence and good standing (including tax status, if available) with respect to Borrower from its state of organization and each foreign jurisdiction in which it is authorized to do business as of a date acceptable to Lender dated no more than ten (10) business days before the date of such Incremental Advance, except as to any such foreign jurisdiction where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect;

(b) No Event of Default shall have occurred and be continuing;

(c) No event or condition shall exist that has had or could be reasonably expected to have a Material Adverse Effect since the date hereof;

(d) The representations and warranties contained in this Loan Agreement and the other Transaction Documents of Borrower shall be true and correct in all material respects as if made on the date of such Incremental Advance, except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date;

(e) Each Transaction Document shall be valid and binding and in full force and effect;

(f) Borrower shall have provided to Lender such documents, instruments and agreements, including financing statements or amendments to financing statements, as Lender shall reasonably request to evidence the perfection and priority of the security interests granted to Lender in this Loan Agreement and in the other Transaction Documents;

(g) Lender shall have received evidence in form and substance reasonably satisfactory to Lender in its sole discretion that, after giving effect to such Incremental Advance, Borrower shall be in pro forma compliance with the Minimum Eligible Monthly Recurring Revenue requirement set forth in Section 1.2(i); and

(h) Lender shall have received evidence that, after giving effect to such Incremental Advance, Borrower shall be in pro forma compliance with the financial covenants set forth herein and in the Senior Loan Agreement.

3. GRANT OF SECURITY INTEREST. As security for the Obligations, Borrower grants Lender a security interest in all of Borrower's right, title, and interest in and to the following personal property whether now owned or hereafter acquired or arising and wherever located (the "***Collateral***"):

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), contract rights, deposit accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including payment intangibles and software), goods (including fixtures), instruments (including promissory notes), Intellectual Property, inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of

credit rights, money, and all of Borrower's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records;

(b) to the extent not listed above, all other personal property of Borrower; and

(c) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment.

All terms above have the meanings given to them in the Uniform Commercial Code, as amended or supplemented from time to time, as in effect in the State of Delaware. Notwithstanding the foregoing, the security interest granted herein does not extend to and the term "Collateral" does not include the following (collectively, "***Excluded Assets***") (i) any license or contract rights to the extent (x) the granting of a security interest therein would be contrary to applicable law or (y) that such licenses or rights are nonassignable by their terms (but only to the extent the prohibition is enforceable under applicable law, including, without limitation, Sections 9-406(d) and 9-408(d) of the Uniform Commercial Code and the consent of the licensor or other party has not been obtained); (ii) more than sixty-five percent (65%) (or such greater percentage that, due to a change of Legal Requirement after the Initial Closing Date, (A) could not reasonably be expected to cause the undistributed earnings of each Subsidiary organized under the laws of any country other than the United States of America (a "***Foreign Subsidiary***") as determined for U.S. federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's U.S. parent and (B) could not reasonably be expected to cause any material adverse tax consequences) of the issued and outstanding equity interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding equity interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) of each Foreign Subsidiary now or hereafter owned by Borrower or any domestic Subsidiary (or if Borrower or any domestic Subsidiary owns less than 65% of the equity interests of such Foreign Subsidiary, then all of the equity interests of such Foreign Subsidiary now or hereafter owned by Borrower or such domestic Subsidiary), and (iii) any permit, license or contractual obligation entered into by the Borrower (A) that prohibits or requires the consent of any Person which has not been obtained as a condition to the creation by the Borrower of a Lien on any right, title or interest in such permit, license or contractual obligation or (B) to the extent that any legal requirement applicable thereto (including, without limitation, rules and regulations of any governmental authority or agency) prohibits the creation of a Lien thereon, but only, with respect to the prohibition in clause (A) and clause (B), to the extent, and for as long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Uniform Commercial Code or any other requirement of law, (iv) property owned by the Borrower that is subject to a purchase money Lien or to a Capitalized Lease permitted under the Transaction Documents if the contractual obligation pursuant to which such Lien is granted (or in the document providing for such Capitalized Lease) prohibits or requires the consent of any Person as a condition to the creation of any other Lien on such property, (v) any "intent to use" trademark applications for which a statement of use has not been filed, (vi) property owned by the Borrower to the extent the pledge thereof is prohibited by applicable requirements of law, but only to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the Uniform Commercial Code, the Bankruptcy Code or any other applicable law, (vii) governmental licenses or state or local

franchises, charters and authorizations and any other property and assets to the extent that Lender may not validly possess a security interest therein under applicable laws (including, without limitation, rules and regulations of any governmental authority or agency) or the pledge or creation of a security interest in which would require governmental consent, approval, license or authorization, other than to the extent such prohibition or limitation is rendered ineffective under the Uniform Commercial Code or other applicable law, and (viii) any Excluded Account, *provided, however, that* Excluded Assets shall not include any proceeds of property described in clauses (i) through (vii) above. Borrower agrees to execute, and authorizes Lender to execute, such documents and take such actions as Lender deems appropriate from time to time to perfect or continue the security interest granted hereunder, *provided that* Lender agrees that, (x) prior to the occurrence and continuance of an Event of Default, Lender will not require its Lien with respect to commercial tort claims and letter of credit rights with a value equal to or less than $100,000 or with respect to vehicles and other assets subject to certificates of title with a value of less than $30,000 to be perfected, and (y) Lender will not require its Lien with respect to any fee owned real property with a value of less than $100,000 and with respect to any leasehold property to be evidenced by any mortgages or similar instruments or to be otherwise perfected.

4. REPRESENTATIONS AND WARRANTIES. Borrower represents to Lender on the date hereof as follows:

(a) Borrower is not in default under any agreement to which Borrower is a party or by which it or its properties is bound where such default could reasonably be expected to have a Material Adverse Effect;

(b) Borrower is duly organized, validly existing and (if applicable) in good standing under the laws of its jurisdiction of organization and qualified to do business in all states where such qualification is required, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect;

(c) Borrower has all requisite corporate power and authority to own and operate its properties, to carry on its business substantially as now conducted, to enter into each Transaction Document to which it is a party and to incur the Obligations;

(d) this Loan Agreement is, and the other Transaction Documents when executed and delivered will be, the legal, valid and binding obligations of Borrower, each enforceable against such Person in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles;

(e) Borrower has taken all company action and obtained all material consents necessary to authorize the execution, delivery and performance of the Transaction Documents;

(f) Borrower has good title to the Collateral or valid and enforceable rights to use the Collateral and there are no liens, security interests or other encumbrances on the Collateral other than the security interest granted to Lender hereunder and Permitted Liens;

(g) the execution and performance of the Transaction Documents do not conflict with or constitute a default under (i) any material agreement to which Borrower is party or by which Borrower is bound or (ii) a Legal Requirement;

(h) all financial statements provided to Lender for the Fiscal Year ended December 31, 2015, and for the eleven (11) months ended November 30, 2016 fairly present in all material respects Borrower's financial condition as of the respective dates thereof and for the respective periods covered thereby, and there has not been a material adverse change in the financial condition of Borrower since the date of the Latest Financial Statements;

(i) the projections and forecasts provided by Borrower to Lender were prepared by Borrower in good faith and based upon assumptions believed by Borrower to be reasonable (it being agreed that such projections and forecasts are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results and such differences may be material);

(j) all other material written information (not otherwise described in clause (h) and clause (i)) provided by Borrower to Lender on or prior to the date hereof, when taken together with all other information provided to Lender does not contain any material misstatement of fact or does not omit to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which they were furnished or made, not misleading;

(k) Borrower possesses and is in compliance in all material respects with all Permits required to operate its business;

(l) Borrower owns or is a licensee of all the patents, copyrights, trademarks and other Intellectual Property rights necessary for the conduct of its business or operations as currently conducted and that are material to the financial condition, business, or operations of Borrower. All such Intellectual Property is listed on Schedule 4(l), and each of Borrower's trademarks which are necessary to the operation of its business as currently conducted is valid and enforceable. To the best of Borrower's knowledge, the use of all such Intellectual Property by the Borrower does not and has not been alleged by any Person to infringe on the rights of any Person. The Intellectual Property as set forth in Schedule 4(l) represents all of the Borrower's material Intellectual Property.

(m) Borrower is in compliance with all Legal Requirements, except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect;

(n) Borrower is not a party to any litigation (other than any suit, action or proceeding in which Borrower is the plaintiff and in which no counterclaim or cross-claim against Borrower has been filed) and is not, to its knowledge, the subject of any government investigation, and Borrower has no knowledge of any such pending litigation or investigation, or the existence of circumstances that reasonably could be expected to give rise to any such litigation or investigation, in each case, that could reasonably be expected to have a Material Adverse Effect;

(o) other than Permitted Investments, Borrower does not own any shares or other equity interests in any corporation, partnership, limited liability company or other entity;

(p) Borrower reasonably believes that it and its Subsidiaries, on a consolidated basis: (i) owns and will own assets, the fair saleable value of which are (A) greater than the total amount of its liabilities (including contingent liabilities) and (B) greater than the amount that will be required to pay the probable liabilities of its then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to it; (ii) has sufficient capital in relation to its business as substantially presently conducted; and (iii) does not intend to incur and does not believe that it will incur debts beyond its ability to pay such debts as they become due;

(q) Borrower does not have any obligation or liability (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due and regardless of when asserted) required to be disclosed in a balance sheet prepared in accordance with GAAP (including the notes thereto) arising out of transactions entered into at or prior to the Initial Closing Date other than: (A) liabilities set forth on the Latest Financial Statements (including any notes thereto), and (B) liabilities and obligations which have arisen after the date of the Latest Financial Statements in the ordinary course of business (none of which is a liability resulting from breach of contract, breach of warranty, tort, infringement, claim or lawsuit, unless the amount of such liability is fully covered by insurance (subject to normal deductibles or retentions or Properly Contested);

(r) all material portions of the Collateral consisting of equipment are in good operating condition and repair, subject to ordinary wear and tear and casualty, and Borrower has made all economically reasonable and necessary repairs thereto;

(s) **[Reserved]**;

(t) the accounts receivable reflected on Borrower's financial statements delivered to Lender shall have been accounted for, in all material respects, in accordance with GAAP with such adjustments as agreed upon between Borrower and Lender;

(u) Borrower and each Subsidiary have filed or obtained extensions for filing or caused to be filed all material tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all material taxes reflected therein except those being contested in good faith with adequate reserves under GAAP;

(v) as of the date hereof, Borrower, including its affiliates and Subsidiaries, has (i) tangible net worth not in excess of Nineteen Million Five Hundred Thousand Dollars ($19,500,000) and (ii) average net income after Federal income taxes (excluding any carry-over losses) for the preceding two (2) completed Fiscal Years not in excess of Six Million Five Hundred Thousand Dollars ($6,500,000), in each case prepared in accordance with GAAP (for purposes of this Section 4(v) only, "affiliate" has the meaning set forth in Section 121.103 of Title 13 of the Code of Federal Regulations); and

(w) none of the proceeds of any Advance will be used substantially for a foreign operation.

5. COVENANTS.

5.1 Financial and Reporting Information. Borrower will provide Lender:

(a) as soon as available, but in any event within thirty (30) days after the last day of each calendar month, monthly Borrower-prepared financial statements, including income statements, balance sheets, statements of cash flow, and shareholder equity, in form and substance reasonably satisfactory to Lender, prepared in accordance with GAAP (except for the lack of footnotes and being subject to normal year-end audit adjustments);

(b) as soon as available, but in any event within one hundred eighty (180) days after the last day of Borrower's Fiscal Year, audited consolidated financial statements in form and substance reasonably satisfactory to Lender, prepared in accordance with GAAP, together with an unqualified opinion on such financial statements from an independent certified public accounting firm reasonably acceptable to Lender, it being agreed that KPMG LLP, Borrower's current independent certified public accounting firm, is acceptable to Lender;

(c) within thirty (30) days after the last day of each calendar month, a listing of deferred revenue and aged listings by invoice date of accounts payable and accounts receivable;

(d) as soon as available, but in any event within the earlier to occur of (i) thirty (30) days after the first day of Borrower's Fiscal Year, or (ii) ten (10) days after approval thereof by Borrower's board of directors, Borrower's financial and business projections and budget for the upcoming Fiscal Year on a month-by-month basis, including material revisions to the business plan and monthly projected balance sheets and income statements and statements of cash flow, with evidence of approval thereof by Borrower's board of directors;

(e) contemporaneously with the issuance thereof and without duplication of materials previously delivered in accordance with the Transaction Documents copies of all notices, reports, financial statements, compliance certificates, and other materials required to be delivered to Senior Lender pursuant to the Senior Loan Documents;

(f) at the request of Lender, give a representative of Lender copies of all minutes and other board materials that Borrower provides to its directors, including, but not limited to, copies of (i) consolidated balance sheets for the Borrower for each period such sheets are prepared, and (ii) consolidated statements of income and cash flows of the Borrower for each such period such statements are prepared within a reasonable period of time after such information is prepared as requested by Lender, except that the representative may be excluded from access to any material or any portion thereof if Borrower reasonably determines, that such exclusion is reasonably necessary to preserve the attorney-client privilege or to protect highly confidential proprietary information or for other similar reasons (including, without limitation, in the context of conflicts of interest);

(g) within thirty (30) days of the last day of each fiscal quarter, a report signed by Borrower, in form reasonably acceptable to Lender, listing any applications or registrations that Borrower has made or filed in respect of any Patents, Copyrights or Trademarks and the status of any outstanding applications or registrations, as well as any material change in

Borrower's Intellectual Property, including but not limited to any subsequent ownership right of Borrower in or to any Trademark, Patent or Copyright not specified in Schedule 4(l) hereto or application therefor;

(h) within thirty (30) days after the last day of each calendar month, a Compliance Certificate in the form attached hereto as **Exhibit H**, executed by Borrower's chief financial officer or other authorized officer reasonably acceptable to Lender;

(i) within thirty (30) days of the last day of each fiscal quarter, a detailed fully diluted capitalization table for the Borrower as of the end of the such fiscal quarter or confirmation that there have been no changes since the previous table provided;

(j) as soon as available, but in any event within thirty (30) days of receipt by Borrower, any 409A valuation reports or other documents that value any compensation, equity award, bonus, benefit plan or any other arrangement that could be deemed deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended;

(k) within thirty (30) days after any amendment, revision, alteration or other modification of Borrower's Certificate of Incorporation, bylaws, or other applicable formation and governing documents, a copy thereof;

(l) promptly upon receipt of notice thereof, a report of any legal actions pending or threatened against Borrower or any Subsidiary that could reasonably be expected to result in damages or costs to such Person of $250,000 or more; and

(m) promptly upon Lender's request, such other information relating to Borrower's operations and condition as Lender may reasonably request from time to time.

5.2 Good Standings; Existence; Compliance with Laws. Borrower and each Subsidiary will maintain its corporate existence and good standing and will maintain in force all licenses and agreements necessary to the conduct of its business where a failure to do so could reasonably be expected to have a Material Adverse Effect. Borrower and each Subsidiary will pay all material taxes on or before the date such taxes are due (unless contested by Borrower in good faith and Borrower has made adequate reserves in its financial statements in accordance with GAAP). Borrower shall comply, and shall cause each Subsidiary to comply, with all statutes, laws, ordinances and government rules and regulations to which it is subject, and shall maintain, and shall cause each of its Subsidiaries to maintain, in force all required licenses, approvals and agreements, in each case except where failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.3 Negative Covenants. Neither Borrower nor any Subsidiary thereof will:

(a) make any investments in, or loans or advances to, any Person other than in the ordinary course of business as currently conducted and other than Permitted Investments;

(b) purchase or otherwise acquire all or substantially all or any material portion of the assets of any Person (other than in the ordinary course of business as currently conducted and other than as part of a Permitted Investment);

(c) (A) make any distributions or pay any dividends to any Person on account of any equity ownership interest in Borrower or any Subsidiary (other than (i) those payable solely in equity securities issued by Borrower or any Subsidiary and (ii) those from any Subsidiary to Borrower), or (B) make any payment in respect of the Management Agreement, unless (i) such payment (1) is made in accordance with the terms set forth therein as in effect on the Initial Closing Date and (2) does not exceed an aggregate amount equal to 2.0% per annum of all equity capital invested by Accretive, LLC, a Delaware limited liability company and its Affiliates in Borrower, (ii) after giving effect to such payment, no Event of Default has occurred and is continuing, and (iii) Lender shall have received evidence that, after giving effect to such payment, Borrower shall be in pro forma compliance with the financial covenants set forth herein;

(d) make any payment on account of or in redemption, retirement or purchase of any capital stock of Borrower or any Subsidiary, except that Subsidiaries may make such payments to Borrower and Borrower may repurchase the stock of former employees, directors, officers, or consultants pursuant to stock repurchase agreements (i) as long as such repurchases in any Fiscal Year of Borrower do not exceed $50,000 in the aggregate and (ii) as long as an Event of Default does not exist prior to such repurchase or would not exist after giving effect to such repurchase;

(e) directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any Subsidiary, except for (i) Permitted Investments, (ii) bona fide equity financings, (iii) other transactions in the ordinary course of business, in each case, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arms-length transaction with a non-affiliated Person, (iv) transactions with an Affiliate that is a borrower hereunder or wholly-owned Subsidiaries that have guaranteed the Obligations, or (v) any transaction contemplated by the Management Agreement and not in violation of this Loan Agreement;

(f) transfer or dispose of any portion of Borrower's assets, except for the following, (collectively "***Permitted Transfers***"):

(i) transfers or dispositions of Permitted Investments, other cash equivalents and inventory in the ordinary course of business, including the sale or disposition of delinquent notes, charge-off accounts or accounts receivable for collection purposes,

(ii) dispositions of obsolete, damaged, uneconomic, worn-out or surplus equipment and inventory, or property and equipment no longer used or useful in the conduct of Borrower's business,

(iii) sales or transfers from wholly-owned Subsidiaries to Borrower or from Borrower to a wholly-owned domestic Subsidiary thereof,

(iv) the sale or disposition of assets in connection with any loss, damage or destruction thereof,

(v) the making of a dividend distribution permitted hereunder, the granting of Permitted Liens, the making of any investments, loans or advances permitted hereunder or the entry into a consolidation or merger permitted under Section 5.3(j),

(vi) asset sales in which the sale price is at least equal to the fair market value of the asset sold and the consideration received is at least 75% cash or cash equivalents or debt of Borrower being assumed by the purchaser,

(vii) dispositions of owned or leased vehicles in the ordinary course of business,

(viii) non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business,

(ix) the dispositions of inventory in the ordinary course of business,

(x) liquidation or dissolution of any Subsidiary of Borrower,

(xi) (A) the lapse of registered patents, trademarks, copyrights and other intellectual property to the extent not economically desirable in the conduct of the Borrower's business or (B) the abandonment of patents, trademarks, copyrights or other intellectual property rights in the ordinary course of business so long as, in each case, such lapse or abandonment is not materially adverse to the interests of Lender,

(xii) trade-in and exchanges of equipment with third parties in the ordinary course of business to the extent substantially comparable (or better) equipment useful in the operation of the business of Borrower or any of its Subsidiaries is obtained in exchange therefor,

(xiii) terminations of leases, subleases, licenses, sublicenses or similar use and occupancy agreements by the Borrower or any of its Subsidiaries in the ordinary course of business that do not interfere in any material respect with the business of the Borrower or its Subsidiaries, and

(xiv) the sale of non-core assets by Borrower on terms and conditions reasonably acceptable to Lender, in an aggregate amount not to exceed $1,500,000;

(g) subject to Section 5.10, create any direct Subsidiary or indirect subsidiary of Borrower (other than in accordance with (i) clause (c), clause (h) or clause (k) of the definition of "Permitted Investments" and (ii) Section 5.10);

(h) alter or modify Borrower's or any Subsidiary's constituent documents in a manner that materially and adversely affects the interest of Lender as creditor and/or secured party under any Transaction Document; or change its name or relocate its chief executive office without thirty (30) days prior written notice to Lender;

(i) replace its chief executive officer or chief financial officer without written notification to Lender promptly thereafter; engage in any business, or permit any of its Subsidiaries to engage in any business, other than or reasonably related, incidental or complimentary to the business currently engaged in by Borrower; change its fiscal year end; have a Change of Control; or

(j) merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, in each case other than with or into another Borrower or wholly-owned Subsidiary that has guaranteed the Obligations and other than in the context of a Permitted Investment.

5.4 Indebtedness. Borrower will not, and will not permit any Subsidiary to, create, incur, assume, guarantee or be liable for any Indebtedness other than Permitted Indebtedness or any refinancing under clause (h) of the definition of Permitted Indebtedness, or voluntarily prepay any Subordinated Debt, except in accordance with any applicable Subordination Agreement thereto, *provided that*, Borrower shall not at any time incur, assume, or be liable for secured Indebtedness in excess of $40,000,000, including Indebtedness to Senior Lender and Lender (but in any case excluding any Permitted Indebtedness set forth in clauses (c), (d), (h) and (j) of the definition thereof and Indebtedness set forth in Schedule 5.4).

5.5 Liens; Encumbrances; Negative Pledge. Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or allow any Lien with respect to any of its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries so to do, except for Permitted Liens, or enter into any agreement, document, or other arrangement (except with or in favor of Senior Lender or Lender) that directly or indirectly prohibits, or has the effect of prohibiting, Borrower from assigning, mortgaging, pledging, granting a security interest in or upon, or a Lien with respect to any of Borrower's property, except (i) as is otherwise permitted in Section 5.3(f) and the definition of Permitted Liens, (ii) for customary provisions restricting subletting or assignment of any lease governing a leasehold interest, (iii) with respect to third party contracts, customary limitations on the ability of a party thereto to assign its interest in the underlying contract without the consent of the other party thereto, (iv) for restrictions and conditions contained in agreements relating to the sale of assets permitted hereunder, *provided that* such restrictions are limited to the assets being sold, (v) for licenses and contracts entered into in the ordinary course of business which by their terms prohibit the assignment of such agreements (to the extent such prohibition is enforceable by law) or the granting of Liens on the rights contained therein, or (vi) customary

provisions in joint venture agreements and similar agreements that restrict the transfer or equity interests or assets in joint ventures.

5.6 Prepayment of Debt. Borrower will not, and will not permit any Subsidiary to, make any prepayment (whether optional or mandatory), repurchase, redemption, defeasance or any other payment in respect of any Subordinated Debt (other than payments permitted under any applicable Subordination Agreement with respect to such Subordinated Debt).

5.7 Books and Records; Inspection and Audit Rights. Borrower shall maintain financial records in accordance with generally accepted practices. Lender shall have (a) a right to visit and inspect any of the properties of Borrower and its Subsidiaries, including a right to examine and copy Borrower's and its Subsidiaries' books and records from time to time upon reasonable notice to Borrower and during normal business hours and (b) to discuss its affairs, finances and accounts with Borrower's officers and its independent public accountants, at such reasonable times and as often as Lender may reasonably request at meetings coordinated by Borrower; *provided that*, absent the continuation of an Event of Default, (i) Lender shall not conduct more than one such visit, inspection or examination, in any Fiscal Year of Borrower, and (ii) the Borrower or any of its representatives shall be permitted to be present during any discussions with the Borrower's independent public accountants. Lender may audit Borrower's Collateral at Borrower's expense, it being understood that there shall be not more than one such audit performed in any Fiscal Year of Borrower; *provided that*, absent the continuation of an Event of Default (i) Lender shall not conduct more than one such visit, inspection or examination in any Fiscal Year of Borrower, and (ii) the Borrower or any of its representatives shall be permitted to be present during any discussions with the Borrower's independent public accountants. Lender will give Borrower fifteen (15) days advance notice of such an audit, unless an Event of Default has occurred and is continuing.

5.8 Insurance. Borrower will maintain insurance with financially sound and reputable insurance companies in such amounts and of such types as are customarily carried by companies similar in size and nature relating to the Collateral and Borrower's business. Any insurance on the Collateral shall include a lender's loss payable endorsement in favor of Lender as a lender loss payee, and any liability insurance shall be endorsed to show Lender as an additional insured.

5.9 Registration of Intellectual Property Rights. Borrower will register with the United States Patent and Trademark Office or the United States Copyright Office, its material registrable Intellectual Property and material additional intellectual property rights developed or acquired after the Initial Closing Date, including revisions or additions with any product before the sale or licensing of the product to any third party, in each case to the extent that the Borrower in good faith deems appropriate and material for the development of Borrower's business and in the best interests of Borrower and its stockholders. To the extent that Borrower in good faith determines appropriate and material for the development of Borrower's business and in the best interests of Borrower and its stockholders, Borrower will use commercially reasonable efforts to (a) protect, defend and maintain the validity and enforceability of the Intellectual Property determined by Borrower to be material to the business of Borrower and promptly advise Lender in writing of any material infringements and (b) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Lender's written consent.

5.10 Future Subsidiaries. Contemporaneously with the formation or acquisition of any new Subsidiary, Borrower shall cause such new Subsidiary to either, at Lender's option, (a) execute and deliver a guaranty in form and substance reasonably acceptable to Lender or (b) execute and deliver a joinder to this Loan Agreement in which it becomes a borrower hereunder, unless Lender, in its reasonable discretion, agrees otherwise.

5.11 Use of Proceeds. Subject to the Act, Borrower will use the proceeds from the Advances to repay the existing Indebtedness of the Borrower under the Prior Facility, to pay transaction fees incurred in connection with the Transaction Documents and the Senior Loan Documents, for working capital, and for other general corporate purposes.

5.12 Further Assurances. Borrower will, within five (5) business days (or such longer period as determined by Lender in its sole discretion), execute any further instruments and take further action as Lender may reasonably request to perfect or continue Lender's security interest in the Collateral or to effect the purposes of this Loan Agreement.

5.13 Financial Covenants.

(a) Borrower shall, at all times, have Cash plus Loan Availability in an aggregate amount greater than $15,000,000; *provided*, *however*, that, beginning April 30, 2017, Borrower shall, at all times, have Cash plus Loan Availability in an aggregate amount greater than the greater of (i) $15,000,000 and (ii) three (3) months of Cash Burn.

(b) Borrowing Base Covenant. Borrower hereby covenants and agrees that the definition of "Borrowing Base" and the component definitions thereof contained in Exhibit A of the Senior Loan Agreement will not be amended, replaced, modified, deleted or revised in any way without prior written consent of Lender in Lender's reasonable discretion if the effect of such amendment, replacement, modification, or revision would be to allow for advances that would not have been available under the definition of "Borrowing Base" contained in the Senior Loan Agreement as in effect on the Initial Closing Date.

(c) Senior Financial Covenants. Borrower hereby covenants and agrees that the financial covenants contained in Section 6 of the Senior Loan Agreement as in effect on the Initial Closing Date will not be amended, replaced, modified, or revised in any way without prior written consent of Lender in Lender's reasonable discretion.

(d) Lender Financial Covenants. In the event that the obligations under the Senior Loan Documents are paid in full, Lender shall have the right to implement financial covenants so as to preserve, on substantially similar economic terms, the covenants in the Senior Loan Agreement as in effect on the Initial Closing Date; provided, however, that if such payment in full occurs within 90 days of an event of default under such Senior Loan Documents, instead, Lender shall have the right to implement financial covenants, based upon Lender's good faith business judgment, in consultation with Borrower and based upon the projections delivered to Lender by Borrower and consistent with methodology used by Senior Lender during the two-year period immediately prior to the repayment in full of the Senior Indebtedness.

5.14 Deposit Accounts and Securities Accounts. Neither Borrower nor any of its Subsidiaries shall establish or maintain a Deposit Account or Securities Account that is not

subject to a Control Agreement other than any Excluded Account and neither Borrower nor any of its Subsidiaries will deposit Collateral (including the proceeds thereof) or the proceeds of the Advances in a Deposit Account or Securities Account that is not subject to a Control Agreement (except for any Excluded Accounts).

5.15 Notice of Default. Borrower shall provide Lender prompt written notice (but, in any event, within three (3) business days after the knowledge thereof of a Responsible Officer) (a) of any condition or event that constitutes a default under this Loan Agreement or, with the passage of time or giving of notice or both, would constitute an Event of Default under this Loan Agreement or that notice has been given to Borrower or any of its Subsidiaries with respect thereto; (b) that any Person has given any notice of default to Borrower or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 6.1(a)(iii); or (c) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, which notice shall be accompanied by a certificate of a Responsible Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, default, event or condition, and what action Borrower and its Subsidiaries have taken, are taking and/or propose to take with respect thereto.

5.16 The Act. At the request of Lender, Borrower will provide reasonable assistance to Lender so that Lender is able to promptly correct any defect, error or omission with respect to the Act which may be discovered in the contents of this Loan Agreement or the other Transaction Documents or in the execution or acknowledgment thereof, and will execute, acknowledge and deliver such further instruments and do such further acts as may be reasonably necessary for this Loan Agreement and the other Transaction Documents, and all transactions contemplated thereby, to comply with the Act. On each Closing Date and for a period of one year thereafter, Borrower will not have more than 49% of its employees or tangible assets located outside the United States (unless the Borrower can show, to Lender’s reasonable satisfaction, that the proceeds of the Advances were used for a specific domestic purpose).

5.17 Amendment of Subordinated Debt Documents. Borrower will not amend, modify or otherwise alter (or suffer to be amended, modified or altered) any Subordinated Debt Document except as permitted in the applicable Subordinated Debt Documents and Subordination Agreements, or if no such restrictions exist in the applicable Subordinated Debt Documents or Subordination Agreements, without the prior written consent of Lender.

5.18 Reserved.

5.19 Landlord Subordination and Collateral Access Agreements, etc. Borrower shall use commercially reasonable efforts to cause to be provided to Lender, promptly upon request of Lender from time to time, for each collateral location or warehouse location not owned by Borrower, in each case where Collateral with an aggregate book value of $100,000 is located, a landlord subordination agreement, collateral access agreement, or bailment waiver, in form and substance reasonably acceptable to Lender, executed by the landlord, warehouseman, or bailee of such location, as applicable, together with a copy of the lease, warehouse, or bailment agreement for each such location, as applicable. Notwithstanding the foregoing, the aggregate book value of all Collateral not subject to any such agreement or waiver shall not exceed $200,000.

5.20 Post-Closing Covenant. No later than 10 days after the Initial Closing Date or such later date as Lender agrees in writing (including email), Borrower shall deliver to Lender, evidence in form and substance acceptable to Lender, that all Borrower's funds held at Wells Fargo Advisors bank have been transferred to Comerica Bank and the Wells Fargo Advisors account has been closed.

6. EVENTS OF DEFAULT; REMEDIES.

6.1 Events of Default. Any one or more of the following shall constitute an "***Event of Default***" under this Loan Agreement:

(a) Borrower's failure (i) to pay all or any part of (A) the interest hereunder on the date due and payable and such failure continues for three (3) business days or (B) the principal hereunder on the date due and payable, or (ii) to comply with any agreement or covenant set forth in this Loan Agreement or any other Transaction Document and, Borrower has not cured the default within thirty (30) days after the earlier of (1) receipt by Borrower of notice from Lender of such default, or (2) actual knowledge of a Responsible Officer of Borrower of such default; *provided, however,* the cure period set forth above shall not apply to Borrower's failure to comply with Sections 1.2(i), 5.1, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 5.10, 5.12, 5.13, 5.14, 5.15 and 5.17; *provided, further* that an Event of Default arising from a breach of Section 5.1 shall be deemed to have been cured upon the delivery of the required items; and *provided, further, that* any Event of Default arising solely due to a breach of Section 5.15(a), Section 5.15(b), shall be deemed cured upon the earlier of (x) with respect to a breach of Section 5.15(a) or Section 5.15(b), the giving of the notice required by such sections and (y) the date upon which the default or Event of Default giving rise to the notice obligations is cured or waived; or (iii) to comply with any agreement pursuant to which Borrower has incurred Indebtedness in excess of $500,000, including, without limitation, any event or occurrence that would constitute a default or event of default under the Senior Loan Documents and such failure continues after the applicable grace or notice period, if any, specified in the document relating thereto on the date of such failure; or

(b) Borrower becomes unable to pay its debts (including trade debts) as they mature, or becomes the subject of any case or proceeding under the United States Bankruptcy Code or any other law relating to the reorganization or restructuring of debt which has not been stayed or dismissed within thirty (30) days of the filing (an "***Insolvency Event***"), or any material portion of Borrower's assets is attached or becomes subject to levy or similar judicial proceeding that is not released within thirty (30) days or in any event no later than five (5) business days prior to the date of any proposed sale thereunder; or

(c) any representation made to Lender in this Loan Agreement or any other Transaction Document by or on behalf of Borrower, shall be incorrect in any material adverse respect when made; or

(d) any part of the Collateral becomes subject to an attachment, Lien, security interest or levy in favor of any Person other than Lender, other than Permitted Liens, that is not released within thirty (30) days; or

(e) a final non-appealable judgment or judgments for the payment of money in excess of $500,000 shall be rendered against Borrower and shall remain unsatisfied, unstayed, unsuspended, or not covered by adequate insurance for a period of thirty (30) days;

(f) any Change of Control shall occur; or

(g) any occurrence or event which has or would reasonably be likely to have a Material Adverse Effect occurs.

6.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, (i) all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of Lender, or immediately and automatically with no action required if such Event of Default consists of an Insolvency Event, be immediately due and payable and collectible by or on behalf of Lender, for its benefit, and Lender may exercise all of the rights of a secured party under the Uniform Commercial Code and any other applicable law, (ii) Lender may immediately set off and apply to any obligation outstanding hereunder and under any other Transaction Document any balances or deposits held by Lender, or any indebtedness at any time owing to or for the credit or the account of Borrower held by Lender, (iii) Borrower shall assemble the Collateral in accordance with Lender's directions, and Lender shall have a right at Borrower's sole expense to dispose of all or any portion of the Collateral in the order and manner that Lender elects, in its sole discretion, in any commercially reasonable manner, and (iv) Lender shall have a royalty-free license to use any name, trademark, or any property of Borrower to complete production of, advertisement for, and disposition of any Collateral and Lender shall have a license to enter into, occupy and use Borrower's premises and the Collateral without charge to exercise any of Lender's rights or remedies under this Loan Agreement or under any other Transaction Document. Borrower irrevocably appoints Lender (and any of Lender's designated employees or agents) as Borrower's true and lawful attorney in fact to, after the occurrence and during the continuance of an Event of Default, take any action and to execute any instrument which Lender may deem reasonably necessary or advisable to accomplish the purposes of this Loan Agreement, including, without limitation:

(a) endorse Borrower's name on any checks or other forms of payment;

(b) make, settle and adjust all claims under and decisions with respect to Borrower's policies of insurance;

(c) settle and adjust disputes and claims respecting accounts receivable with account debtors;

(d) execute and deliver all notices, instruments and agreements in connection with the perfection of the security interest granted in this Loan Agreement or under any other Transaction Document;

(e) sell, lease, or otherwise dispose of all or any part of the Collateral;

(f) ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral;

(g) receive and open all mail addressed to Borrower and to notify postal authorities to change the address for the delivery of mail to Borrower to that of Lender;

(h) receive, indorse, and collect any drafts or other instruments, documents, negotiable Collateral or chattel paper;

(i) file any claims or take any action or institute any proceedings which Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Lender with respect to any of the Collateral;

(j) repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to Borrower in respect of any account of Borrower;

(k) use any labels, Intellectual Property, trade names, URLs, domain names, industrial designs, advertising matter or other industrial or intellectual property rights, in advertising for sale and selling inventory and other Collateral and to collect any amounts due under accounts, contracts or negotiable collateral of Borrower; and

(l) Lender shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Intellectual Property and, if Lender shall commence any such suit, then Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement.

6.3 Miscellaneous Provisions Concerning Remedies.

(a) Rights Cumulative. The rights and remedies of Lender under the Transaction Documents shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. In exercising such rights and remedies, Lender may be selective and no failure or delay by Lender in exercising any right shall operate as a waiver of such right nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

(b) Waiver of Marshaling. Borrower hereby waives any right to require any marshaling of assets and any similar right.

(c) Intellectual Property License. Borrower hereby grants to Lender the nonexclusive right and license to use all of the Intellectual Property now or hereafter used by Borrower, following the occurrence and during the continuance of an Event of Default and for the purpose of enabling Lender to realize on the Collateral and to permit any purchaser of any portion of the Collateral through a foreclosure sale or any other exercise of Lender's rights and remedies under the Transaction Documents to use, sell or otherwise dispose of the Collateral bearing any such trademarks, patents, copyrights, service marks, licenses or other Intellectual Property. Such right and license is granted free of charge, without the requirement that any monetary payment whatsoever be made to Borrower or any other Person by Lender.

(d) All Powers Coupled with Interest. All powers of attorney and other authorizations granted to Lender and any Persons designated by Lender pursuant to any provisions of this Loan Agreement or any of the other Transaction Documents shall be deemed

coupled with an interest and shall be irrevocable until all amounts owing to Lender under this Loan Agreement and the other Transaction Documents (other than the Warrant and the Second A&R Warrant) have been repaid in full.

(e) Performance of Borrower's Duties. If Borrower shall fail to do any act or thing which it has covenanted to do under this Loan Agreement or any of the other Transaction Documents, Lender may (but shall not be obligated to) do the same or cause it to be done either in the name of Lender or in the name and on behalf of Borrower, and Borrower hereby irrevocably authorizes Lender so to act, all at the cost of Borrower.

(f) Time is of the essence under this Loan Agreement and the other Transaction Documents.

7. WAIVERS; INDEMNITY. Borrower waives notice of default, presentment, and demand for payment, notice of dishonor, protest, and notice of protest under this Loan Agreement and any other Transaction Document. Borrower shall pay all costs of collection and enforcement of this Loan Agreement and each other Transaction Document when incurred, including documented attorneys' fees, costs, and expenses incurred before, after, or in connection with an Insolvency Event. So long as Lender complies with reasonable lending practices and Section 9-207 of the Uniform Commercial Code and all other applicable laws, rules and regulations, Lender shall not in any case be liable for any loss of, or damage to, the Collateral, the risk of which shall be borne by Borrower at all times. Borrower shall indemnify and hold Lender harmless from any claim, obligation or liability (including without limitation attorneys' fees and expenses) arising out of this Loan Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, including any claim, obligation or liability arising before, after or in connection with an Insolvency Event, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF LENDER** other than losses to the extent resulting from Lender's bad faith, gross negligence, willful misconduct, or intentional breach of this Loan Agreement. The indemnity obligation hereunder shall survive repayment of all Obligations and termination of this Loan Agreement until all applicable statute of limitation periods as to actions that may be brought against Lender have run.

8. MAXIMUM LAWFUL RATE. On the Maturity Date or, if earlier, the date that the Advances and all accrued interest thereon are paid in full, Lender will compute the total amount of interest that has been contracted for, charged or received by Lender or payable by Borrower hereunder and compare such amount to the Maximum Lawful Amount that could have been contracted for, charged or received by the Lender. If such computation reflects that the total amount of interest that has been contracted for, charged, or received by the Lender or payable by Borrower exceeds the Maximum Lawful Amount, then the Lender shall apply such excess to the reduction of the principal balance, and any remaining excess shall be refunded to Borrower. This provision concerning the crediting or refunding of excess interest shall control and take precedence over all other agreements between Borrower and Lender so that under no circumstance shall the total interest contracted for, charged or received by the Lender exceed the Maximum Lawful Amount.

9. MISCELLANEOUS. Prior to the occurrence and continuance of an Event of Default, Lender may not assign all or any part of its interest in the Transaction Documents or the Obligations to any Person, or grant a participation of any interest in the Transaction Documents, without the consent of Borrower; *provided, however, that* after the occurrence and continuance of an Event of Default, Lender may assign all or any part of its interest in the Transaction Documents or the Obligations to any Person, or grant a participation of any interest in the Transaction Documents or the Obligations, without the consent of Borrower. Notwithstanding the foregoing, in no event shall Borrower's consent be required (a) for assignments to or participations by any Affiliate of Lender or (b) with respect to Lender's pledge or assignment of its interests in or under the Transaction Documents or the Obligations to the Small Business Administration or its designee or otherwise in relation to Lender's actions pursuant to the Act. This Loan Agreement can be amended, modified, or waived only by an instrument signed by Lender and Borrower. All prior agreements, understandings, and negotiations are superseded by this Loan Agreement. Borrower may not assign any obligation hereunder without Lender's prior written consent, which may be granted or withheld in Lender's sole discretion. This Loan Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument. This Loan Agreement may be executed by facsimile transmission or other electronic means, which such electronic signatures shall be considered original executed counterparts for purposes of this Section 9, and each party to this Loan Agreement agrees that it will be bound by its own electronic signature and that it accepts the electronic signature of each other party to this Loan Agreement. Each provision of this Loan Agreement shall be severable from every other provision of this Loan Agreement for the purpose of determining the legal enforceability of any specific provision. All covenants, representations, and warranties made in this Loan Agreement shall continue in full force and effect so long as any Obligations hereunder remain outstanding. This Loan Agreement shall be governed by the internal laws of the State of Delaware, without regard to conflicts of laws rules. Borrower and Lender consent to the jurisdiction of the United States District Court for the District of Delaware and the state courts located in New Castle, Delaware.

10. NOTICES. Unless otherwise provided in this Loan Agreement, all notices, requests, consents, demands, and other communications by any party relating to this Loan Agreement or any other Transaction Document shall be in writing and will be deemed given: (a) when delivered if delivered personally (including by courier); (b) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested, except for financial statements and other informational documents which may be sent by first-class mail); (c) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of the time, place, and recipient of delivery; or (d) upon receipt of a confirmed transmission, if sent by .pdf or facsimile transmission, in each case, to Borrower or Lender, as the case may be, at its addresses set forth below (or, in the case of .pdf, to the email address designated from time to time):

If to Borrower:	Accolade, Inc. 660 W. Germantown Pike, Suite #500 Plymouth Meeting, PA 19462 Attention: Legal Department Phone: 267.765.0804 Email: rich.eskew@accolade.com rajeev.singh@accolade.com
with a copy (which shall not constitute notice) to:	Pepper Hamilton LLP 400 Berwyn Park 899 Cassatt Road Berwyn, Pennsylvania 19312 Fax: (610) 640-7835 Attention: Christopher S. Miller, Esquire E-mail: millerc@pepperlaw.com
If to Lender:	ESCALATE CAPITAL PARTNERS SBIC III, LP 300 West Sixth Street, Suite 2230 Austin, Texas 78701 Attention: Tony Schell Phone: 512.651.2105 Fax: 512.651.2101 Email: tony@escalatecapital.com
and to:	Escalate Capital Partners Attention: Simon James Email: simon@escalatecapital.com
with a copy (which shall not constitute notice) to:	McGuireWoods LLP 2000 McKinney Avenue, Suite 1400 Dallas, Texas 75201 Attn: David McLean, Esq. Phone: 214.932.6401 Fax: 214.932.6499 Email: dpmclean@mcguirewoods.com

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

11. JURY WAIVER; ARBITRATION. LENDER AND BORROWER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF THIS LOAN AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING

WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS LOAN AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IF THIS JURY WAIVER IS FOR ANY REASON UNENFORCEABLE, THE PARTIES AGREE TO RESOLVE ALL CLAIMS, CAUSES AND DISPUTES THROUGH FINAL AND BINDING ARBITRATION TO BE HELD IN THE STATE OF DELAWARE IN ACCORDANCE WITH THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. JUDGMENT UPON ANY AWARD RESULTING FROM ARBITRATION MAY BE ENTERED INTO AND ENFORCED BY ANY STATE OR FEDERAL COURT HAVING JURISDICTION THEREOF.

12. THE ACT. This Loan Agreement, the other Transaction Documents and all transactions contemplated hereby and thereby are subject to provisions of the Act, and shall be governed thereby to the extent of any conflict therewith.

13. DEFINITIONS.

"***Act***" means the Small Business Investment Act of 1958, as amended and in effect from time to time, and the regulations promulgated thereunder.

"***Advances***" has the meaning set forth in Section 1.1.

"***Affiliate***" means, with respect to any Person, any Person that owns or controls directly or indirectly such Person, or any Person that controls or is controlled by or is under common control with such Person.

"***Authorization Agreement***" means an Authorization Agreement for Pre-Authorized Payments in the form attached hereto as **Exhibit A**, duly executed by Borrower.

"***Borrower***" has the meaning set forth in the introductory paragraph.

"***Cash***" means the unrestricted cash at Comerica Bank and in the Citibank Account in Borrower's name.

"***Cash Burn***" shall have the meaning set forth in the Senior Loan Agreement as in effect on the Closing Date.

"***Capitalized Lease***" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) with respect to which the discounted present value of the rental obligations of such Person as lessee thereunder, in conformity with GAAP, is required to be capitalized on the balance sheet of that Person (but without giving effect to FASB ASC 840).

"***Change of Control***" shall mean the occurrence of any of the following:

(a) any transaction or series of related transactions resulting in the sale or issuance of securities or any rights to securities of Borrower by Borrower representing in the aggregate more than 50% of its issued and outstanding voting securities, on a fully diluted basis, or any transaction or series of related transactions resulting in the sale, transfer, assignment or other conveyance or disposition of any securities or any rights to securities of Borrower by any holder or holders thereof representing in the aggregate more than 50% of the issued and outstanding voting securities of Borrower on a fully diluted basis and the receipt of any consideration in connection therewith, in each case other than to the existing stockholders and their Affiliates;

(b) a merger, consolidation, reorganization, recapitalization or share exchange in which the stockholders of Borrower immediately prior to such transaction receive, in exchange for securities of Borrower owned by them, cash, property or securities of the resulting or surviving entity and as a result thereof Persons (and their Affiliates) who were holders of voting securities of Borrower immediately prior to such merger, consolidation, reorganization, recapitalization or share exchange hold less than 50% of the capital stock, calculated on a fully diluted basis, of the resulting corporation entitled to vote in the election of directors;

(c) a sale, transfer or other disposition of 50% or more of the assets of Borrower and its Subsidiaries, on a consolidated basis;

(d) Borrower fails to own and control, directly or indirectly, 100% of the equity interests of each of its Subsidiaries (except to the extent permitted hereunder); or

(e) the initial public offering of securities by Borrower other than an offering of securities for an employee benefit plan on SEC Form S-8 or a successor form.

"***Citibank Accounts***" means the deposit accounts held at Citibank, account numbers 31019951, 2531510105, and 2531510201, which are solely for the use of Borrower's office in Prague, Czech Republic.

"***Closing and Arrangement Fee***" has the meaning set forth in Section 1.3.

"***Closing Date***" has the meaning set forth in Section 1.1.

"***Collateral***" has the meaning set forth in Section 3.

"***Commitment***" has the meaning set forth in Section 1.1.

"***Commitment Amount***" has the meaning set forth in Section 1.1.

"***Common Stock***" means the common stock, par value $0.0001 per share, of the Borrower.

"***Compliance Certificate***" shall mean the certificate to be furnished by Borrower to Lender pursuant to Section 5.1(h) hereof, substantially in the form attached hereto as **Exhibit H** and certified by a Responsible Officer of Borrower, in which report Borrower shall set forth the information specified therein.

"***Contingent Obligations***" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (a) any indebtedness, lease, dividend, letter of credit or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (b) any obligations with respect to undrawn letters of credit, corporate credit cards, or merchant services issued for the account of that Person; and (c) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; *provided, however,* that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; *provided, however,* that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"***Control Agreements***" means a control agreement, in form and substance reasonably satisfactory to Lender, entered into with the bank or securities intermediary at which any Deposit Account or Securities Account is maintained by Borrower or any of its Subsidiaries as required under the terms of Section 5.14. Schedule 5.14 identifies all of the Control Agreements that are required to be in effect on the Initial Closing Date (or such later date as set forth herein).

"***Copyrights***" means any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held.

"***Cost of Money***" shall have the meaning set forth in, and be calculated as provided in, the Act.

"***Default Rate***" has the meaning set forth in Section 1.2(g).

"***Deposit Account***" means any "deposit account," as such term is defined in Section 9-102(a)(30) of the Uniform Commercial Code, now owned or hereafter acquired by Borrower or any of its Subsidiaries or in which Borrower or any of its Subsidiaries now has or hereafter acquires any right and wherever located.

"***Eligible Monthly Recurring Revenue***" (or "***EMRR***") shall have the meaning set forth in the Senior Loan Agreement as in effect on the Closing Date.

"***Equity Interests***" mean, with respect to any Person, the capital stock, partnership, membership or limited liability company interest, or other equity securities or equity ownership interest of such Person.

"***Event of Default***" shall have the meaning set forth in Section 6.

"***Excluded Accounts***" means (a) any payroll accounts, benefits accounts or zero balance accounts, (b) any petty cash and other bank accounts, amounts on deposit in which do not exceed $10,000 in the aggregate at any one time, (c) any withholding tax and fiduciary accounts, and (d) deposit accounts held at the Citibank Account (amounts on deposit in which do not exceed $750,000 in the aggregate at any one time).

"***Facility Fee***" has the meaning set forth in Section 1.3.

"***Fiscal Year***" means the twelve-month period ending on each December 31.

"***Foreign Subsidiary***" has the meaning set forth in Section 3.

"***Funding Termination Date***" has the meaning set forth in Section 1.1.

"***GAAP***" means generally accepted accounting principles in effect in the United States.

"***Governmental Authority***" means any federal, state, provincial, municipal, and foreign governmental entity, authority, or agency or any other political subdivision, or any entity exercising executive, legislative judicial, regulatory or administrative functions of government.

"***Guarantee Obligation***" shall mean as to any Person (the "guaranteeing person") any obligation of the guaranteeing Person in respect of any obligation of another Person (the "primary obligor") (including, without limitation, any bank under any letter of credit), the creation of which was induced by a reimbursement agreement, guaranty agreement, keepwell agreement, purchase agreement, counterindemnity or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of the primary obligor in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefore, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; *provided*, *however*, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (A) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (B) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the applicable Person in good faith.

"***Incremental Advances***" has the meaning set forth in Section 1.1.

"***Incremental Closing Date***" has the meaning set forth in Section 1.1.

"***Indebtedness***" means (a) all indebtedness for borrowed money or the deferred purchase price of property or services, including without limitation reimbursement and other obligations with respect to surety bonds and letters of credit (other than trade payables incurred in the ordinary course of business, having a term of less than six (6) months that are not overdue by more than ninety (90) days), (b) all obligations evidenced by notes, bonds, debentures or similar instruments (including the Advances and the Senior Indebtedness), (c) the principal component of obligations under Capitalized Leases, and (d) all Contingent Obligations; *provided*, *however,* Indebtedness does not include any intercompany debt between Borrower and its Subsidiaries.

"***Initial Advance***" has the meaning set forth in Section 1.1.

"***Initial Closing Date***" has the meaning set forth in Section 1.1.

"***Insolvency Event***" has the meaning set forth in Section 6.1(b).

"***Intellectual Property***" means all "intellectual property" (as defined in the Uniform Commercial Code) and all of the following:

(a) Copyrights, Trademarks and Patents;

(b) any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) any and all design rights which may be available to Borrower now or hereafter existing, created, acquired or held;

(d) any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(e) all licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(g) all proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

"***Intellectual Property Security Agreement***" means that certain Intellectual Property Security Agreement, dated as of the date hereof, by and between Lender and Borrower, substantially in the form of **Exhibit E** attached hereto.

"***Interest Rate***" has the meaning set forth in Section 1.2.

"***Latest Financial Statements***" means the financial statements most recently delivered to Lender pursuant to this Loan Agreement.

"***Legal Requirement***" means any statute, ordinance, code, law, rule, regulation, order or other requirement, standard, procedure enacted, adopted or applied by any Governmental Authority, including, decisions, orders, writs, awards, or injunctions of an arbitrator or a court or other Governmental Authority.

"***Lender***" has the meaning set forth in the introductory paragraph.

"***Lien***" means any lien, mortgage, pledge, charge, security interest or other encumbrance of any kind.

"***Loan Agreement***" has the meaning set forth in the introductory paragraph.

"***Loan Availability***" means, from time to time, the sum of (i) the Commitment Amount less the aggregate principal amount of all Advances then outstanding plus (ii) the Maximum Senior Indebtedness Amount less the aggregate principal amount of the advances that have been advanced under the Senior Loan Agreement and have not been repaid.

"***Management Agreement***" means that certain Management Agreement entered into as of January 1, 2010, by and between Borrower (f/k/a Accolade LLC) and Accretive, LLC, a Delaware limited liability company.

"***Management Rights Agreement***" means that certain letter agreement regarding management rights granted to Lender, dated as of the date hereof, by and between Lender and Borrower, substantially in the form of **Exhibit I** attached hereto, as may be amended, restated, supplemented, or otherwise modified from time to time.

"***Material Adverse Effect***" means a material adverse effect on (a) the financial condition, business operations, or assets of Borrower and its Subsidiaries taken as a whole, (b) the ability of Borrower to repay the Obligations or otherwise perform its obligations under the Transaction Documents (other than the Warrant and the Second A&R Warrant) or of Lender to enforce any Transaction Documents (other than the Warrant and the Second A&R Warrant), or (c) the value, perfection or priority of Lender's security interest in any material portion of the Collateral.

"***Maturity Date***" has the meaning set forth in Section 1.2(c)(iii).

"***Maximum Lawful Amount***" means the maximum amount of interest that is permissible under applicable state or federal laws for the type of loan evidenced by the Transaction Documents.

"***Maximum Senior Indebtedness Amount***" means $20,000,000 of revolving loans, less revolving commitment reductions, to the extent such reductions are permanent.

"***Minimum Eligible Monthly Recurring Revenue***" means the product of (i) four (4) multiplied by (ii) Eligible Monthly Recurring Revenue.

"***Note***" has the meaning set forth in Section 2.1(c).

"***Obligations***" means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Advances, and (b) all other fees and commissions (including attorneys' fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Borrower and each of its respective Subsidiaries to Lender under any Transaction Document of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against Borrower or any Affiliate thereof of any proceeding under any federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"***Patents***" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same.

"***Payoff Letter***" means that certain payoff letter dated as of the date hereof by and between Borrower and Lender (acting as administrative agent for the lenders under the Prior Facility) setting forth the payoff amounts and directions for all amounts owing under the Prior Facility.

"***Permits***" means all franchises, approvals, permits, authorizations, licenses, orders, registrations, certificates, variances and other similar permits or rights obtained from any Governmental Authority and all pending applications therefor, which are material to the business of Borrower.

"***Permitted Indebtedness***" means:

(a) Indebtedness of Borrower in favor of Lender arising under this Loan Agreement or any other Transaction Document;

(b) Senior Indebtedness in an amount not to exceed the Maximum Senior Indebtedness Amount;

(c) Indebtedness not to exceed $1,300,000 in the aggregate in any Fiscal Year of Borrower secured by a lien described in clause (c) of the defined term "Permitted Liens;" provided, that such Indebtedness does not exceed the cost of the equipment and related software financed with such Indebtedness;

(d) Subordinated Debt in an aggregate principal amount not to exceed $250,000;

(e) Indebtedness to trade creditors incurred in the ordinary course of business;

(f) Indebtedness arising from the endorsement of instruments in the ordinary course of business;

(g) Indebtedness arising from judgments or decrees not deemed to be a default or Event of Default under Section 6.1(e):

(h) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness in clause (a) through clause (f) above and clause (i) and clause (k) below, provided that (i) the principal amount thereof is not increased or the terms thereof are, taken as a whole, not modified to impose materially more burdensome terms upon Borrower, (ii) the interest rate margins or any fixed interest rates on such Indebtedness are not increased (except to the extent reflecting prevailing market terms), or (iii) restrictions are not added on the ability of Borrower to repay the Advances, other than those in effect on the date hereof;

(i) performance bonds, surety bonds, and other indemnities or similar obligations issued in the ordinary course of business;

(j) Indebtedness existing on the date hereof, other than as set forth in this definition, and set forth in Schedule 5.4;

(k) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business; and

(l) Indebtedness in respect of netting services, overdraft protection, cash management obligations and similar arrangements entered into in the ordinary course of business.

"***Permitted Investments***" are:

(a) investments shown on Schedule 4(o) hereto and existing on the date hereof;

(b) (i) marketable direct obligations issued or unconditionally guaranteed or insured by the United States or its agency or instrumentality thereof or any State maturing within one year from its acquisition, (ii) commercial paper maturing no more than one year after its creation and having the highest rating from either Standard & Poor's Corporation or Moody's Investors Service, Inc., (iii) certificates of deposit issued maturing no more than one year after issue, (iv) money market accounts subject to a Control Agreement, (v) investments in regular checking or deposit accounts subject to a Control Agreement and payroll and employee benefit deposit accounts, (vi) investments made pursuant to Borrower's investment policy approved by its board of directors and disclosed to Lender; and (vii) investments in Excluded Accounts;

(c) investments of wholly-owned Subsidiaries in or to other wholly-owned Subsidiaries and investments by Borrower in any domestic Subsidiaries that have guaranteed the Obligations pursuant to Section 5.10 of this Loan Agreement;

(d) investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(e) investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; *provided that* this clause (e) shall not apply to investments of Borrower in any Subsidiary;

(f) investments consisting of (i) travel advance and employee relocation loans and other employee loans and advance in the ordinary course of business, and (ii) loans to employees, officers or directors, members, managers or stockholders relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's board of directors not to exceed, for all such investments $100,000 in the aggregate outstanding at any time;

(g) investments otherwise expressly permitted under the terms of this Loan Agreement.

(h) (i) investments by Borrower or any wholly-owned Subsidiaries of Borrower, in its Subsidiaries that are not wholly-owned Subsidiaries or in joint ventures, (ii) investments by Borrower and any domestic Subsidiaries that have guaranteed the Obligations pursuant to Section 5.10 hereof, in its Subsidiaries that have not guaranteed the Obligations pursuant to Section 5.10 hereof, and (iii) investments by non-wholly-owned Subsidiaries or by Subsidiaries that have not guaranteed the Obligations pursuant to Section 5.10 hereof, in other non-wholly-owned Subsidiaries of Borrower or in other Subsidiaries of Borrower that have not guaranteed the Obligations pursuant to Section 5.10 hereof; provided that, in respect of subclauses (i) and (ii) above, the aggregate principal amount of such investments at any one time outstanding shall not exceed $100,000;

(i) investments received as the non-cash portion of consideration received in connection with transactions permitted pursuant to Section 5.3(f);

(j) to the extent constituting investments, deposits made in the ordinary course of business securing contractual obligations of the Borrower or any of its Subsidiaries to the extent constituting a Permitted Lien;

(k) investments by Borrower in Accolade Technologies s.r.o. not to exceed $7,500,000 in the aggregate per Fiscal Year;

(l) the acquisition by Borrower or any of its Subsidiaries of all or substantially all of the Equity Interests or property of another Person, *provided that* such transaction (i) does not in the aggregate exceed Five Million Dollars ($5,000,000) during any Fiscal Year and (ii) Borrower's consideration is in the form of Borrower's equity securities; and

(m) other investments not listed above in an aggregate amount at any time outstanding not to exceed the sum (without duplication) of (i) $1,000,000 plus (ii) the net cash

proceeds of any equity issuance by the Borrower or of any capital contribution to the Borrower plus (iii) such investment to the extent the acquisition consideration for such investment has been paid for with equity interests in the Borrower, *provided that* (i) no Event of Default has occurred and is continuing and (ii) Lender shall have received evidence that, after giving effect to such investment, Borrower shall be in pro forma compliance with the financial covenants set forth herein.

"***Permitted Liens***" means:

(a) any Liens (i) existing on the Initial Closing Date and listed on Schedule 4(f) hereto (excluding Liens to be satisfied with the proceeds of the Initial Advance) and renewals, refinancings and extensions thereof on substantially the same or better terms as in effect on the Initial Closing Date or otherwise in compliance with this Loan Agreement or (ii) arising under this Loan Agreement or the other Transaction Documents;

(b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings and for which Borrower maintains adequate reserves;

(c) Liens securing purchase money Indebtedness or capital lease obligations; provided, that: (i) the purchase or lease of the asset subject to any such Lien is permitted under this Loan Agreement, (ii) the Indebtedness or other obligation secured by any such Lien is Permitted Indebtedness, (iii) any such Lien encumbers only the asset so purchased or leased and the proceeds thereof, and (iv) the Indebtedness secured by such Lien is incurred within ninety (90) days after the purchase or lease of such asset;

(d) leases or subleases and licenses or sublicenses granted in the ordinary course of Borrower's business;

(e) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 6;

(f) Liens in favor of other financial institutions arising in connection with Borrower's deposit accounts held at such institutions to secure standard fees for deposit services charged by, but not financing made available by such institutions, provided that Lender has a perfected security interest in the amounts held in such deposit accounts;

(g) Liens securing the Senior Indebtedness in an amount not to exceed the Maximum Senior Indebtedness Amount, and Liens securing Indebtedness described in clauses (c), (d) or (l) of the definition of Permitted Indebtedness and extensions, refinancings, modifications, amendments and restatements thereof;

(h) Liens of landlords and liens of carriers, warehousemen, mechanics, materialmen and other similar liens incurred in the ordinary course of business for sums not overdue more than sixty (60) days or Properly Contested;

(i) Liens (other than any lien created by Section 4068 of ERISA and securing an obligation of any employer or employers which is delinquent) incurred or deposits or pledges

made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security, or to secure the performance of bids, leases, customs, tenders, statutory obligations, surety and appeal bonds, payment and performance bonds, return-of-money bonds and other similar obligations (not incurred in connection with the borrowing of money or the obtaining of advances or credits to finance the purchase price of property);

(j) easements, rights-of-way, restrictions, covenants, conditions and other liens incurred, licenses and sublicenses and other similar rights granted to others in the ordinary course of business and not, individually or in the aggregate, materially interfering with the ordinary conduct of the business of the applicable Person;

(k) Liens which are incidental to the conduct of the Borrower's business or the ownership of its property and assets and which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially impair the ordinary conduct of the business of the applicable Person;

(l) Liens securing Indebtedness incurred to the extent used to finance insurance premiums;

(m) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases and consignments;

(n) Liens consisting of rights of set-off or bankers' liens or amounts on deposit;

(o) any interest or title of a lessor, sublessor, licensor or sublicensor under any lease or license permitted by this Loan Agreement;

(p) Liens in favor of collecting banks arising under Section 4-208 or 4-210 of the Uniform Commercial Code;

(q) Liens (including the right of set-off, revocation, refund or chargeback) in favor of a bank or other depository institution arising as a matter of law encumbering deposits and solely relating to the maintenance of any applicable bank or deposit account;

(r) Liens arising out of consignment, title retention, conditional sale or similar arrangements for the sale of goods entered into by a Borrower or any Subsidiary of a Borrower in the ordinary course of business;

(s) Liens in favor of customs and revenue authorities arising as a matter of law which secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(t) Liens consisting of an agreement to dispose of property to the extent constituting a Permitted Transfer;

(u) Liens that are contractual rights of set-off relating to purchase orders and other agreements entered into with customers of the Borrower or any of its Subsidiaries in the ordinary course of business; and

(v) Liens consisting of security deposits in connection with leases, subleases, sublicenses, use and occupancy agreements, utility services and similar transactions entered into by the Borrower or any of its Subsidiaries in the ordinary course of business and not required as a result of any breach of any agreement or default in payment of any obligation.

"***Permitted Transfers***" has the meaning set forth in Section 5.3(f).

"***Person***" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity, or governmental agency.

"***Principal Commencement Date***" has the meaning set forth in Section 1.2(c)(i).

"***Principal Extension Facility Fee***" has the meaning set forth in Section 1.3.

"***Prior Facility***" means all amounts owing under that certain Amended and Restated Loan and Security Agreement by and among Borrower, Lender (as a lender and administrative agent), and Comerica Bank dated as of November 20, 2015.

"***Properly Contested***" means, with respect to any obligation of Borrower, (a) the obligation is subject to a bona fide dispute regarding amount or the Borrower's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with GAAP; (d) non-payment could not reasonably be expected to have a Material Adverse Effect; and (e) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review

"***Responsible Officer***" means either of the Chief Executive Officer or Chief Financial Officer of Borrower.

"***Revenue***" means the gross revenue under contract of Borrower, determined on a consolidated basis in accordance with Borrower's internal procedures, which will be in accordance with GAAP, with such adjustments as agreed between Borrower and Lender.

"***SBA Letter Agreement***" means that certain letter agreement regarding matters pertaining to the Act, dated as of the date hereof, by and between Lender and Borrower, substantially in the form of **Exhibit F** attached hereto.

"***Second A&R Warrant***" has the meaning set forth in Section 2.1(g).

"***Securities Account***" means any "securities account" as defined in the Uniform Commercial Code.

"***Senior Indebtedness***" means all obligations, liabilities and Indebtedness of every nature of Borrower from time to time owed under the Senior Loan Documents or under any replacement or substitute senior loan facility; *provided*, *however,* that in no event shall the principal amount of the Senior Indebtedness exceed the Maximum Senior Indebtedness Amount. Senior Indebtedness shall be considered to be outstanding whenever any loan commitment or principal amount under the Senior Loan Documents is outstanding.

"***Senior Lender***" means Comerica Bank, or any replacement or substitute lender permitted under the subordination agreement between the Lender and the Senior Lender.

"***Senior Loan Agreement***" means that certain Loan and Security Agreement dated as of January 30, 2017, by and between Borrower and Senior Lender, as the same may be amended, supplemented or otherwise modified from time to time as permitted herein.

"***Senior Loan Documents***" means the Senior Loan Agreement and all other agreements, documents and instruments executed from time to time in connection therewith, as the same may be amended, supplemented or otherwise modified from time to time as permitted herein, including a subordination or intercreditor agreement by and between Lender and Senior Lender, in form and substance reasonably satisfactory to Lender.

"***Subordinated Debt***" means any debt incurred by Borrower that is subordinated in writing to the debt owing by Borrower to Lender on terms acceptable to Lender (and identified as being such by Borrower and Lender).

"***Subordinated Debt Documents***" shall mean and include any documents evidencing any Subordinated Debt, in each case, as the same may be amended, modified, supplemented or otherwise modified from time to time in compliance with the terms of this Loan Agreement.

"***Subordination Agreements***" shall mean, collectively, any subordination agreements entered into by any Person from time to time in favor of Lender in connection with any Subordinated Debt, the terms of which are reasonably acceptable to Lender, in each case as the same may be amended, restated or otherwise modified from time to time, and "Subordination Agreement" shall mean any one of them.

"***Subsidiaries***" shall mean for any Person, a joint venture, or any other business entity of which more than 50% of the voting stock or other equity interests is owned or controlled, directly or indirectly, by the Person or one or more Affiliates of the Person.

"***Trademarks***" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"***Transaction Documents***" means this Loan Agreement, the Warrant, the Second A&R Warrant, the Intellectual Property Security Agreement, each Subordination Agreement, and all other agreements, documents and instruments executed from time to time in connection herewith, as the same may be amended, supplemented, or otherwise modified from time to time as permitted herein.

"***Uniform Commercial Code***" means the Uniform Commercial Code as in effect from time to time in the State of Delaware.

"***Warrant***" has the meaning set forth in Section 2.

"***Warrant Shares***" has the meaning set forth in Section 2.

[signature pages follow]

IN WITNESS WHEREOF, the undersigned have executed this Loan and Security Agreement as of the first day above written.

BORROWER:

ACCOLADE, INC.,
a Delaware corporation

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Chief Executive Officer

[Signature Page to Loan and Security Agreement]

LENDER:

ESCALATE CAPITAL PARTNERS SBIC III, LP,
a Delaware limited partnership

By: Escalate SBIC Capital Management III. LLC,
its general partner

By: /s/ William A. Schell
Name: William A. Schell
Title: Manager

Exhibit A — Form of Authorization for Pre-Authorized Payments *(Debit)*

AUTHORIZATION AGREEMENT FOR PRE-AUTHORIZED PAYMENTS (DEBIT)

Company Name: ACCOLADE, INC., a Delaware corporation (the "**Company**").

The undersigned hereby authorizes ESCALATE CAPITAL PARTNERS SBIC III, LP ("***Escalate***") and the financial institution named below ("***Bank***") to electronically charge Company's account specified below for payments due under that certain Secured Promissory Note dated as of January 30, 2017 a copy of which is attached hereto as Exhibit A.

Comerica Bank	226 Airport Parkway
Bank Name	Branch Location (where account was opened)
San Jose	CA 95110
City	State Zip Code
121137522	
Bank Transit/ABA Number	Account Number
Checking	Accolade, Inc.
Checking or Savings Account	Account Name

This authority is to remain in full force and effect until Bank has received written notification from Escalate of its termination in such time and in such manner as to afford Bank a reasonable opportunity to act on it. Following termination of the authority granted hereby, the Company shall make all payments due Escalate at such time and in such manner directed by Escalate.

[Signature page follows]

Authorizing Party (Please Print)		Tax ID Number	
Signature	Date	Signature	Date

EXHIBIT A-2

EXHIBIT A

to

AUTHORIZATION AGREEMENT FOR PRE-AUTHORIZED PAYMENTS (DEBIT)

Secured Promissory Note

(See attached)

EXHIBIT A-3

Exhibit B — Form of Note

See attached.

SECURED PROMISSORY NOTE

THIS SECURED PROMISSORY NOTE IS SUBJECT TO THE TERMS OF A SUBORDINATION AND INTERCREDITOR AGREEMENT AMONG COMERICA BANK, BORROWER, AND LENDER DATED AS OF JANUARY 30, 2017, AS SUCH SUBORDINATION AND INTERCREDITOR AGREEMENT MAY BE AMENDED, RESTATED, REPLACED, SUPPLEMENTED, OR MODIFIED FROM TIME TO TIME.

Up to $20,000,000 Dated: January 30, 2017

FOR VALUE RECEIVED, the undersigned, ACCOLADE, INC., a Delaware corporation ("***Borrower***"), HEREBY PROMISES TO PAY to the order of ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership ("***Lender***"), the principal amount of up to Twenty Million and No/100 Dollars ($20,000,000) (or such lesser principal amount as is actually loaned to the Borrower by Lender pursuant to the Loan Agreement as determined by Lender, which shall be conclusive and binding absent manifest error), together with interest on any and all principal amounts remaining unpaid hereunder from time to time outstanding. Payments of principal of and interest on, this Secured Promissory Note (this "***Note***") are to be made in accordance with Section 1.2 of that certain Loan and Security Agreement dated as of the date hereof by and between Lender and Borrower (as amended, restated, or otherwise modified from time to time, the "***Loan Agreement***") and in lawful money of the United States of America. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Loan Agreement.

This Note is the one referred to in, and is entitled to the benefits of, the Loan Agreement. This Note and the obligation of Borrower to repay the unpaid principal amount of the Advances, interest on the Advances and all other amounts due Lender under the Loan Agreement is secured under the Loan Agreement.

Borrower hereby irrevocably authorizes Lender to make (or cause to be made) appropriate notations on its books and records, which notations, if made, shall evidence, *inter alia*, the date and amount of any Advances under the Loan Agreement. Such notations shall be presumptively correct in the absence of manifest error; *provided, that* the failure of Lender to make any such notations shall not limit or otherwise affect any obligations of the Borrower or any other obligor.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance, and enforcement of this Note are hereby waived.

Borrower shall pay all fees and expenses, including, without limitation, documented attorneys' fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrower's obligations hereunder not performed when due. This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

ACCOLADE, INC.,
a Delaware Corporation

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Chief Executive Officer

Signature Page to Secured Promissory Note

Exhibit C — Form of Corporate Resolutions to Borrow

See attached.

ACCOLADE, INC.

ACTION BY WRITTEN CONSENT OF STOCKHOLDERS
IN LIEU OF SPECIAL MEETING

In accordance with Section 228 of the Delaware General Corporation Law (the "**DGCL**") and the Bylaws of Accolade, Inc., a Delaware corporation (the "**Company**"), the undersigned, constituting (i) at least 75% of the outstanding shares of Preferred Stock, par value $0.0001, of the Company (the "**Preferred Stock"**) voting together on an "as-if-converted" basis (the "**Aggregate Preferred Holders**") and (ii) at least 75% or 66.7%, as applicable, of the outstanding shares of each series of Preferred Stock, each voting as a separate class (the "**Requisite Series Holders**" and such holders of Preferred Stock the "**Preferred Stockholders**", and collectively with the Aggregate Preferred Holders, the "**Requisite Holders**") hereby adopt the following resolutions by their written consent, without a meeting:

APPROVAL OF LOAN AGREEMENTS, WARRANTS AND TRANSACTION DOCUMENTS

WHEREAS, the Company desires to enter into that certain Loan and Security Agreement, by and between the Company and Escalate Capital Partners SBIC III, LP, a Delaware limited partnership ("**Escalate Lender**") pursuant to which, on the terms and subject to the conditions set forth therein, the Company will be entitled to receive one or more loans from the Escalate Lender in an aggregate amount up to Twenty Million Dollars ($20,000,000.00), substantially in the form attached hereto as Exhibit A (the "**Escalate Loan Agreement**");

WHEREAS, the Company desires to enter into that certain Loan and Security Agreement, by and between the Company and Comerica Bank ("**Comerica Lender**", and collectively with Escalate Lender, the "**Lenders**" and each individually a "**Lender**") pursuant to which, on the terms and subject to the conditions set forth therein, the Company will be entitled to receive revolving loans from the Comerica Lender in an aggregate amount up to Twenty Million Seven Hundred Fifty Thousand Dollars ($20,750,000.00), substantially in the form attached hereto as Exhibit B (the "**Comerica Loan Agreement**", and collectively with the Escalate Loan Agreement, the "**Loan Agreements**");

WHEREAS, in connection with the Company's entry into the Loan Agreements and in order to secure or otherwise assure the Company's obligations thereunder, the Company desires to: (i) issue to Comerica a warrant substantially in the form of Exhibit C (the "**New Comerica Warrant**") to purchase up to 111,442 shares of Common Stock pursuant to the terms and conditions set forth therein; (ii) amend and restate that certain Warrant to Purchase Common Stock dated November 20, 2015, as amended, issued to Comerica or its permitted assigns, substantially in the form of Exhibit D (the "**Amended and Restated Comerica Warrant**");(iii) amend and restate that certain Amended and Restated Warrant to Purchase Common Stock dated November 20, 2015, as amended, issued to Escalate or its permitted assigns, substantially in the form of Exhibit E (the "**Second Amended and Restated Escalate Warrant**") and (iv) issue to Escalate a warrant substantially in the form of Exhibit F to purchase 217,712 shares of Common Stock pursuant to the terms and conditions set forth therein (the "**New Escalate Warrant**", and together with the Second Amended and Restated Escalate Warrant, the New Comerica Warrant and the Amended and Restated Comerica Warrant, the "**Warrants**") (collectively, the "**Warrant Transactions**");

WHEREAS, in connection with the Company's entry into the Loan Agreements the Warrant Transactions and in order to secure or otherwise assure the Company's obligations thereunder, the Lenders proposed that the Company enter into certain agreements and documents that are ancillary to the Loan Agreements and the Warrants, including any promissory notes, deposit account control agreements,

collateral assignments, financing statements, mortgages, deeds of trust, assignments, reimbursement agreements, indemnities and other documents, instruments, agreements and certificates mutually agreed upon by the Lenders and the Company (together, such ancillary documents are the "**Transaction Documents**");

WHEREAS, the terms of each of the Loan Agreements, the Warrants and the proposed Transaction Documents have been reported to and reviewed by the Board, and the Board has determined that the execution, delivery and performance by the Company of each of such documents and the transactions contemplated thereby (which transactions include, without limitation, the (i) borrowings and incurrence of the other obligations and liabilities thereunder, (ii) the pledge and grant of the liens and security interests in the assets of the Company, and (iii) the Warrant Transactions and the issuance of the Warrants and the reservation of equity securities for issuance upon the exercise of the Warrants, in each case, as described in the applicable document (together, the "**Contemplated Transactions**")) are in the best interest of the Company, are reasonably expected to benefit the Company, directly or indirectly, and the consideration to be received by the Company in connection therewith is reasonably equivalent to the obligations and liabilities of the Company thereunder;

WHEREAS, the Board has determined that it is advisable and in the best interests of the Company and its stockholders that the Company (i) enter into the Loan Agreements, the Transaction Documents and to issue the Warrants, each in substantially the form and substance reviewed by the Board, and (ii) consummate the Contemplated Transactions, and the Board has submitted the Loan Agreements, the Transaction Documents and the Warrants to the Preferred Stockholders for their review with the recommendation that the Preferred Stockholders approve the same as well as the Company's consummation of the Contemplated Transactions;

WHEREAS, pursuant to Article IV, Section C(5)(c)(xii) of the Fourth Amended and Restated Certificate of Incorporation (the "**Certificate of Incorporation**"), the Company may not, without consent of the Aggregate Preferred Holders, incur or guaranty any debt such that the aggregate outstanding amount of all debt and guarantees of third party obligations of the Company and its subsidiaries is more than $750,000 (the "**Debt Limit**"); and

WHEREAS, the Contemplated Transactions would cause the Company to exceed the Debt Limit and therefore the Aggregate Preferred Holders desire to hereby approve, in accordance with the terms of the Certificate of Incorporation, the Company's incurrence of such indebtedness.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Company's execution, delivery, performance and issuance of the Loan Agreements, the Warrants and the Transaction Documents is hereby authorized and approved.

RESOLVED FURTHER, that the Company's entry into any of the proposed Transaction Documents and the Company's consummation of the Contemplated Transactions is hereby authorized and approved.

RESOLVED FURTHER, that the reservation of the requisite shares of Common Stock for possible issuance pursuant to the Warrants is hereby authorized and approved.

RESOLVED FURTHER, that the Aggregate Preferred Holders hereby expressly approve, in accordance with the Certificate of Incorporation, the Loan Agreements and the Company's incurrence of indebtedness in excess of the Debt Limit; and

RESOLVED FURTHER, that, effective immediately prior to, and conditioned upon the consummation of, the Contemplated Transactions, the Requisite Series Holders hereby waive, pursuant to Section 2.6 of that certain Third Amended and Restated Investor Rights Agreement dated July 26, 2016, by and among the Company and the parties thereto, as amended to date (the "**IRA**"), any and all rights to receive notice, preemptive rights, over-subscription rights and similar rights provided to the Preferred Stockholders pursuant to Section 2 of the IRA with respect to: (i) the Company's issuance of the New Comerica Warrant, (ii) the Company's issuance of the New Escalate Warrant, (iii) the Company's entering into that certain Second Amended and Restated Escalate Warrant, (iv) the Company's entering into that certain Amended and Restated Comerica Warrant and (v) the issuance of any securities issuable pursuant to the exercise of any Warrant pursuant to, and in accordance with, the terms thereof.

OMNIBUS RESOLUTIONS

NOW, THEREFORE, BE IT HEREBY RESOLVED: that the directors of the Company are authorized and empowered to take any and all such further action as may be deemed necessary or advisable to effectuate the purposes and intent of the resolutions hereby adopted.

RESOLVED FURTHER: that the officers of the Company be, and each of them hereby is, authorized to sign, execute, certify to, verify, acknowledge, deliver, accept, file and record any and all such additional agreements, instruments, certificates, documents, reports, and schedules (including, but not limited to, any increases, renewals, extensions, amendments, modifications, restatements or waivers of any of the foregoing or of any of the Loan Agreement, Warrants or Transaction Documents), and to take, or cause to be taken, any and all such action, in the name and on behalf of the Company, which shall be required to consummate any of the foregoing resolutions (including but not limited to the consummation of the Contemplated Transactions or any increase, renewal, extension, amendment, modification, restatement or waiver thereof) or which any officer shall, in such officer's sole discretion, deem necessary or appropriate and in the best interest of the Company in order to effect the purposes of the foregoing resolutions, and such officer's signature, or such actions taken by such officer, shall be conclusive evidence that such officer did deem same to be necessary or appropriate and in the best interest of the Company in order to effect such purposes; provided that attestation of any agreement or document by the Secretary or an Assistant Secretary of the Company shall not be required for the validity thereof, except to the extent expressly required by applicable law.

RESOLVED FURTHER: that any and all actions taken by the directors or officers of the Company to carry out the purposes and intent of the foregoing resolutions prior to their adoption are approved, ratified and confirmed.

RESOLVED FURTHER, that the foregoing resolutions may be relied upon by any Lender until receipt and written acknowledgment thereby of written notice of their amendment or rescission and that any such receipt and acknowledgment shall not affect any action taken by any Lender in reliance on the foregoing resolutions prior thereto.

RESOLVED FURTHER, that the officers of the Company are, and each of them hereby is, authorized and directed to certify to any Lender the foregoing resolutions.

RESOLVED FURTHER: that this Action by Written Consent of Stockholders in Lieu of Special Meeting may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action. Execution by electronic means or other reliable reproduction of this Action by Written Consent of Stockholders in Lieu of Special

Meeting may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reliable reproduction is a complete reproduction of the entire original writing.

[Remainder of Page Intentionally Left Blank]

This Action by Written Consent of Stockholders in Lieu of Special Meeting shall be effective as of the date the Company receives the consent of the Requisite Holders. By executing this Action by Written Consent of Stockholders in Lieu of Special Meeting, each undersigned stockholder is giving written consent with respect to all shares of capital stock held by such stockholder in favor of the above resolutions.

STOCKHOLDER:

By: _____
Signature of Stockholder

_____
Name of Signing Person (Printed)

_____
Name of Entity (if Stockholder is not an individual)

Title: _____
(if Stockholder is not an individual)

Date: , 2017

EXHIBIT A

Escalate Loan Agreement

(See attached)

EXHIBIT B

Comerica Loan Agreement

(See attached)

EXHIBIT C

New Comerica Warrant

(See attached)

EXHIBIT D

Amended and Restated Comerica Warrant

(See attached)

EXHIBIT E

Second Amended and Restated Escalate Warrant

(See attached)

EXHIBIT F

New Escalate Warrant

(See attached)

ACCOLADE, INC.

ACTION BY UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS

In accordance with Section 141(f) of the Delaware General Corporation Law (the "**DGCL**") and the Bylaws of Accolade, Inc., a Delaware corporation (the "**Company**"), the undersigned, constituting all of the members of the Company's Board of Directors (the "**Board**"), hereby adopt the following resolutions by their written consent, without a meeting:

APPROVAL OF LOAN AGREEMENTS, WARRANTS AND TRANSACTION DOCUMENTS

WHEREAS, the Company desires to enter into that certain Loan and Security Agreement, by and between the Company and Escalate Capital Partners SBIC III, LP, a Delaware limited partnership ("**Escalate Lender**") pursuant to which, on the terms and subject to the conditions set forth therein, the Company will be entitled to receive one or more loans from the Escalate Lender in an aggregate amount up to Twenty Million Dollars ($20,000,000.00), substantially in the form attached hereto as Exhibit A (the "**Escalate Loan Agreement**");

WHEREAS, the Company desires to enter into that certain Loan and Security Agreement, by and between the Company and Comerica Bank ("**Comerica Lender**", and collectively with Escalate Lender, the "**Lenders**" and each individually a "**Lender**") pursuant to which, on the terms and subject to the conditions set forth therein, the Company will be entitled to receive revolving loans from the Comerica Lender in an aggregate amount up to Twenty Million Seven Hundred Fifty Thousand Dollars ($20,750,000.00), substantially in the form attached hereto as Exhibit B (the "**Comerica Loan Agreement**", and collectively with the Escalate Loan Agreement, the "**Loan Agreements**");

WHEREAS, in connection with the Company's entry into the Loan Agreements and in order to secure or otherwise assure the Company's obligations thereunder, the Company desires to: (i) issue to Comerica a warrant substantially in the form of Exhibit C (the "**New Comerica Warrant**") to purchase up to 111,442 shares of Common Stock pursuant to the terms and conditions set forth therein; (ii) amend and restate that certain Warrant to Purchase Common Stock dated November 20, 2015, as amended, issued to Comerica or its permitted assigns, substantially in the form of Exhibit D (the "**Amended and Restated Comerica Warrant**"); (iii) amend and restate that certain Amended and Restated Warrant to Purchase Common Stock dated November 20, 2015, as amended, issued to Escalate or its permitted assigns, substantially in the form of Exhibit E (the "**Second Amended and Restated Escalate Warrant**") and (iv) issue to Escalate a warrant substantially in the form of Exhibit F to purchase 217,712 shares of Common Stock pursuant to the terms and conditions set forth therein (the "**New Escalate Warrant**", and together with the Second Amended and Restated Escalate Warrant, the New Comerica Warrant and the Amended and Restated Comerica Warrant, the "**Warrants**") (collectively, the "**Warrant Transactions**");

WHEREAS, in connection with the Company's entry into the Loan Agreements and the Warrant Transactions, and in order to secure or otherwise assure the Company's obligations thereunder, the Lenders proposed that the Company enter into certain agreements and documents that are ancillary to the Loan Agreements and the Warrants, including any promissory notes, deposit account control agreements, collateral assignments, financing statements, mortgages, deeds of trust, assignments, reimbursement agreements,

indemnities and other documents, instruments, agreements and certificates mutually agreed upon by the Lenders and the Company (together, such ancillary documents are the "**Transaction Documents**");

WHEREAS, the terms of each of the Loan Agreements, the Warrants and the proposed Transaction Documents have been reported to and reviewed by the Board, and the Board has determined that the execution, delivery and performance by the Company of each of such documents and the transactions contemplated thereby (which transactions include, without limitation, the (i) borrowings and incurrence of the other obligations and liabilities thereunder, (ii) the pledge and grant of the liens and security interests in the assets of the Company, and (iii) the Warrant Transactions and the issuance of the Warrants and the reservation of equity securities for issuance upon the exercise of the Warrants, in each case, as described in the applicable document (together, the "**Contemplated Transactions**")) are in the best interest of the Company, are reasonably expected to benefit the Company, directly or indirectly, and the consideration to be received by the Company in connection therewith is reasonably equivalent to the obligations and liabilities of the Company thereunder;

WHEREAS, pursuant to Section 5.8 of that certain Third Amended and Restated Investor Rights Agreement dated July 26, 2016, by and among the Company and the stockholders of the Company signatory thereto, as amended to date (the "**IRA**"), the Company may not, without the approval of a majority of the Board (including the affirmative vote of a majority of the Independent Directors (as defined therein), incur indebtedness in excess of $100,000 in the aggregate that is not already included in a Board-approved annual budget (the "**Majority Debt Limit**");

WHEREAS, pursuant to Section 5.9 of the IRA, the Company may not, without the approval of members of the Board who constitute at least two-thirds of the Board, incur indebtedness that would result in the Company's aggregate indebtedness exceeding $750,000 (the "**Supermajority Debt Limit**");

WHEREAS, the Contemplated Transactions would cause the Company to exceed both the Majority Debt Limit and the Supermajority Debt Limit and therefore the Board desires to hereby approve, in accordance with the terms of the IRA, the Company's incurrence of such indebtedness; and

WHEREAS, the Board has determined that it is advisable and in the best interests of the Company and its Stockholders that the Company (i) enter into the Loan Agreements, the Warrants and the Transaction Documents and to issue the Warrants, each in substantially the form and substance reviewed by the Board, and (ii) consummate the Contemplated Transactions, and the Board has submitted the Loan Agreements, the Warrants and the Transaction Documents to the requisite Stockholders (the "**Requisite Stockholders**") for their review with the recommendation that the Requisite Stockholders approve the same as well as the Company's consummation of the Contemplated Transactions.

NOW, THEREFORE, BE IT HEREBY RESOLVED: that that the Board hereby authorizes and approves the Company's execution, delivery, performance and issuance of the Loan Agreements, the Warrants and the Transaction Documents.

RESOLVED FURTHER: that the Board hereby authorizes and approves the Company's entry into any of the proposed Transaction Documents and the Company's consummation of the Contemplated Transactions.

RESOLVED FURTHER: that the reservation of the requisite shares of Common Stock for possible issuance pursuant to the Warrants is hereby authorized and approved.

RESOLVED FURTHER: that the Board hereby adopts the resolutions set forth in the Corporation Resolutions and Incumbency Certification Authority to Procure Loans on Exhibit G (the "**Comerica Procurement Resolutions**")

RESOLVED FURTHER: that the Authorized Officers be, and each of them hereby is, authorized and directed to submit the Loan Agreements, the Transaction Documents and the Warrants to the Requisite Stockholders for their approval and, upon receipt of such approval, to execute the Loan Agreements, the Transaction Documents, the Warrants and the other documents, agreements, instruments, and certificates, if any, to be delivered in connection therewith, with such changes or modifications thereto as may be approved by any such Authorized Officer, in such form and with such additions and changes to any or all of such terms and conditions as such Authorized Officer may approve as necessary, desirable or proper, such Authorized Officer's approval to be conclusively evidenced by the execution and delivery of any such agreement, instrument, certificate or related document, and to take all such actions as any such Authorized Officer deems necessary or desirable to cause the Loan Agreements, the Transaction Documents and the Warrants to become effective.

RESOLVED FURTHER: that the Board hereby expressly approves, in accordance with the IRA, the Loan Agreements and the Company's incurrence of indebtedness in excess of each of the Majority Debt Limit and the Supermajority Debt Limit.

RESOLVED FURTHER: that the Warrant Transactions shall be conducted in such a manner as to qualify for: (i) exemption from various state requirements regarding registration of the sale of securities, if available; and (ii) the exemption from the requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), regarding registration of the sale of securities, as provided in 4(2) or Regulation D of the Securities Act, and each Authorized Officer of the Company, in consultation with legal counsel, is hereby authorized and directed to execute and file such documents as are necessary or appropriate.

RESOLVED FURTHER: in connection with the Loan Agreements and the transactions contemplated thereby, that any one of the Authorized Officers, including specifically Stephen Barnes, Jeffrey Smith and Rajeev Singh (each, an "**Authorized Agent**" and collectively, the "**Authorized Agents**"), be and hereby is, authorized on behalf of the Company to: (i) enter contracts regarding wire transfers; and (ii) designate those persons who can request a wire transfer payment order, cancellation and/or change to payment orders in the name of the Company and who can designate the bank account of the Company that is to be charged for the amount of the requested payment orders and related charges and fees, whether or not such person(s) is/are also designated by the Company as an Authorized Signer of such designated account(s) as the term is defined in the Comerica Business and Personal Deposit Account Contract.

RESOLVED FURTHER: that each of the Authorized Agents be, and hereby is, authorized to do the following for and on behalf of the Company: (i) enter and execute the Business Deposit Account Signature Document or any other Comerica acceptable signature card; (ii) designate Authorized Signers on a Business Deposit Account Signature Card or any other Comerica acceptable signature card which means that such Authorized Signers can: (1) execute any arrangements or documents for the use of any transfer service and/or non-transfer service offered through telephone, IVR, Comerica Web Banking or Comerica Web Banking for Small Business on behalf of or for the Company; (2) execute any agreements or documents for the use of any ATM or debit card on behalf of and for the Company; and (3) issue payment orders and/or funds transfers as set forth in the Comerica Business and Personal Deposit Account Contract, which include, but are not limited to, in person wires at a

banking center and telephone internal funds transfers to or from an account of the Company; (iii) conduct all types of banking transactions available for the accounts that is allowed for Authorized Signers under the Comerica Declaration for Deposit Accounts and Treasury Management Services, applicable signature card and the Comerica Business and Personal Deposit Account Contract; and (iv) execute contracts/agreements for financial services, including, but not limited to, treasury management agreements.

OMNIBUS RESOLUTIONS

NOW, THEREFORE, BE IT HEREBY RESOLVED: that the directors of the Company are authorized and empowered to take any and all such further action as may be deemed necessary or advisable to effectuate the purposes and intent of the resolutions hereby adopted.

RESOLVED FURTHER: that the Authorized Officers of the Company be, and each of them hereby is, authorized to sign, execute, certify to, verify, acknowledge, deliver, accept, file and record any and all such additional agreements, instruments, certificates, documents, reports, and schedules (including, but not limited to, any increases, renewals, extensions, amendments, modifications, restatements or waivers of any of the foregoing or of any of the Loan Agreement, Warrants or Transaction Documents), and to take, or cause to be taken, any and all such action, in the name and on behalf of the Company, which shall be required to consummate any of the foregoing resolutions (including but not limited to opening bank accounts with Comerica and/or the consummation of the Contemplated Transactions or any increase, renewal, extension, amendment, modification, restatement or waiver thereof) or which any Authorized Officer shall, in such Authorized Officer's sole discretion, deem necessary or appropriate and in the best interest of the Company in order to effect the purposes of the foregoing resolutions, and such Authorized Officer's signature, or such actions taken by such Authorized Officer, shall be conclusive evidence that such Authorized Officer did deem same to be necessary or appropriate and in the best interest of the Company in order to effect such purposes; provided that attestation of any agreement or document by the Secretary or an Assistant Secretary of the Company shall not be required for the validity thereof, except to the extent expressly required by applicable law.

RESOLVED FURTHER: that all actions heretofore taken by the Authorized Officers and directors of the Company with respect to the foregoing transactions and all other matters contemplated by the foregoing resolutions are hereby approved, adopted, ratified and confirmed.

RESOLVED FURTHER: that the foregoing resolutions may be relied upon by any Lender until receipt and written acknowledgment thereby of written notice of their amendment or rescission and that any such receipt and acknowledgment shall not affect any action taken by any Lender in reliance on the foregoing resolutions prior thereto.

RESOLVED FURTHER: that the Authorized Officers of the Company are, and each of them hereby is, authorized and directed to certify to any Lender the foregoing resolutions.

RESOLVED FURTHER: that this Action by Unanimous Written Consent of the Board of Directors may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action. Execution by electronic means or other reliable reproduction of this Action by Unanimous Written Consent of the Board of Directors may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used. This Action by Unanimous Written Consent of the Board of Directors shall be filed with the minutes of the proceedings of the Board of Directors of the Company.

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This Action by Unanimous Written Consent of the Board of Directors shall be effective on the date the Company receives the unanimous written consent of the Company's directors.

_____ Date: _____
Edgar Bronfman, Jr.

_____ Date: _____
Sheila Burke

_____ Date: _____
J. Michael Cline

_____ Date: _____
William H. Frist

_____ Date: _____
Jeff Jordan

_____ Date: _____
Mark Mactas

_____ Date: _____
James C. Madden, V

_____ Date: _____
Thomas J. Neff

_____ Date: _____
Rajeev Singh

_____ Date: _____
Thomas K. Spann

_____ Date: _____
Michael T. Yang

[Signature Page to Written Consent of the Board re: 2017 Debt Financing]

EXHIBIT A

Escalate Loan Agreement

(*See attached*)

EXHIBIT B

Comerica Loan Agreement

(See attached)

EXHIBIT C

New Comerica Warrant

(See attached)

EXHIBIT D

Amended and Restated Comerica Warrant

(See attached)

EXHIBIT E

Second Amended and Restated Escalate Warrant

(See attached)

EXHIBIT F

New Escalate Warrant

(See attached)

EXHIBIT G

Comerica Procurement Resolutions

(See attached)

Exhibit D-1 — Form of Warrant

See attached.

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF REGISTRATION UNDER OR EXEMPTION FROM THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS.

WARRANT TO PURCHASE COMMON STOCK

Company:	ACCOLADE, INC., a Delaware corporation
Number of Shares:	217,712 Shares
Class of Stock:	Common Stock, $0.0001 value per share ("Common Stock")
Initial Exercise Price:	$0.001 per share
Issue Date:	January 30, 2017
Expiration Date:	January 30, 2027 (Subject to Article 4.1)

THIS WARRANT CERTIFIES THAT, in consideration of the payment of $1.00 and for other good and valuable consideration, ESCALATE CAPITAL PARTNERS SBIC III, LP, or its assigns ("Holder") is entitled to purchase the number of fully paid and nonassessable shares of Common Stock (the "Shares") of ACCOLADE, INC., a Delaware corporation (the "Company"), at the Initial Exercise Price per Share (the "Warrant Price") all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1. EXERCISE.

1.1 Exercise of Warrant.

1.1.1 Exercisability. The purchase rights represented by this Warrant are exercisable by the Holder in whole or in part, at any time, or from time to time, on or before the Expiration Date set forth above, in the manner set forth in this Article 1.

1.2 Method of Exercise. Holder may exercise this Warrant by delivering this Warrant and a duly executed Notice of Exercise or Exchange in substantially the form attached as Appendix 1 to the principal office of the Company. Unless this Warrant is exchanged pursuant to Articles 1.3, 1.7 1.8 or 4.1, Holder shall also deliver to the Company payment by wire, check or cash for the aggregate Warrant Price for the Shares being purchased.

1.3 Exchange Right. In lieu of exercising this Warrant as specified in Article 1.2, Holder may from time to time exchange this Warrant, in whole or in part, for a number of Shares determined by dividing (a) the aggregate Fair Market Value of the Shares or other securities otherwise issuable upon exercise of this Warrant (at the date of such calculation) minus the aggregate Warrant Price of such Shares (at the date of calculation) by (b) the Fair Market Value of one Share (at the date of calculation). The fair market value of the Shares shall be determined pursuant to Article 1.4.

1.4 Fair Market Value. For purposes of this Warrant, "Fair Market Value" shall be determined as follows:

1.4.1 If this Warrant is exchanged in connection with the closing of Company's initial underwritten public offering of its securities to the general public (the "IPO") pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"), and if the Company's registration statement relating to such IPO has been declared effective by the Securities and Exchange Commission (the "SEC"), the Fair Market Value of the Shares shall be the initial price to the public of the Shares specified in the final prospectus with respect to such IPO.

1.4.2 If the Common Stock is traded regularly on a national securities exchange, the Fair Market Value of the Shares shall be the average closing prices of the Common Stock reported on such exchange for the ten (10) business days immediately prior to the date Holder delivers its Notice of Exercise or Exchange to the Company.

1.4.3 If this Warrant is exchanged in connection with a Sale Transaction (defined below), the Fair Market Value of the Shares shall be the price per share which each share of Common Stock is entitled to receive in such Sale Transaction multiplied by the number of Shares.

1.4.4 In all other cases, the Board of Directors of the Company in its reasonable good faith judgment shall determine the fair market value of the Shares as of the close of business on the business day immediately prior to the date Holder delivers its Notice of Exercise or Exchange to the Company.

1.5 Delivery of Certificate and New Warrant.

1.5.1 Subject to Section 1.5.2 below, promptly after Holder exercises or exchanges this Warrant and, if applicable, the Company receives payment of the aggregate Warrant Price, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or exchanged and has not expired, a new Warrant representing the Shares not so acquired or exchanged.

1.5.2 As a condition to the Company's obligation to issue the Shares and deliver Holder certificates for the Shares acquired, Holder shall execute and deliver to the Company a joinder to (a) the Company's Investor Rights Agreement in effect at the time of such exercise or exchange; (b) the Company's Registration Rights Agreement in effect at the time of such exercise or exchange; (c) the Company's Right of First Refusal and Co-Sale Agreement as in effect at the time of such exercise or exchange and (d) any other agreement governing the rights and obligations of holders of Shares as in effect at the time of such exercise or exchange (collectively, the "Company's Governing Documents").

1.6 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an affidavit of loss and indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and

cancellation of this Warrant, the Company, at Holder's expense, shall execute and deliver, in lieu of this Warrant, a new Warrant of like tenor.

1.7 Treatment of Warrant Upon Sale Transaction.

1.7.1 Sale Transaction. For the purpose of this Warrant, "Sale Transaction" shall have the meaning set forth in the Company's Second Amended and Restated Certificate of Incorporation (as amended, restated, supplemented, or otherwise modified from time to time). The Company will provide Holder at least ten (10) business days' prior notice of the estimated closing for any Sale Transaction.

1.7.2 Assumption of Warrant. If upon the closing of any Sale Transaction the successor or surviving entity expressly assumes the obligations of the Company pursuant to this Warrant, then from and after the closing of such Sale Transaction, this Warrant shall be exercisable for the greatest amount of securities, cash and property to which such Holder would actually have been entitled as an equity holder upon the closing of such Sale Transaction if such Holder had exercised the rights represented by this Warrant immediately prior to the record date (if any) for, or, if no such record date has been determined by Board of Directors of the Company, the closing of, the Sale Transaction, subject to adjustments (subsequent to such closing) as nearly equivalent as possible to the adjustments provided for in Article 2. The Warrant Price shall be adjusted accordingly; *provided, however*, nothing in this Section 1.7.2 shall require, nor shall the closing of a Sale Transaction be conditioned upon, such successor or surviving entity assuming the obligations of the Company pursuant to this Warrant.

1.7.3 Nonassumption. If upon the closing of any Sale Transaction Holder has not otherwise exercised or exchanged this Warrant in full, then Holder, by written notice to the Company received prior to the closing of such Sale Transaction, may elect (a) to deem this Warrant to have been automatically exchanged for Shares pursuant to Article 1.3 and thereafter Holder shall participate in the Sale Transaction as a holder of Shares on the same terms as other holders of the same class of securities of the Company or (b) require the successor or surviving entity or the Company, if the successor or surviving entity does not assume the obligations of this Warrant pursuant to Article 1.7.2, to purchase this Warrant upon the closing of the Sale Transaction, subject to the same terms as other holders of the same class of securities of the Company participating in the Sale Transaction as if the Warrant were exercised and the Holder held the Shares prior to the Sale Transaction, for an amount equal to the pro rata portion of the aggregate consideration Holder would have received in consideration for the Shares issued upon exercise of this Warrant in connection with the Sale Transaction had Holder exercised this Warrant immediately prior to the record date for determining such consideration to the security holders, minus the aggregate Warrant Price for such Shares. If, after Holder's receipt of prior notice of a Sale Transaction provided in accordance with Section 1.7.1 above, Holder elects neither option (a) nor (b) set forth above, then this Warrant shall be deemed to have been atomically exercised by "cashless" exercise pursuant to Article 1.3. If this Warrant is automatically exchanged, then the Company shall provide Holder written notice of the automatic exchange as soon as reasonably practicable (but in no event later than three (3) business days after the exchange date) and Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

1.8 Treatment of Warrant Upon IPO. The Company will provide Holder at least five (5) business days' prior notice of the estimated closing for any IPO. If Holder has not otherwise exercised or exchanged this Warrant in full immediately prior to the closing of an IPO, this Warrant shall be automatically exchanged for Shares pursuant to Article 1.3 (without any act on the part of Holder) and thereafter Holder shall participate in the IPO as a holder of Shares on the same terms as other holders of the same class of securities of the Company. If this Warrant is automatically exchanged, the Company shall notify Holder of the automatic exchange as soon as reasonably practicable, and Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

1.9 Conditional Exercise, Exchange or Sale. The exercise, exchange or sale of this Warrant may at the election of the Holder be contingent upon the Company's IPO or the closing of a Sale Transaction or other transaction involving the Company, in which case such exercise, exchange or sale shall be deemed to be effective immediately prior to or upon the commencement of the Company's IPO or the closing of the Sale Transaction or other transaction involving the Company, as applicable.

1.10 No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional share to which Holder would otherwise be entitled, the Company shall make a cash payment equal to the Warrant Price multiplied by such fraction.

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 General; Number of Shares; Warrant Price. The number of Shares that the Holder shall be entitled to receive upon each exercise hereof shall be determined by multiplying the number of Shares that would otherwise (but for the provisions of this Article 2) be issuable upon such exercise, as designated by the Holder pursuant to Article 1, by a fraction (a) the numerator of which is the Initial Exercise Price and (b) the denominator of which is the Warrant Price in effect on the date of such exercise after giving effect to all adjustments and readjustments required by this Article 2.

2.2 Stock Dividends, Splits, Etc. If the Company declares or pays after the Issue Date a dividend on its Common Stock payable in Common Stock or other securities or subdivides the outstanding Common Stock into a greater amount of Common Stock, then upon exercise or exchange of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred.

2.3 Reclassification, Exchange or Substitution. Except as otherwise provided herein or as would cause the expiration of this Warrant pursuant to Article 1.7, upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or exchange of this Warrant, Holder shall be entitled to receive, upon exercise or exchange of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised or exchanged immediately before such reclassification, exchange, substitution, or other event and Holder had continued to hold such Shares until after such event. The Company or its successor

shall promptly issue to Holder a new Warrant for such new securities or other property issuable upon exercise or exchange of this Warrant as a result of such reclassification, exchange, substitution, or other event that results in a change to the number and/or class of securities issuable upon exercise or exchange of this Warrant. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Warrant Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Article 2.3 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.4 Adjustments for Combinations, Etc. If the outstanding Common Stock is combined or consolidated, by reclassification or otherwise, into a lesser number of shares, then the Warrant Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

2.5 No Impairment. The Company shall not, by amendment of its certificate of incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article against impairment. Notwithstanding the foregoing, no waiver or amendment to any provision of the Company's certificate of incorporation, bylaws, or the Company's Governing Documents shall be deemed to have impaired Holder's rights if such amendments or waivers do not affect Holder in a manner materially and adversely different than such amendments or waivers generally affect the holders of Common Stock.

2.6 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company at its expense shall promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer or other appropriate officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

ARTICLE 3. REPRESENTATIONS AND COVENANTS.

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Holder as follows:

3.1.1 All Shares which may be issued upon the exercise or exchange of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

3.1.2 The Company's capitalization table attached to this Warrant as Schedule A is true and complete as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its preferred stock or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of common stock or preferred stock; or (d) to enter into a Sale Transaction or to liquidate, dissolve or wind up, then, in connection with each such event, the Company shall give Holder (1) at least ten (10) days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock or preferred stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above; and (2) in the case of the matters referred to in (c) and (d) above at least ten (10) days prior written notice of the date when the same will take place (and specifying the date on which such holders will be entitled to exchange their common stock or preferred stock for securities or other property deliverable upon the occurrence of such event).

3.3 Information Rights. So long as the Holder holds this Warrant and/or any of the Shares, the Company shall deliver to the Holder (a) promptly after mailing, copies of all communiqués to all holders of Shares, (b) within 150 days after the end of each fiscal year of the Company, the annual audited financial statements of the Company (balance sheet and statements of income and cash flows for such year) certified by independent public accountants of recognized standing, and (c) within thirty (30) days after the end of each calendar month, the Company's monthly, unaudited financial statements (balance sheet and statements of income and cash flows for such month). Furthermore, the Company shall deliver to Holder (x) within thirty (30) days of the last day of each fiscal quarter, a detailed fully diluted capitalization table for the Company as of the end of the such fiscal quarter, (y) within thirty (30) days after any amendment, revision, alteration or other modification of the Company's Certificate of Incorporation, bylaws, or other applicable formation and governing documents, a copy thereof; and (z) as soon as available, but in any event within thirty (30) days after the Company receives copies of any 409A valuation reports or other documents that value any compensation, equity award, bonus, benefit plan or any other arrangement that could be deemed deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. In handling any confidential information of the Company, Holder and all employees and agents of Holder shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Warrant except that disclosure of such information may be made (i) to prospective transferees or purchasers of any interest in the Transaction Documents, *provided that* they have entered into a comparable confidentiality agreement in favor of the Company and have delivered a copy to the Company, (ii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iii) as may be required in connection with the examination, audit or similar investigation of Holder, and (iv) as Holder may determine in connection with the enforcement of any remedies under the Transaction Documents. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of Holder when disclosed to Holder, or becomes part of the public domain after disclosure to Holder through no fault of Holder; or (b) is disclosed to Holder by a third party, *provided that* Holder does not have actual knowledge that such third party is prohibited from disclosing such information.

3.4 Reservation of Shares. The Company shall at all times reserve and keep available out of its authorized but unissued capital stock, solely for the purpose of issuance upon the exercise or exchange of this Warrant, the maximum number of Shares issuable upon exercise of this Warrant.

3.5 No Stockholder Rights. Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

3.6 Representations and Warranties of Holder. The Holder hereby represents, warrants and covenants to the Company as follows:

3.6.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by the Holder will be acquired for investment for the Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Securities Act. Holder also represents that the Holder has not been formed for the specific purpose of acquiring this Warrant or the Shares.

3.6.2 Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to request additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort) necessary to verify any information furnished to the Holder or to which the Holder has access.

3.6.3 Investment Experience. The Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. The Holder has experience as an investor in securities of companies in the development stage and acknowledges that the Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that the Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables the Holder to be aware of the character, business acumen and financial circumstances of such persons.

3.6.4 Accredited Investor Status. The Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act.

3.6.5 Restrictions on Transfer. The Holder understands that this Warrant and the Shares issuable upon exercise or exchange hereof have not been registered under the Securities Act, in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. The Holder understands that this Warrant and the Shares issued upon any exercise or exchange hereof must be held indefinitely unless subsequently registered under the Securities Act and qualified under applicable state securities laws, or unless one or more exemptions from such registration and qualification are otherwise available. Holder acknowledges and agrees that the Shares issuable upon exercise or exchange hereof are subject to restrictions on transfer as set forth in the Company's Governing Documents.

3.6.6 Residency. The principal place of business of Holder is correctly set forth on the signature page hereto.

3.6.7 No Broker or Finder. Holder has not engaged any brokers, finders or agents in connection with the Shares, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Shares.

3.6.8 Tax Advisors. Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its representatives or agents, written or oral. Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

3.7 Registration Rights. Subject to the Company's Governing Documents, if at any time the Company shall determine to register for its own account or the account of others under the Securities Act excluding, however, its IPO (other than an Excluded Registration), then the Holder shall have the opportunity to register such number of its Shares as it may request in writing to the Company (a "Piggy-Back Registration"); *provided, however*, that all such registration rights with respect to shares shall cease and be of no further force and effect at such time as all such shares are first eligible for sale under Rule 144 based upon a cashless exchange of such shares under Article 1.3. "Excluded Registration" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Company's Common Stock by its stockholders; or (iv) a registration in which the only shares being registered are shares issuable upon conversion of debt securities that are also being registered. The exact terms and conditions of such Piggy-Back Registration rights are set forth in Schedule B.

ARTICLE 4. MISCELLANEOUS.

4.1 Term. This Warrant is exercisable in whole or in part, at any time and from time to time on or before the Expiration Date set forth above. If this Warrant has not been exercised

prior to the Expiration Date and the Fair Market Value of a Share as of the Expiration Date (determined in accordance with Article 1.4) is greater than the Warrant Price, this Warrant shall be deemed to have been automatically exercised (without any act on the part of Holder) on the Expiration Date by "cashless" exercise pursuant to Article 1.3 unless Holder shall earlier provide written notice to the Company that Holder desires that this Warrant expire unexercised. If this Warrant is automatically exercised, then the Company shall notify Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

4.2 Legends. In addition to any other legends required by the Company's Bylaws and Company Governing Documents, this Warrant and the Shares shall be imprinted with a legend in substantially the following form:

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF REGISTRATION UNDER OR EXEMPTION FROM THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS.

4.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee.

4.4 Transfer Procedure.

4.4.1 Subject to the provisions of Article 4.3, this Warrant may not be transferred or assigned in whole or in part other than in accordance with Section 9 of the Loan and Security Agreement, dated as of January 30, 2017, by and between Company and Holder (the "Loan Agreement"). The terms and conditions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective permitted successors and assigns.

4.4.2 Any transfer of this Warrant must be in compliance with all applicable federal and state securities laws, and the transferee must be an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act. Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Warrant, or any beneficial interest therein, unless and until the transferee thereof has agreed in writing for the benefit of the Company to be bound by, the terms and conditions set forth in this Warrant to the same extent as if the transferee were the original Holder hereunder, *provided that* this requirement shall not apply to transferees pursuant to Section 9(b) of the Loan Agreement.

4.4.3 In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of Holder or its permitted assignee, and the Company shall not be required to

issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

4.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such Holder from time to time. Effective upon receipt of the fully executed Warrant, notices to the Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

	Escalate Capital Partners SBIC III, LP 300 West Sixth Street, Suite 2230 Austin, Texas 78701 Attention: Tony Schell Phone: 512.651.2105 Fax: 512.651.2101 Email: tony@escalatecapital.com
And to:	Escalate Capital Partners Attention: Simon James Email: simon@escalatecapital.com
with a copy (which shall not constitute notice) to:	McGuireWoods LLP 2000 McKinney Avenue, Suite 1400 Dallas, Texas 75201 Attn: David McLean, Esq. Phone: 214.932.6401 Fax: 214.932.6499 Email: dpmclean@mcguirewoods.com

Notice to the Company shall be addressed as follows until the Holder receives notice of a change in address:

Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462
Attn: Richard Eskew
Phone: 484-534-3548
Email: richard.eskew@accolade.com

with a copy (which shall not constitute notice) to:

Pepper Hamilton LLP
400 Berwyn Park
899 Cassatt Road
Berwyn, PA 19312-1183
Attn: Christopher S. Miller, Esq.
Phone: 610.640.7837
Fax: 267.200.0854
Email: millerc@pepperlaw.com

4.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

4.7 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law.

4.8 Severability. If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

4.9 Counterparts. This Warrant may be executed in counterparts, including by facsimile or e-mail, all of which together shall constitute one and the same agreement.

[Signature page follows.]

The Company has caused this Warrant to be duly executed and delivered as of the Issue Date specified above.

COMPANY:

ACCOLADE, INC.,
a Delaware corporation

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Chief executive Officer

ESCALATE CAPITAL PARTNERS SBIC III, LP,
a Delaware limited partnership

By: Escalate SBIC Capital Management III, LLC,
its general partner

By: /s/ William A. Schell
Name: William A. Schell
Title: Manager

Principal Place of Business: 300 West Sixth Street,
Suite 2230, Austin, Texas
78701

Authorized signatories under Corporate Resolutions to Borrow or an authorized signer(s) under a resolution covering Warrants must sign the Warrant.

APPENDIX 1

NOTICE OF EXERCISE OR EXCHANGE

Re: COMMON STOCK WARRANT of ACCOLADE, INC. issued as of January 30, 2017.

1. The undersigned hereby elects to (check applicable blank below):

o purchase Shares of the Common Stock of Accolade, Inc. pursuant to the terms of the attached Warrant, and tenders herewith payment of the Warrant Price of such Shares in full; or

o exchange the attached Warrant for Shares of the Common Stock of Accolade, Inc. in the manner specified in the Warrant. This exchange is exercised with respect to of the Shares covered by the Warrant.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

Attn:

Or Registered Assignee

3. The undersigned represents it is acquiring the Shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof except in compliance with applicable securities laws.

or Registered Assignee

(Signature)

(Date)

Schedule A

Capitalization

See attached.

Schedule B

Piggy-Back Registration Rights

1.1 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders ("Initiating Holders") other than the Holder) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give Holder notice of such registration. Upon the request of the Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 1.2, cause to be registered all of the securities that the Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.1 before the effective date of such registration, whether or not Holder has elected to include its securities in such registration. The expenses (other than selling expenses and fees and disbursements of Holder's counsel) of such withdrawn registration shall be borne by the Company in accordance with Section 1.4.

1.2 Underwriting Requirements.

(a) If the Initiating Holders intend to distribute the registrable securities covered by their request by means of an underwriting, the Company shall include such information in the notice to the Holder. The underwriter(s) will be selected by the Initiating Holders, subject only to the reasonable approval of the Company. In such event, the right of Holder to include Holder's securities in such registration shall be conditioned upon Holder's participation in such underwriting and the inclusion of such Holder's securities in the underwriting to the extent provided herein. If Holder proposes to distribute its securities through such underwriting, it shall enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise Holder, and the number of securities of Holder that may be included in the underwriting shall be in every respect subordinate, junior and after the number of registrable securities allocated to the Initiating Holders and their respective affiliates and transferees. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to Holder to the nearest 100 shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required to include any of Holder's securities in such underwriting unless Holder accepts all of the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities requested by Holder to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that

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number of Holder's securities, (which may be no securities) that the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the securities requested by all stockholders with registration rights to be registered can be included in such offering, then the securities of the Holder that are included in such offering shall be in every respect subordinate, junior and after the number of registrable securities allocated to other registering Holders and their affiliates and transferees. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to the Holder to the nearest 100 shares.

1.3 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Schedule B with respect to the securities of the selling Holder that such Holder shall furnish to the Company such information regarding itself, the securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's securities.

1.4 Expenses of Registration. All expenses (other than selling expenses, i.e., underwriting discounts and commissions, and fees and disbursements of counsel for the Holder, all of which shall be paid by the Holder) incurred in connection with registrations, filing or qualifications pursuant to this Schedule B, including all registration, filing, and qualification fees, printers' and accounting fees, and fees and disbursements of counsel for the Company shall be borne and paid by the Company. All Selling Expenses relating to the securities of the Holder included in the registration statement shall be borne and paid by the Holder.

1.5 Delay of Registration. Holder shall not have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Schedule B.

1.6 Indemnification. If any securities of Holder are included in a registration statement under this Section, the Company and the Holder will enter into customary indemnification and contribution agreements.

1.7 Market-Stand Off. The right of Holder to include Holder's securities in connection with an IPO shall be conditioned upon Holder entering into a "market stand-off" or "lock-up" agreement required by the Company or the underwriters managing any underwritten offering of the IPO.

1.8 Limitation on Piggy-Back Registration Rights. The rights of Holder set forth in this Schedule B are subject to the terms and conditions of the Company's Governing Documents and in the case of any inconsistency between the terms of this Schedule B and the Company's Governing Documents, the Company's Governing Documents shall control

[End of Schedule B]

Exhibit D-2 — Form of Second A&R Warrant

See attached.

THIS SECOND AMENDED AND RESTATED WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF REGISTRATION UNDER OR EXEMPTION FROM THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS.

SECOND AMENDED AND RESTATED WARRANT TO PURCHASE COMMON STOCK

Company:	ACCOLADE, INC., a Delaware corporation
Number of Shares:	364,191 Shares
Class of Stock:	Common Stock, $0.0001 value per share ("Common Stock")
Initial Exercise Price:	$0.001 per share
Issue Date:	December 1, 2014
Expiration Date:	November 20, 2022 (Subject to Article 4.1)

WHEREAS, the Company previously issued a Warrant exercisable for Common Stock of Accolade, Inc., a Delaware corporation (the "Company"), to Escalate Capital Partners SBIC III, LP, a Delaware limited partnership ("Escalate"), or its permitted assigns (together with Escalate, "Holder") on December 1, 2014 (the "Original Warrant");

WHEREAS, the Company and Holder previously executed the Amended and Restated Warrant on November 20, 2015, (the "Amended and Restated Warrant") to amend and restate the Original Warrant;

WHEREAS, the Company and Holder have agreed to execute this Second Amended and Restated Warrant (the "Warrant") to amend and restate the Amended and Restated Warrant; and

WHEREAS, this Warrant shall be given in amendment and restatement, but not in extinguishment or novation, of the Original Warrant or the Amended and Restated Warrant.

THIS WARRANT CERTIFIES THAT, in consideration of the payment of $1.00 and for other good and valuable consideration, Holder is entitled to purchase the number of fully paid and nonassessable shares of Common Stock (the "Shares") of the Company, at the Initial Exercise Price per Share (the "Warrant Price") all as set forth above and as adjusted pursuant to Article 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1. EXERCISE.

1.1 Exercise of Warrant.

1.1.1 Exercisability. The purchase rights represented by this Warrant are exercisable by the Holder in whole or in part, at any time, or from time to time, on or before the Expiration Date set forth above, in the manner set forth in this Article 1. As of January 30, 2017, 364,191 Shares are fully vested and exercisable.

1.2 Method of Exercise. Holder may exercise this Warrant by delivering this Warrant and a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless this Warrant is exchanged pursuant to Articles 1.3, 1.7 1.8 or 4.1, Holder shall also deliver to the Company payment by wire, check or cash for the aggregate Warrant Price for the Shares being purchased.

1.3 Exchange Right. In lieu of exercising this Warrant as specified in Article 1.2, Holder may from time to time exchange this Warrant, in whole or in part, for a number of Shares determined by dividing (a) the aggregate Fair Market Value of the Shares or other securities otherwise issuable upon exercise of this Warrant (at the date of such calculation) minus the aggregate Warrant Price of such Shares (at the date of calculation) by (b) the Fair Market Value of one Share (at the date of calculation). The fair market value of the Shares shall be determined pursuant to Article 1.4.

1.4 Fair Market Value. For purposes of this Warrant, "Fair Market Value" shall be determined as follows:

1.4.1 If this Warrant is exchanged in connection with the closing of Company's initial underwritten public offering of its securities to the general public (the "IPO") pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"), and if the Company's registration statement relating to such IPO has been declared effective by the Securities and Exchange Commission (the "SEC"), the Fair Market Value of the Shares shall be the initial price to the public of the Shares specified in the final prospectus with respect to such IPO.

1.4.2 If the Common Stock is traded regularly on a national securities exchange, the Fair Market Value of the Shares shall be the average closing prices of the Common Stock reported on such exchange for the ten (10) business days immediately prior to the date Holder delivers its Notice of Exercise to the Company.

1.4.3 If this Warrant is exchanged in connection with a Sale Transaction, the Fair Market Value of the Shares shall be the price per share which each share of Common Stock is entitled to receive in such Sale Transaction multiplied by the number of Shares.

1.4.4 In all other cases, the Board of Directors of the Company in its reasonable good faith judgment shall determine the fair market value of the Shares as of the close of business on the business day immediately prior to the date Holder delivers its Notice of Exercise to the Company.

1.5 Delivery of Certificate and New Warrant.

1.5.1 Subject to Section 1.5.2 below, promptly after Holder exercises or exchanges this Warrant and, if applicable, the Company receives payment of the aggregate Warrant Price, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised or exchanged and has not expired, a new Warrant representing the Shares not so acquired or exchanged.

1.5.2 As a condition to the Company's obligation to issue the Shares and deliver Holder certificates for the Shares acquired, Holder shall execute and deliver to the Company a joinder to (a) the Company's Investor Rights Agreement in effect at the time of such exercise or exchange; (b) the Company's Registration Rights Agreement in effect at the time of such exercise or exchange; (c) the Company's Right of First Refusal and Co-Sale Agreement as in effect at the time of such exercise or exchange and (d) any other agreement governing the rights and obligations of holders of Shares as in effect at the time of such exercise or exchange (collectively, the "Company's Governing Documents").

1.6 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an affidavit of loss and indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company, at Holder's expense, shall execute and deliver, in lieu of this Warrant, a new Warrant of like tenor.

1.7 Treatment of Warrant Upon Sale Transaction.

1.7.1 Sale Transaction. For the purpose of this Warrant, "Sale Transaction" shall have the meaning set forth in the Company's Second Amended and Restated Certificate of Incorporation (as amended, restated, supplemented, or otherwise modified from time to time). The Company will provide Holder at least ten (10) business days' prior notice of the estimated closing for any Sale Transaction.

1.7.2 Assumption of Warrant. If upon the closing of any Sale Transaction the successor or surviving entity expressly assumes the obligations of the Company pursuant to this Warrant, then from and after the closing of such Sale Transaction, this Warrant shall be exercisable for the greatest amount of securities, cash and property to which such Holder would actually have been entitled as an equity holder upon the closing of such Sale Transaction if such Holder had exercised the rights represented by this Warrant immediately prior to the record date (if any) for, or, if no such record date has been determined by Board of Directors of the Company, the closing of, the Sale Transaction, subject to adjustments (subsequent to such closing) as nearly equivalent as possible to the adjustments provided for in Article 2. The Warrant Price shall be adjusted accordingly; *provided, however*, nothing in this Section 1.7.2 shall require, nor shall the closing of a Sale Transaction be conditioned upon, such successor or surviving entity assuming the obligations of the Company pursuant to this Warrant.

1.7.3 Nonassumption. If upon the closing of any Sale Transaction Holder has not otherwise exercised or exchanged this Warrant in full, then Holder, by written notice to the Company received prior to the closing of such Sale Transaction, may elect (a) to deem this Warrant to have been automatically exchanged for Shares pursuant to Article 1.3 and thereafter Holder shall participate in the Sale Transaction as a holder of Shares on the same terms as other holders of the same class of securities of the Company or (b) require the successor or surviving entity or the Company, if the successor or surviving entity does not assume the obligations of this Warrant pursuant to Article 1.7.2, to purchase this Warrant upon the closing of the Sale Transaction, subject to the same terms as other holders of the same class of securities of the Company participating in the Sale Transaction as if the Warrant were exercised and the Holder

held the Shares prior to the Sale Transaction, for an amount equal to the pro rata portion of the aggregate consideration Holder would have received in consideration for the Shares issued upon exercise of this Warrant in connection with the Sale Transaction had Holder exercised this Warrant immediately prior to the record date for determining such consideration to the security holders, minus the aggregate Warrant Price for such Shares. If, after Holder's receipt of prior notice of a Sale Transaction provided in accordance with Section 1.7.1 above, Holder elects neither option (a) nor (b) set forth above, then this Warrant shall be deemed to have been atomically exercised by "cashless" exercise pursuant to Article 1.3. If this Warrant is automatically exchanged, then the Company shall provide Holder written notice of the automatic exchange as soon as reasonably practicable (but in no event later than three (3) business days after the exchange date) and Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

1.8 Treatment of Warrant Upon IPO. The Company will provide Holder at least five (5) business days' prior notice of the estimated closing for any IPO. If Holder has not otherwise exercised or exchanged this Warrant in full immediately prior to the closing of an IPO, this Warrant shall be automatically exchanged for Shares pursuant to Article 1.3 (without any act on the part of Holder) and thereafter Holder shall participate in the IPO as a holder of Shares on the same terms as other holders of the same class of securities of the Company. If this Warrant is automatically exchanged, the Company shall notify Holder of the automatic exchange as soon as reasonably practicable, and Holder shall surrender the Warrant to the Company in accordance with the terms hereof

1.9 Conditional Exercise, Exchange or Sale. The exercise, exchange or sale of this Warrant may at the election of the Holder be contingent upon the Company's IPO or the closing of a Sale Transaction or other transaction involving the Company, in which case such exercise, exchange or sale shall be deemed to be effective immediately prior to or upon the commencement of the Company's IPO or the closing of the Sale Transaction or other transaction involving the Company, as applicable.

1.10 No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional share to which Holder would otherwise be entitled, the Company shall make a cash payment equal to the Warrant Price multiplied by such fraction

ARTICLE 2. ADJUSTMENTS TO THE SHARES.

2.1 General; Number of Shares; Warrant Price. The number of Shares that the Holder shall be entitled to receive upon each exercise hereof shall be determined by multiplying the number of Shares that would otherwise (but for the provisions of this Article 2) be issuable upon such exercise, as designated by the Holder pursuant to Article 1, by a fraction (a) the numerator of which is the Initial Exercise Price and (b) the denominator of which is the Warrant Price in effect on the date of such exercise after giving effect to all adjustments and readjustments required by this Article 2.

2.2 Stock Dividends, Splits, Etc. If the Company declares or pays after the Issue Date a dividend on its Common Stock payable in Common Stock or other securities or subdivides the

outstanding Common Stock into a greater amount of Common Stock, then upon exercise or exchange of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred.

2.3 Reclassification, Exchange or Substitution. Except as otherwise provided herein or as would cause the expiration of this Warrant pursuant to Article 1.7, upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or exchange of this Warrant, Holder shall be entitled to receive, upon exercise or exchange of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised or exchanged immediately before such reclassification, exchange, substitution, or other event and Holder had continued to hold such Shares until after such event. The Company or its successor shall promptly issue to Holder a new Warrant for such new securities or other property issuable upon exercise or exchange of this Warrant as a result of such reclassification, exchange, substitution, or other event that results in a change to the number and/or class of securities issuable upon exercise or exchange of this Warrant. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Warrant Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Article 2.3 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.4 Adjustments for Combinations, Etc. If the outstanding Common Stock is combined or consolidated, by reclassification or otherwise, into a lesser number of shares, then the Warrant Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

2.5 No Impairment. The Company shall not, by amendment of its certificate of incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article against impairment. Notwithstanding the foregoing, no waiver or amendment to any provision of the Company's certificate of incorporation, bylaws, or the Company's Governing Documents shall be deemed to have impaired Holder's rights if such amendments or waivers do not affect Holder in a manner materially and adversely different than such amendments or waivers generally effect the holders of Common Stock.

2.6 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company at its expense shall promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer or other appropriate officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

ARTICLE 3. REPRESENTATIONS AND COVENANTS.

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Holder as follows:

3.1.1 All Shares which may be issued upon the exercise or exchange of this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

3.1.2 The Company's capitalization table attached to this Warrant as Schedule A is true and complete as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its preferred stock or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of common stock or preferred stock; or (d) to enter into a Sale Transaction or to liquidate, dissolve or wind up, then, in connection with each such event, the Company shall give Holder (1) at least ten (10) days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock or preferred stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above; and (2) in the case of the matters referred to in (c) and (d) above at least ten (10) days prior written notice of the date when the same will take place (and specifying the date on which such holders will be entitled to exchange their common stock or preferred stock for securities or other property deliverable upon the occurrence of such event).

3.3 Information Rights. So long as the Holder holds this Warrant and/or any of the Shares, the Company shall deliver to the Holder (a) promptly after mailing, copies of all communiqués to all holders of Shares, (b) within 150 days after the end of each fiscal year of the Company, the annual audited financial statements of the Company (balance sheet and statements of income and cash flows for such year) certified by independent public accountants of recognized standing, and (c) within thirty (30) days after the end of each calendar month, the Company's monthly, unaudited financial statements (balance sheet and statements of income and cash flows for such month). Furthermore, the Company shall deliver to Holder (x) within thirty (30) days of the last day of each fiscal quarter, a detailed fully diluted capitalization table for the Company as of the end of the such fiscal quarter, (y) within thirty (30) days after any amendment, revision, alteration or other modification of the Company's Certificate of Incorporation, bylaws, or other applicable formation and governing documents, a copy thereof; and (z) as soon as available, but in any event within thirty (30) days after the Company receives copies of any 409A valuation reports or other documents that value any compensation, equity award, bonus, benefit plan or any other arrangement that could be deemed deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended. In handling any confidential information of the Company, Holder and all employees and agents of Holder shall exercise the same degree of care that it exercises with respect to its

own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Warrant except that disclosure of such information may be made (i) to prospective transferees or purchasers of any interest in the Transaction Documents, *provided that* they have entered into a comparable confidentiality agreement in favor of the Company and have delivered a copy to the Company, (ii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iii) as may be required in connection with the examination, audit or similar investigation of Holder, and (iv) as Holder may determine in connection with the enforcement of any remedies under the Transaction Documents. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of Holder when disclosed to Holder, or becomes part of the public domain after disclosure to Holder through no fault of Holder; or (b) is disclosed to Holder by a third party, *provided that* Holder does not have actual knowledge that such third party is prohibited from disclosing such information.

3.4 Reservation of Shares. The Company shall at all times reserve and keep available out of its authorized but unissued capital stock, solely for the purpose of issuance upon the exercise or exchange of this Warrant, the maximum number of Shares issuable upon exercise of this Warrant.

3.5 No Stockholder Rights. Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

3.6 Representations and Warranties of Holder. The Holder hereby represents, warrants and covenants to the Company as follows:

3.6.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by the Holder will be acquired for investment for the Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Securities Act. Holder also represents that the Holder has not been formed for the specific purpose of acquiring this Warrant or the Shares.

3.6.2 Disclosure of Information. The Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. The Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to request additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort) necessary to verify any information furnished to the Holder or to which the Holder has access.

3.6.3 Investment Experience. The Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. The Holder has experience as an investor in securities of companies in the development stage and acknowledges that the Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that the Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables the Holder to be aware of the character, business acumen and financial circumstances of such persons.

3.6.4 Accredited Investor Status. The Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act.

3.6.5 Restrictions on Transfer. The Holder understands that this Warrant and the Shares issuable upon exercise or exchange hereof have not been registered under the Securities Act, in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. The Holder understands that this Warrant and the Shares issued upon any exercise or exchange hereof must be held indefinitely unless subsequently registered under the Securities Act and qualified under applicable state securities laws, or unless one or more exemptions from such registration and qualification are otherwise available. Holder acknowledges and agrees that the Shares issuable upon exercise or exchange hereof are subject to restrictions on transfer as set forth in the Company's Governing Documents.

3.6.6 Residency. The principal place of business of Holder is correctly set forth on the signature page hereto.

3.6.7 No Broker or Finder. Holder has not engaged any brokers, finders or agents in connection with the Shares, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Shares.

3.6.8 Tax Advisors. Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its representatives or agents, written or oral. Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

3.7 Registration Rights. Subject to the Company's Governing Documents, if at any time the Company shall determine to register for its own account or the account of others under the Securities Act excluding, however, its IPO (other than an Excluded Registration), then the Holder shall have the opportunity to register such number of its Shares as it may request in writing to the Company (a "Piggy-Back Registration"); *provided, however*, that all such registration rights with respect to shares shall cease and be of no further force and effect at such

time as all such shares are first eligible for sale under Rule 144 based upon a cashless exchange of such shares under Article 1.3. "Excluded Registration" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Company's Common Stock by its stockholders; or (iv) a registration in which the only shares being registered are shares issuable upon conversion of debt securities that are also being registered. The exact terms and conditions of such Piggy-Back Registration rights are set forth in Schedule B.

ARTICLE 4. MISCELLANEOUS.

4.1 Term. This Warrant is exercisable in whole or in part, at any time and from time to time on or before the Expiration Date set forth above. If this Warrant has not been exercised prior to the Expiration Date and the Fair Market Value of a Share as of the Expiration Date (determined in accordance with Article 1.4) is greater than the Warrant Price, this Warrant shall be deemed to have been automatically exercised (without any act on the part of Holder) on the Expiration Date by "cashless" exercise pursuant to Article 1.3 unless Holder shall earlier provide written notice to the Company that Holder desires that this Warrant expire unexercised. If this Warrant is automatically exercised, the Company shall notify Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

4.2 Legends. In addition to any other legends required by the Company's Bylaws and Company Governing Documents, this Warrant and the Shares shall be imprinted with a legend in substantially the following form:

> THIS SECOND AMENDED AND RESTATED WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF REGISTRATION UNDER OR EXEMPTION FROM THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS.

4.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee.

4.4 Transfer Procedure.

4.4.1 Subject to the provisions of Article 4.3, this Warrant may not be transferred or assigned in whole or in part other than in accordance with Section 9 of the Loan and Security Agreement, dated as of January 30, 2017, by and between Company and Holder (the "Loan Agreement"). The terms and conditions of this Warrant shall inure to the benefit of,

and be binding upon, the Company and the holders hereof and their respective permitted successors and assigns.

4.4.2 Any transfer of this Warrant must be in compliance with all applicable federal and state securities laws, and the transferee must be an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act. Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Warrant, or any beneficial interest therein, unless and until the transferee thereof has agreed in writing for the benefit of the Company to be bound by, the terms and conditions set forth in this Warrant to the same extent as if the transferee were the original Holder hereunder, *provided that* this requirement shall not apply to transferees pursuant to Section 9(b) of the Loan Agreement.

4.4.3 In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of Holder or its permitted assignee, and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

4.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, at such address as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such Holder from time to time. Effective upon receipt of the fully executed Warrant, notices to the Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Escalate Capital Partners SBIC III, LP
300 West Sixth Street, Suite 2230
Austin, Texas 78701
Attention: Tony Schell
Phone: 512.651.2105
Fax: 512.651.2101
Email: tony@escalatecapital.com

And to:

Escalate Capital Partners
Attention: Simon James
Phone: 408.200.0097
Email: simon@escalatecapital.com

with a copy (which shall not constitute notice) to:

McGuireWoods LLP
2000 McKinney Avenue, Suite 1400
Dallas, Texas 75201
Attn: David McLean, Esq.
Phone: 214.932.6401
Fax: 214.273.7465
Email: dpmclean@mcguirewoods.com

Notice to the Company shall be addressed as follows until the Holder receives notice of a change in address:

Accolade, Inc.
660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462
Attn: Richard Eskew
Phone: 484-534-3548
Email: richard.eskew@accolade.com

with a copy (which shall not constitute notice) to:

Pepper Hamilton LLP
400 Berwyn Park
899 Cassatt Road
Berwyn, PA 19312-1183
Attn: Christopher S. Miller, Esq.
Phone: 610.640.7837
Fax: 267.200.0854
Email: millerc@pepperlaw.com

4.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

4.7 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles regarding conflicts of law.

4.8 Severability. If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

4.9 Counterparts. This Warrant may be executed in counterparts, including by facsimile or e-mail, all of which together shall constitute one and the same agreement.

[Signature page follows.]

The Company has caused this Warrant to be duly executed and delivered as of the Issue Date specified above.

COMPANY:

ACCOLADE, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

ESCALATE CAPITAL PARTNERS SBIC III, LP,
a Delaware limited partnership

By: Escalate SBIC Capital Management III, LLC,
its general partner

By: _____
Name: _____
Title: _____

Authorized signatories under Corporate Resolutions to Borrow or an authorized signer(s) under a resolution covering Warrants must sign the Warrant.

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned hereby elects to (check applicable blank below):

o purchase Shares of the Common Stock of Accolade, Inc. pursuant to the terms of the attached Warrant, and tenders herewith payment of the Warrant Price of such Shares in full; or

o exchange the attached Warrant for Shares in the manner specified in the Warrant. This exchange is exercised with respect to of the Shares covered by the Warrant.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

_____

Attn: _____

_____

_____

Or Registered Assignee

3. The undersigned represents it is acquiring the Shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof except in compliance with applicable securities laws.

or Registered Assignee

_____

(Signature)

_____

(Date)

Schedule A

Closing Capitalization

See attached.

Schedule B

Piggy-Back Registration Rights

1.1 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders ("Initiating Holders") other than the Holder) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give Holder notice of such registration. Upon the request of the Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 1.2, cause to be registered all of the securities that the Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.1 before the effective date of such registration, whether or not Holder has elected to include its securities in such registration. The expenses (other than selling expenses and fees and disbursements of Holder's counsel) of such withdrawn registration shall be borne by the Company in accordance with Section 1.4.

1.2 Underwriting Requirements.

(a) If the Initiating Holders intend to distribute the registrable securities covered by their request by means of an underwriting, the Company shall include such information in the notice to the Holder. The underwriter(s) will be selected by the Initiating Holders, subject only to the reasonable approval of the Company. In such event, the right of Holder to include Holder's securities in such registration shall be conditioned upon Holder's participation in such underwriting and the inclusion of such Holder's securities in the underwriting to the extent provided herein. If Holder proposes to distribute its securities through such underwriting, it shall enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise Holder, and the number of securities of Holder that may be included in the underwriting shall be in every respect subordinate, junior and after the number of registrable securities allocated to the Initiating Holders and their respective affiliates and transferees. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to Holder to the nearest 100 shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required to include any of Holder's securities in such underwriting unless Holder accepts all of the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities requested by Holder to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that

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number of Holder's securities, (which may be no securities) that the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the securities requested by all stockholders with registration rights to be registered can be included in such offering, then the securities of the Holder that are included in such offering shall be in every respect subordinate, junior and after the number of registrable securities allocated to other registering Holders and their affiliates and transferees. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to the Holder to the nearest 100 shares.

1.3 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Schedule B with respect to the securities of the selling Holder that such Holder shall furnish to the Company such information regarding itself, the securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's securities.

1.4 Expenses of Registration. All expenses (other than selling expenses, i.e., underwriting discounts and commissions, and fees and disbursements of counsel for the Holder, all of which shall be paid by the Holder) incurred in connection with registrations, filing or qualifications pursuant to this Schedule B, including all registration, filing, and qualification fees, printers' and accounting fees, and fees and disbursements of counsel for the Company shall be borne and paid by the Company. All Selling Expenses relating to the securities of the Holder included in the registration statement shall be borne and paid by the Holder.

1.5 Delay of Registration. Holder shall not have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Schedule B.

1.6 Indemnification. If any securities of Holder are included in a registration statement under this Section, the Company and the Holder will enter into customary indemnification and contribution agreements.

1.7 Market-Stand Off. The right of Holder to include Holder's securities in connection with an IPO shall be conditioned upon Holder entering into a "market stand-off" or "lock-up" agreement required by the Company or the underwriters managing any underwritten offering of the IPO.

1.8 Limitation on Piggy-Back Registration Rights. The rights of Holder set forth in this Schedule B are subject to the terms and conditions of the Company's Governing Documents and in the case of any inconsistency between the terms of this Schedule B and the Company's Governing Documents, the Company's Governing Documents shall control

[End of Schedule B]

Exhibit E — Form of Intellectual Property Security Agreement

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "***Agreement***") is entered into as of January 30, 2017 by and between ACCOLADE, INC., a Delaware corporation ("***Borrower***"), and ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership ("***Lender***").

RECITALS

Lender has agreed to make certain advances of money and to extend certain financial accommodations to Borrower under that certain Loan and Security Agreement by and between Lender and Borrower dated of even date herewith (as amended, restated, or otherwise modified from time to time, the "***Loan Agreement***"). Capitalized terms used herein are used as defined in the Loan Agreement. Pursuant to the terms of the Loan Agreement, Borrower has granted to Lender a security interest in its personal property.

NOW, THEREFORE, Borrower agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Borrower and Lender, Borrower grants to Lender a security interest in all of Borrower's right, title and interest in, its Intellectual Property (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B, and C hereto) and all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof. Borrower represents and warrants that Schedules A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Borrower has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office or any other agency of any state or country responsible for the registration of any patent, trademark, copyright, or similar protection, as applicable. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

[Signature pages follows.]

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

Address of Borrower:

660 W. Germantown Pike, Suite #500
Plymouth Meeting, PA 19462

BORROWER:

ACCOLADE, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Address of Lender:

300 West Sixth Street, Suite 2230
Austin, Texas 78701

LENDER:

ESCALATE CAPITAL PARTNERS SBIC III, LP,
a Delaware limited partnership

By: Escalate SBIC Capital Management III, LLC,
its general partner

By: _____
Name: William A. Schell
Title: Manager

[Signature Page to Intellectual Property Security Agreement]

SCHEDULE A

Copyrights

None.

SCHEDULE B

Patents

None.

SCHEDULE C

Trademarks

Description	Registration/ Application Number	Registration/ Application Date
Accolade Service Mark	3551442	12/23/08
Accolade Health Assistant Service Mark	4,323,423	4/23/13
KonciergeMD Service Mark	4440782	11/26/13
[Design Only] Service Mark 	3630331	6/2/09
Symbol Without Name Service Mark	Unregistered	N/A
Accolade Plus Symbol Service Mark 	Unregistered	N/A

Exhibit F — Form of SBA Letter Agreement

January 30, 2017

ESCALATE CAPITAL PARTNERS SBIC III, LP
300 West Sixth Street, Suite 2230
Austin, Texas 78701
Attention: Tony Schell

Escalate Capital Partners
Email: simon@escalantecapital.com
Attention: Simon James

Dear Sir or Madam:

Pursuant to the Loan and Security Agreement (the ***"Loan Agreement"***), dated as of the date hereof, by and between ACCOLADE, INC., a Delaware corporation ("***Company***"), and ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership ("***Escalate***"), (a) Escalate has agreed to make term loans available to the Company in the aggregate principal amount of up to $20,000,000, and (b) Escalate acquired from the Company warrants to purchase shares of Common Stock of the Company (the ***"Warrant"***). This letter is being entered into in connection with the status of Escalate as a small business investment company ("***SBIC***"), as that term is defined under the Small Business Investment Act of 1958, as amended, and the rules and regulations promulgated thereunder (the "***Act***"). Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to such terms in the Loan Agreement.

In consideration of the mutual promises made herein and other good and valuable consideration set forth in the Loan Agreement, the Company hereby agrees as follows:

SECTION 1. Representations and Warranties of the Company. The Company represents and warrants that:

(a) Company, together with its "affiliates" (as that term is defined in Title 13, Code of Federal Regulations, §121.103), is a "small business concern" as defined in the Act because it meets the small business size standards applicable to the SBIC program under Title 13, Code of Federal Regulations, § 121.301(c).

(b) The Company has 785 employees and engages primarily in business operations that are classified under NAICS 541611.

(c) The Company's employer identification number is 01-0969591.

(d) Company does not engage in any activities for which an SBIC is prohibited from providing funds by the Act, including Title 13, Code of Federal Regulations, § 107.720.

(e) The information regarding Company and its affiliates set forth in Part A of Small Business Administration ("***SBA***") Form 1031 Portfolio Financing Report delivered at the Closing is accurate and complete.

(f) The proceeds of the Advances and the Warrant (collectively, the "***Proceeds***") will not be used substantially for a foreign operation.

SECTION 2. Covenants of the Company. The Company covenants and agrees with Escalate that:

(a) The Company shall not engage in any activities, nor shall the Company use directly or indirectly any of the Proceeds for any purpose, for which an SBIC is prohibited from providing funds by the Act, including Title 13, Code of Federal Regulations, §107.720.

(b) Company shall provide Escalate and the SBA reasonable access to the Company's books and records for the purpose of verifying the use of the Proceeds and for all other purposes required by the SBA.

(c) Promptly after the end of each Fiscal Year (but in any event prior to February 28 of each year) during which the Advances remain outstanding or Escalate shall own, directly or indirectly, the Warrant, the Company shall provide to Escalate a written assessment, in form and substance reasonably satisfactory to Escalate, of the economic impact of the financing described herein, specifying the full-time equivalent jobs created or retained, the impact of the financing on the Company's business in terms of expanded revenue and taxes and other appropriate economic benefits, including, but not limited to, technology development or commercialization, minority business development, urban or rural business development, expansion of exports and assistance to manufacturing firms,

(d) Upon the request of Escalate, for so long as Escalate holds any interest in the Company, directly or indirectly, the Company will (i) provide to Escalate such financial statements and other information as Escalate may from time to time reasonably request for the purpose of assessing the Company's financial condition and (ii) provide to Escalate all information relating to the Company as Escalate may from time to time reasonably request in order to prepare and file SBA Form 468 or as any Governmental Authority asserting jurisdiction over Escalate may reasonably request or require.

(e) Company and each of its Subsidiaries will at all times comply with the non-discrimination requirements of Title 13, Code of Federal Regulations, Parts 112, 113 and 117 for so long as Escalate holds any interest in the Company, directly or indirectly.

SECTION 3. Eligible Investment. The Company represents and warrants as of the Closing Date and covenants for a period of one year thereafter as follows:

(a) No Re-lender. Company's primary business activity does not involve, directly or indirectly, providing funds to others, purchasing debt obligations, factoring or long-term leasing of equipment with no provision for maintenance or repair;

(b) No Passive Business. (i) All of the Proceeds will be used for the benefit of the Company in accordance with Section 5.11 of the Loan Agreement and (ii) Company is engaged in a regular and continuous business operation (excluding the mere receipt of payments such as dividends, rents, lease payments or royalties). Company's employees are carrying on the majority of day-to-day operations of Company, and Company provides effective control and supervision, on a day-to-day basis, over persons employed under contract;

(c) No Real Estate Business. Company is not classified under Major Group 65 (Real Estate) or Industry No. 1531 (Operative Builders) of the SIC Manual. The Proceeds will not be used to acquire or refinance real property unless Company (i) is acquiring an existing property and will use at least 51% of the usable square footage for its business purposes; (ii) is building or renovating a building and will use at least 67% of the usable square footage for its business purposes; or (iii) occupies the subject property and uses at least 67% of the usable square footage for its business purposes;

(d) No Project Finance. Company's assets are not intended to be reduced or consumed, generally without replacement, as the life of its business progresses, and the nature of Company's business does not require that a stream of cash payments be made to the business' financing sources, on a basis associated with the continuing sale of assets (e.g., real estate development projects and oil and gas wells). The primary purpose of the financing provided under the Loan Agreement is not to fund production of a single item or defined limited number of items, generally over a defined production period, where such production will constitute the majority of the activities of Company (e.g., motion pictures and electric generating plants);

(e) No Farm Land Purchases. Company will not use the Proceeds to acquire farm land that is or is intended to be used for agricultural or forestry purposes, such as the production of food, fiber or wood, or is so taxed or zoned; and

(f) No Foreign Investment. The Proceeds will not be used substantially for a foreign operation. On the Closing Date, and for a period of one year thereafter, Company and its Affiliates will not have more than 49% of its employees or tangible assets located outside the United States (unless Company can show, to Escalate's satisfaction, that the Proceeds were used for a specific domestic purpose).

SECTION 4. Miscellaneous.

(a) Transaction Document. This letter agreement shall constitute a "Transaction Document" under and as defined in the Loan Agreement.

(b) Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this letter agreement.

(c) Notices. All notices, requests and other communications to any party hereunder shall be in writing and to the addresses and in the manner set forth in the Loan Agreement.

(d) Counterparts. This letter agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the

same agreement. Facsimile or electronic signatures hereto shall be deemed to have the same force and effect as original signatures.

(e) Benefits of Agreement. All of the terms and provisions of this letter agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(f) Amendments and Waivers. No modification, amendment, supplement, or waiver of any provision of, or consent required by, this letter agreement, nor any consent to any departure from the terms hereof, shall be effective unless it is in writing and signed by the parties hereto. Such modification, amendment, supplement, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

SECTION 4. GOVERNING LAW. THIS LETTER AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS OF SUCH STATE.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Letter Agreement to be duly executed as of the date first written above.

Very truly yours,

ACCOLADE, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

ESCALATE CAPITAL PARTNERS SBIC III, LP,
a Delaware limited partnership

By: Escalate SBIC Capital Management III, LLC,
its general partner

By: _____
Name: William A. Schell
Title: Manager

[Signature Page to SBA Letter Agreement]

EXHIBIT F-5

Exhibit G-1 — SBA Form 480

See attached.

EXHIBIT G-1

Exhibit G-2 — SBA Form 652

See attached.

EXHIBIT G-2

Exhibit G-3 — SBA Form 1031

See attached.

EXHIBIT G-3

OMB No. 3245-0078
Expiration Date 10/31/2017

U.S. Small Business Administration
Portfolio Financing Report

Name of Licensee Escalate Capital Partners SBIC III, LP | License Number 06/06-0347

Part A - Small Business Concern Data

1. Name of Small Business Accolade, Inc. | 2. Employer Identification Number 01 - 0969591

3. Street Address 660 West Germantown Pike, Suite 500

4. City Plymouth Meeting | 5. State PA | 6. ZIP Code 19462 | 7. County Montgomery

8. Small Business FAX 610-834-5738 | 9. Contact Person for FAX Jeff Smith

10. Date Business Established 06/14/2010 | 11. Form of Business 1 1) Corporation 2) Partnership 3) Proprietor 4) LLC

12a. NAICS Code 541611 Industry Healthcare consulting

12b. Energy Saving Qualified Investment? o If checked, was Energy Saving debenture used to finance investment? o

13. Percentage of Small Concern (if any) Owned by: American Indian or Alaska Native: % Asian: % Black or African American: % Hispanic or Latino: % Native Hawaiian or Other Pacific Islander: % White: %

14a. Percentage of Small Concern Owned by Women (if any) % 14b. Percentage Owned by Veterans (if any) %

15. CEO or President (may select one or more): Woman: American Indian or Alaska Native: Asian: X Black or African American: Hispanic or Latino: Native Hawaiian or Other Pacific Islander: White:

Part B - Prefinancing Information

16. Prefinancing Status: 2 (1) New Information (2) Previously Submitted (3) Acquired Business (4) New Business

17a. Stage of Company at Financing: Growth Stage 17b. Technology developed with SBIR/STTR funding:

18. Small Business Concern's Pre-Money Valuation: $500,000,000

19. Fiscal Year End Immediately Prior to Date of Financing (Month/Day/Year) 12 /31 /2016

20. Gross Revenue for Prior Fiscal Year $ 90Million 21. After-Tax Profit or (Loss) for Prior Fiscal Year $ (41.1 Million)

22. Income Taxes for Prior Fiscal Year: Federal $.0 State $ 0.1 Million Local $ 0.1 Million

23. Net Worth $30.9Million 24. Number of Employees 785

Part C - Financing Information

25. a. Date of Financing 1 /30 /2017 b. Date of Disbursement 1 /30 /2017 26. Did Licensee lead this investment? Yes

27. Purpose of Financing (Percentage of Financing that will be used to support each category below. Percentages should total to 100%.)

a.	Working Capital or Inventory Purchase	100	f.	Acquisition of Machinery and Equipment	
b.	Plant Modernization or Leasehold Improvement		g.	Land Acquisition or Dwelling Construction	
c.	Acquisition of All or Part of an Existing Business		h.	Marketing Activities	
d.	Consolidation of Obligations or Non-SBIC Debt Refunding		i.	Research and Development	
e.	New Building or Plant Construction		j.	Other	

28. Is this the first Financing of this Small Business by the Licensee? No

29. Financing Instruments and Applicable Amounts (for participations, include Licensee's portion only):

Instrument	Amount	Initial Interest Rate(s)	% Actual Ownership
Loan Only	$	%	
Debt with Equity Features	$ 20,000,000	11.75%	
Equity Only	$		%
Total Licensee Financing	**$** 20,000,000		

30. Total Size of Financing Round for Small Business Concern: $20,000,000

31. Comments:

SBA Form 1031 (3/14) Previous Editions Obsolete

Part D - Transmission Verification Transmission Date / /

Use of Information: SBA Form 1031 is to be completed only by small business investment companies (SBICs) licensed by the Small Business Administration (SBA). This form contains Portfolio Concern financing and supplementary information that SBA uses to evaluate an SBIC's investment activities and compliance with SBIC program requirements. SBA also pools information provided by individual SBICs to analyze the SBIC program as a whole and the impact of SBIC financings on the growth of small business.

Instructions for Submitting Completed Form: SBA Form 1031 must be completed and filed electronically in the SBIC-Web system. SBIC-Web requires an SBA-approved user account. Submit your account request to sbicwebsupport@sba.gov.

PLEASE NOTE: The estimated burden for completing this form is 12 minutes per response. You will not be required to respond to this information collection if a valid OMB approval number is not displayed. If you have questions or comments concerning this estimate or other aspects of this information collection, please contact the U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, DC 20416 and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, DC 20503.

PLEASE DO NOT SEND FORMS TO OMB.

Exhibit H— Form of Compliance Certificate

COMPLIANCE CERTIFICATE

Note: Please send all required reporting via email to Larry Bradshaw at larry@escalatecapital.com with a copy to Tony Schell at tony@escalatecapital.com.

BORROWER: ACCOLADE, INC., a Delaware corporation ("***Borrower***")

The undersigned authorized officer of Borrower hereby certifies, on behalf of the Borrower, that in accordance with the terms and conditions of the Loan and Security Agreement dated as of January 30, 2017 between Borrower and Escalate Capital Partners SBIC III, LP ("***Lender***") (the "***Agreement***"):

(i) Borrower is in compliance, in all material respects (without duplication of any materiality qualifiers set forth in such covenants) for the period ending [ ] with all required covenants, except as noted below.

Attached herewith are the required documents supporting the above certification. The authorized officer further certifies that these are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes.

Please indicate compliance status by circling Yes/No under “Complies” column.

REPORTING COVENANT	REQUIRED	COMPLIES	
Monthly financial statements	Monthly within 30 days of month end	Yes	No
Annual (CPA Audited)	FYE within 180 days	Yes	No
A/R & A/P agings and deferred revenue report	Monthly within 30 days of month end	Yes	No
Annual Budget and projections	Within 30 days after FYE or 10 days after board approval	Yes	No
Minutes and board materials	Upon Lender’s request	Yes	No
IP report	Quarterly within 30 days of quarter end	Yes	No
Fully-diluted capitalization table	Quarterly within 30 days of quarter end or upon Lender’s request	Yes	No
409A reports	Within 30 days of Borrower’s receipt	Yes	No
Organizational document amendments	Within 30 days	Yes	No
Notice of legal actions >$250,000	Promptly upon receipt of notice	Yes	No

FINANCIAL COVENANTS	REQUIRED	ACTUAL	COMPLIES	
Minimum Liquidity (§ 5.13(a))			Yes	No

EXHIBIT H-2

Please attach any comments regarding covenant violations as additional pages.

ACCOLADE, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT H-3

Exhibit I— Form of Management Rights Agreement

January 30, 2017

ESCALATE CAPITAL PARTNERS SBIC III, LP
300 West Sixth Street
Suite 2230
Austin, Texas 78701-3902

Re: ESCALATE CAPITAL PARTNERS SBIC III, LP

Gentlemen:

This letter will confirm our agreement that pursuant to that certain Loan and Security Agreement (as amended, restated, supplemented, or otherwise modified from time to time, the "***Loan Agreement***"), dated as of the date hereof, and effective as of the date you become (i) a lender (the "***Loan Transaction***") to ACCOLADE, INC., a Delaware corporation, and its subsidiaries from time to time (collectively, the "***Company***"), and (ii) a holder pursuant to that certain Warrant to Purchase Common Stock issued as of the date hereof and that certain Second Amended and Restated Warrant to Purchase Common Stock issued December 1, 2014, each issued by Company in favor of ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership (the "***Investor***") (collectively, the "***Transaction***"), the Investor shall be entitled to the following contractual management rights, in addition to any rights to non-public financial information, inspection rights and other rights otherwise provided to the Investor in the Loan Transaction:

The Investor shall be entitled, at its sole expense, to consult with and advise management of the Company on significant business issues, including management's proposed annual operating plans, and management will meet with the Investor regularly during each year at the Company's facilities at mutually agreeable times for such consultation and advice and to review progress in achieving said plans (the "***Management Consulting Right***"). Upon reasonable notice and at a scheduled meeting of the board of directors or such other time, if any, in each case as the board of directors may determine in its sole discretion, a representative of the Investor may address the board of directors with respect to the Investor's concerns regarding significant business issues facing the Company (the "***Board Consulting Right***"). The Company shall not give a Management Consulting Right or Board Consulting Right to any other institutional investor in the Company without the consent and approval of the Investor.

The Investor may also examine the books and records of the Company and inspect its facilities and properties at reasonable times and intervals, during normal business hours and on reasonable advance notice to the Company, which the Company shall not unreasonably refuse. The Investor may also request information at reasonable times and intervals, during normal business hours and on reasonable advance notice concerning the general status of the Company's financial condition and operations, including, but not limited to, other investments in the Company, and the Company shall cooperate in that regard, provided that access to (a) material subject to preservation under the attorney/client privilege and/or (b)

facilities or information of a highly confidential proprietary nature, the disclosure of which would be detrimental to the Company, need not be provided. If the Investor is not represented on the Company's board of directors, then the Company shall, at the request of the Investor, give a representative of the Investor copies of all minutes and other board materials that the Company provides to its directors, including, but not limited to, copies of (i) consolidated balance sheets for the Company for each period such sheets are prepared, and (ii) consolidated statements of income and cash flows of the Company for each such period such statements are prepared within a reasonable period of time after such information is prepared as requested by the Investor, except that the representative may be excluded from access to any material or any portion thereof if the Company reasonably determines, that such exclusion is reasonably necessary to preserve the attorney-client privilege or to protect highly confidential proprietary information or for other similar reasons (including, without limitation, in the context of conflicts of interest). The Company shall provide Investor reasonable advance notice (of at least twenty (20) days) ("***Notice Period***") with such information reasonably requested by the Investor in the event that any rights described in this paragraph are provided to any other institutional investor. The Company may not give any of the rights described in this paragraph to any other institutional investor without the consent of the Investor, unless the Investor, with the advice of counsel, reasonably determines during the Notice Period that the provision of any such rights described in this paragraph will not likely jeopardize its status as a Venture Capital Operating Company. The Investor shall notify the Company of its determination required by the directly preceding sentence during the Notice Period.

The Investor agrees, and any representative of the Investor will agree, to hold in confidence and trust and not disclose any confidential information provided to or learned by it in connection with its rights under this letter.

The rights described herein shall terminate and be of no further force or effect upon the earliest to occur of (a) the consummation of the sale of the Company's securities pursuant to a registration statement filed by the Company under the Securities Act of 1933, as amended, in connection with a firm-commitment underwritten offering of its securities to the public, (b) the consummation of a merger or consolidation of the Company that is effected (i) for independent business reasons unrelated to extinguishing such rights and (ii) for purposes other than (A) the reincorporation of the Company in a different state or (B) the formation of a holding company that will be owned exclusively by the Company's stockholders and will hold all of the outstanding shares of capital stock of the Company's successor, or (c) (i) payment in full of all monetary obligations for borrowed money in the Loan Transaction, and (ii) Investor (or one or more of its affiliates) ceases to directly or indirectly retain an ownership interest in the Company, including with respect to that certain Warrant dated as of the date hereof, issued to Investor by the Company or any warrants issued upon the transfer or division of, or in substitution of such Warrant. The confidentiality provisions hereof will survive any such termination. This letter agreement supersedes and replaces the Management Rights Agreement entered into by the parties on December 1, 2014.

[Signature Page Follows]

Our signatures below indicate our assent to the terms of this letter as of the date set forth above.

Very truly yours,

ACCOLADE, INC.,
a Delaware corporation

By: _____
Name: Rajeev Singh
Title: Chief Executive Officer

AGREED AND ACCEPTED:

ESCALATE CAPITAL PARTNERS SBIC III, LP,
a Delaware limited partnership

By: Escalate SBIC Capital Management III, LLC,
its general partner

By: _____
Name: William A. Schell
Title: Manager

Exhibit 10.9

FIRST AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT, dated as of March 22, 2018 (this "***Amendment***"), is entered into by and between ACCOLADE, INC., a Delaware corporation ("***Borrower***"), and ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership (the "***Lender***").

RECITALS:

A. Borrower and the Lender have previously entered into that certain Loan and Security Agreement dated as of January 30, 2017 (as may be amended, restated, supplemented, replaced, or otherwise modified from time to time, the "***Loan Agreement***"). Capitalized terms not otherwise defined herein have the same meanings as in the Loan Agreement.

B. The Borrower has requested and Lender has agreed to amend the definition of Minimum Eligible Monthly Recurring Revenue.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Amendments

1.1 Definitions.

Effective as of the date hereof, the following definition is hereby amended and restated in its entirety as follows:

"***Minimum Eligible Recurring Revenue***" means (i) from the Closing Date to March 22, 2018 and for all periods from and after September 30, 2018, the product of (A) four (4) multiplied by (B) Eligible Monthly Recurring Revenue and (ii) from all periods from March 22, 2018 through and including September 29, 2018, the product of (A) five (5) multiplied by (B) Eligible Monthly Recurring Revenue

ARTICLE II

Conditions Precedent

2.1 Amendment Conditions. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(a) Amendment. The Lender shall have received this Amendment executed by the Borrower.

(b) Corporate Proceedings. All corporate proceedings taken in connection with the transactions contemplated by this Amendment and other legal matters incident thereto shall be satisfactory to the Lender.

(c) No Default. After giving effect to this Amendment, no default or Event of Default shall have occurred and be continuing.

2.2 Transaction Documents. Each Transaction Document shall be valid and binding and in full force and effect.

ARTICLE III

Ratifications, Representations and Warranties

3.1 Ratifications. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Loan Agreement and except as expressly modified and superseded by this Amendment, the terms and provisions of the Loan Agreement are ratified and confirmed and shall continue in full force and effect. Borrower agrees that the Loan Agreement, as amended hereby, is legal, valid, binding and enforceable in accordance with its terms.

3.2 Representations and Warranties. Borrower hereby represents and warrants to the Lender that (a) the execution, delivery, and performance of this Amendment have been authorized by all requisite action on the part of Borrower and will not violate any organizational document of Borrower, (b) the representations and warranties contained in the Loan Agreement, as amended hereby, are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof, except to the extent such representations and warranties speak to a specific date, (c) after giving effect to this Amendment, no Default or Event of Default exists, and (d) Borrower is in full compliance with all covenants and agreements contained in the Loan Agreement, as amended hereby, and the other Transaction Documents to which it is a party or it or its property is subject.

ARTICLE IV

Miscellaneous

4.1 Transaction Document. This Amendment is a Transaction Document.

4.2 Obligations. This Amendment is not intended as and shall not be construed as a release or novation of any Indebtedness.

4.3 Counterparts. This Amendment may be executed in any number of counterparts (including by facsimile or other electronic transmission), all of which taken together shall constitute one and the same instrument. In making proof of any such agreement, it shall not be necessary to produce or account for any counterpart other than one signed by the party against which enforcement is sought.

4.4 GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE AND APPLICABLE FEDERAL LAWS.

4.5 ENTIRE AGREEMENT. THIS AMENDMENT REPRESENTS THE FINAL AGREEMENT AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO.

4.6 Prior Agreement. The Transaction Documents are hereby ratified and reaffirmed and shall remain in full force and effect. In the event of any conflict or inconsistency between this Amendment and the terms of such documents, the terms of this Amendment shall be controlling, but no such document shall otherwise be affected or the rights therein impaired.

4.7 Acknowledgment of Borrower. Borrower hereby acknowledges and agrees that: (a) Borrower does not have any defense, offset, or counterclaim with respect to the payment of any sum owed to the Lender, or with respect to the performance or observance of any warranty or covenant contained in the Transaction Documents; and (b) the Lender has performed all obligations and duties owed to the Borrower through the date hereof.

4.8 Continuing Validity. Borrower understands and agrees that in entering into this Amendment, the Lender is relying upon Borrower's representations, warranties, and agreements, as set forth in the Transaction Documents. Except as expressly modified pursuant to this Amendment, the terms of the Transaction Documents remain unchanged and in full force and effect. The Lender's entering into this Amendment in no way shall obligate the Lender to make any future modifications to the Obligations. Nothing in this Amendment shall constitute a satisfaction of the Obligations. It is the intention of the Lender and Borrower to retain as liable parties all makers and endorsers of the Transaction Documents, unless the party is expressly released by the Lender in writing. No maker, endorser, or guarantor will be released by virtue of this Amendment. The terms of this Section 4.8 apply not only to this Amendment, but also to all subsequent amendments.

4.9 Further Assurances. The parties hereto shall execute such other documents as may be reasonably necessary or as may be reasonably required, in the opinion of counsel to the Lender, to effect the transactions contemplated hereby and the liens and/or security interests of all other collateral instruments, as modified by this Amendment. Borrower also agrees to provide to the Lender such other documents and instruments as it reasonably may request in connection with the modification effected hereby.

4.10 Enforceability. In the event the enforceability or validity of any portion of this Amendment, the Loan Agreement, or any of the other Transaction Documents is challenged or questioned, such provision shall be construed in accordance with, and shall be governed by, whichever applicable federal law or law of the State of Delaware would uphold or would enforce such challenged or questioned provision.

4.11 JURY WAIVER; ARBITRATION. THE LENDER AND BORROWER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF THIS AMENDMENT, THE OTHER TRANSACTION DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IF THIS JURY WAIVER IS FOR ANY REASON UNENFORCEABLE, THE PARTIES AGREE TO RESOLVE ALL CLAIMS, CAUSES AND DISPUTES THROUGH FINAL AND BINDING ARBITRATION TO BE HELD IN THE STATE OF DELAWARE IN ACCORDANCE WITH THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. JUDGMENT UPON ANY AWARD RESULTING FROM ARBITRATION MAY BE ENTERED INTO AND ENFORCED BY ANY STATE OR FEDERAL COURT HAVING JURISDICTION THEREOF.

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LENDER:

ESCALATE CAPITAL PARTNERS SBIC III, LP

By: Escalate SBIC Capital Management III, LLC,
its general partner

By: /s/ William A. Schell
Name: William A. Schell
Title: Manager

(Signature Page to First Amendment to Loan And Security Agreement)

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first day above written.

BORROWER:

ACCOLADE, INC.

By: /s/ Rajeev Singh
Name: Rajeev Singh
Title: Chief Executive Officer

(Signature Page to First Amendment to Loan And Security Agreement)

Exhibit 10.10

SECOND AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT, dated as of July 19, 2019 (this "***Amendment***"), is entered into by and between ACCOLADE, INC., a Delaware corporation ("***Borrower***"), and ESCALATE CAPITAL PARTNERS SBIC III, LP, a Delaware limited partnership (the "***Lender***").

RECITALS:

A. Borrower and Lender have previously entered into that certain Loan and Security Agreement dated as of January 30, 2017, and that certain First Amendment to Loan and Security Agreement, dated as of March 22, 2018 (as may be amended, restated, supplemented, replaced, or otherwise modified from time to time, the "***Loan Agreement***"). Capitalized terms not otherwise defined herein have the same meanings as in the Loan Agreement as amended hereby.

B. Borrower has requested and Lender has agreed to amend the Loan Agreement as set forth herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Amendments

1.1 Legend. Effective as of the date hereof, the legend on the cover page of the Loan Agreement is hereby amended and restated in its entirety as follows:

> **THIS LOAN AND SECURITY AGREEMENT IS SUBJECT TO THE TERMS OF A SUBORDINATION AND INTERCREDITOR AGREEMENT AMONG SENIOR AGENT, BORROWER, AND LENDER DATED AS OF JULY 19, 2019, AS SUCH SUBORDINATION AND INTERCREDITOR AGREEMENT MAY BE AMENDED, RESTATED, REPLACED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME.**

1.2 Commitment. Effective as of the date hereof, Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety as follows:

> Commitment. Subject to the terms and conditions of this Loan Agreement, Lender agrees (the "***Commitment***") to advance to Borrower term loans in the aggregate principal amount of up to Twenty Two Million Dollars ($22,000,000) (the "***Commitment Amount***") as follows: (i) on the Closing Date, a term loan (the "***Initial Advance***") in an aggregate original principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000), such Initial Advance to be advanced in connection with the payoff of the amounts owing under the Prior Facility, as further detailed in the Payoff Letter, (ii) on or about March 22, 2018, an additional term loan in the aggregate principal amount of Twelve Million Five Hundred Thousand Dollars ($12,500,000) (the "***First Incremental***

Advance"), and (iii) subject to satisfaction of the conditions set forth in Section 2.3, on or about July 19, 2019 (the "***Funding Termination Date***"), Lender agrees to advance an additional term loan to Borrower in the aggregate principal amount of Two Million Dollars ($2,000,000) (the "***Second Incremental Advance***", together with the First Incremental Advance, each an "***Incremental Advance***" and collectively, the "***Incremental Advances***", and the Incremental Advances, together with the Initial Advance, individually and collectively, the "***Advances***"). Each Incremental Advance shall not be in an amount of less than One Million Dollars ($1,000,000). Each Advance shall be made in accordance with and subject to the applicable provisions of Section 2 hereof. The date of the Initial Advance is referred to herein as the "***Initial Closing Date***", the date of the First Incremental Advance is referred to herein as the "***First Incremental Closing Date***", and the date of the Second Incremental Advance is referred to herein as the "***Second Incremental Closing Date***". Each of the Initial Closing Date, the First Incremental Closing Date and the Second Incremental Closing Date shall be referred to as a "***Closing Date***."

1.3 Interest, Payments, and Payment Terms. Effective as of the date hereof, Sections 1.2(a), 1.2(b), and 1.2(c) of the Loan Agreement are hereby amended and restated in their entirety as follows:

(a) Interest.

(i) For the period commencing on the Initial Closing Date and ending immediately prior to the Second Incremental Closing Date, interest shall accrue on the unpaid principal amount of the Advances outstanding from time to time at a rate equal to 11.75% per annum (the "***Initial Interest Rate***").

(ii) For the period commencing on the Second Incremental Closing Date and ending on the Maturity Date, interest shall accrue on the unpaid principal amount of the Advances outstanding from time to time in two components: (A) interest shall be payable in cash on the outstanding principal amount of the Advances (as increased by PIK Interest that is paid-in-kind as described in this Section 1.2) at a rate equal to 10.00% per annum (the "***Cash Interest Rate***") and (B) interest shall be payable in-kind on (and thereby increase) the outstanding principal amount of the Advances (as such principal amount is increased from time to time) at a rate of 2.00% per annum (the "***PIK Interest***").

(iii) Lender's determination of the amount of the Advances outstanding at any time shall be conclusive and binding, absent manifest error. Interest on the outstanding principal amount of the Advances will be computed on the basis of a year of 360 days and the actual number of days elapsed.

(b) Payments of Interest. Borrower shall pay accrued and unpaid interest on the Advances, monthly in arrears on the last business day of each calendar month, commencing on January 31, 2017, pursuant to Section 1.2(a); provided, that, the PIK Interest shall be payable as an increase in the principal amount of the Advances pursuant to Section 1.2(a)(ii)(B). In addition, accrued and unpaid interest shall be payable on the maturity of the Advances, whether by acceleration

or otherwise, and on the date of any prepayment (with respect to the amount prepaid).

(c) Payments of Principal. The entire outstanding principal balance of the Advances, all accrued and unpaid interest thereon (including PIK Interest), and all fees, expenses and other amounts outstanding hereunder and under the other Transaction Documents shall be immediately due and payable on the earlier to occur of (1) an Event of Default consisting of an Insolvency Event, or (2) the date of a Change of Control, or (3) December 31, 2022 (the "***Maturity Date***").

1.4 Effective as of the date hereof, the phrase "the Warrant and the Second A&R Warrant" in Section 6.3(d) of the Loan Agreement and in the definition of "Material Adverse Effect" in Section 13 of the Loan Agreement is hereby replaced with the following phrase: "the Warrant, the Second A&R Warrant, and the 2019 Warrant".

1.5 Fees. Effective as of the date hereof, Section 1.3 of the Loan Agreement is hereby amended and restated in its entirety as follows:

Fees. Borrower shall pay to EC Management Services, Inc., an Affiliate of Lender, (a) a facility fee in the amount of $200,000 (the "***Closing and Arrangement Fee***") on the Initial Closing Date, (b) a facility fee in the amount of $20,000 on the Funding Termination Date (the "***Second Incremental Facility Fee***"), and (c) on the earlier to occur of the Maturity Date or the date the Obligations are repaid in full, a facility fee equal to the greater of (i) $160,000 or (ii) 1.00% of the aggregate amount of Advances funded pursuant to this Loan Agreement (the "***Aggregate Facility Fee***", and together with the Closing and Arrangement Fee and the Second Incremental Facility Fee, the "***Facility Fees***").

1.6 Condition to Effectiveness of Accordion Feature. Effective as of the date hereof, Section 2.4 is hereby added to the Loan Agreement as follows:

Condition to Accordion. Prior to increasing the aggregate amount of the Maximum Senior Indebtedness Amount pursuant to the accordion feature pursuant to Section 2.12 of the Senior Loan Agreement, Borrower's Eligible Monthly Recurring Revenue from Borrower's top five customers shall not exceed 60% of Borrower's total Eligible Monthly Recurring Revenue.

1.7 Indebtedness. Effective as of the date hereof, Section 5.4 of the Loan Agreement is hereby amended and restated in its entirety as follows:

Indebtedness. Borrower will not, and will not permit any Subsidiary to, create, incur, assume, guarantee or be liable for any Indebtedness other than Permitted Indebtedness or any refinancing under clause (h) of the definition of Permitted Indebtedness, or voluntarily prepay any Subordinated Debt, except in accordance with any applicable Subordination Agreement thereto, provided that, Borrower shall not at any time incur, assume, or be liable for secured Indebtedness in excess of the Maximum Senior Indebtedness Amount, including Indebtedness to Senior Lender and Lender (but in any case excluding any Permitted Indebtedness set forth in clauses (c), (d), (h) and (j) of the definition thereof and Indebtedness set forth in Schedule 5.4).

1.8 Financial Covenants. Effective as of the date hereof, Section 5.13 of the Loan Agreement is hereby amended and restated in its entirety as follows:

(a) Availability Covenant. Borrower shall, at all times, maintain, as of the last day of each calendar month, Liquidity of not less than (a) from the Second Incremental Closing Date until Senior Agent's receipt of the financial statements for the Fiscal Year ending February 29, 2020, $10,000,000, and (b) from and after Senior Agent's receipt of the audited financial statements required under Section 7.1(a) of the Senior Loan Agreement for the Fiscal Year ending February 29, 2020, and upon Senior Agent's receipt of the audited financial statements required under Section 7.1(a) of the Senior Loan Agreement for each Fiscal Year thereafter, (i) if Annual Revenue Growth is greater than 25%, $10,000,000, (ii) if Annual Revenue Growth is greater than 10%, but less than 25%, $15,000,000, and (iii) if Annual Revenue Growth is less than 10%, $20,000,000, in each case tested as of the last day of each calendar month.

(b) Borrowing Base Covenant. Borrower hereby covenants and agrees that the definition of "Borrowing Base" and the component definitions thereof contained in Section 1.1 of the Senior Loan Agreement will not be amended, replaced, modified, deleted or revised in any way without prior written consent of Lender in Lender's reasonable discretion if the effect of such amendment, replacement, modification, or revision would be to allow for advances that would not have been available under the definition of "Borrowing Base" contained in the Senior Loan Agreement as in effect on the Second Incremental Closing Date.

(c) Senior Financial Covenants. Borrower hereby covenants and agrees that the financial covenants contained in Section 7.9 of the Senior Loan Agreement as in effect on the Second Incremental Closing Date will not be amended, replaced, modified, or revised in any way that would be less restrictive than the financial covenants contained in the Senior Loan Agreement as in effect on the Second Incremental Closing Date without prior written consent of Lender in Lender's reasonable discretion.

(d) Lender Financial Covenants. In the event that the obligations under the Senior Loan Documents are paid in full, Lender shall have the right to implement financial covenants so as to preserve, on substantially similar economic terms, the covenants in the Senior Loan Agreement as in effect on the Second Incremental Closing Date; provided, however, that if such payment in full occurs within 90 days of an event of default under such Senior Loan Documents, instead, Lender shall have the right to implement financial covenants, based upon Lender's good faith business judgment, in consultation with Borrower and based upon the projections delivered to Lender by Borrower and consistent with methodology used by Senior Lender during the two-year period immediately prior to the repayment in full of the Senior Indebtedness.

1.9 Definitions.

(a) Effective as of the date hereof, Section 13 of the Loan Agreement is hereby amended by adding the following definitions in proper alphabetical order:

"***2019 Warrant***" means the Warrant to Purchase Common Stock issued in favor of Lender, dated July [ ], 2019.

"***Annual Revenue Growth***" has the meaning set forth in the Senior Loan Agreement as in effect on the Second Incremental Closing Date.

"***First Incremental Advance***" has the meaning set forth in Section 1.1.

"***First Incremental Closing Date***" has the meaning set forth in Section 1.1.

"***Liquidity***" has the meaning set forth in the Senior Loan Agreement as in effect on the Second Incremental Closing Date.

"***MDInsider Acquisition***" means the acquisition by Borrower, directly or indirectly, of all or substantially all of the assets or Equity Interests of MDInsider, Inc., a Delaware corporation.

"***Second Incremental Advance***" has the meaning set forth in Section 1.1.

"***Second Incremental Closing Date***" has the meaning set forth in Section 1.1.

"***Second Incremental Facility Fee***" has the meaning set forth in Section 1.3.

(b) Effective as of the date hereof, the following definitions set forth in Section 13 of the Loan Agreement are hereby amended and restated as follows:

"***Eligible Monthly Recurring Revenue***" (or "***EMRR***") shall have the meaning set forth in the Senior Loan Agreement as in effect on the Second Incremental Closing Date.

"***Fiscal Year***" means the twelve-month period ending on the last day of February each year.

"***Interest Rate***" means the Initial Interest Rate, the Cash Interest Rate, and the PIK Interest, as applicable and determined by context.

"***Maturity Date***" has the meaning set forth in Section 1.2(c).

"***Maximum Senior Indebtedness Amount***" means $50,000,000 of revolving loans, less revolving commitment reductions, to the extent such reductions are permanent; *provided*, *that*, subject to Section 2.4, in the event the necessary conditions are met and Borrower elects to increase the revolving facility, each pursuant to the accordion feature set forth in Section 2.12 of Senior Loan Agreement, the Maximum Senior Indebtedness Amount shall be $80,000,000 of revolving loans, less revolving commitment reductions, to the extent such reductions are permanent.

"***Minimum Eligible Monthly Recurring Revenue***" means the product of Eligible Monthly Recurring Revenue multiplied by the amounts set forth below:

Period:	Eligible Monthly Recurring Revenue multiplied by:
Funding Termination Date until December 31, 2019	10.00
January 1, 2020 until March 31, 2020	9.75
April 1, 2020 until June 30, 2020	9.50
July 1, 2020 until September 30, 2020	9.25
October 1, 2020 until December 31, 2020	9.00
January 1, 2021 until March 31, 2021	8.75
April 1, 2021 until June 30, 2021	8.50
July 1, 2021 until September 30, 2021	8.25
October 1, 2021 and thereafter	8.00

"***Senior Agent***" means Comerica Bank in its capacity as agent for the Senior Lenders.

"***Senior Lenders***" means, collectively, Comerica Bank and Western Alliance Bank, or any replacement or substitute lender permitted under the subordination agreement between Lender and the Senior Lender.

"***Senior Loan Agreement***" means that certain Credit Agreement dated as of July 19, 2019, by and among Borrower, Senior Agent and Senior Lenders, as the same may be amended, supplemented or otherwise modified from time to time as permitted herein.

"***Transaction Documents***" means this Loan Agreement, the Warrant, the Second A&R Warrant, the 2019 Warrant, the Intellectual Property Security Agreement, each Subordination Agreement, and all other agreements, documents and instruments executed from time to time in connection herewith, as the same may be amended, supplemented, or otherwise modified from time to time as permitted herein.

(c) Effective as of the date hereof, clause (l) of the definition of "Permitted Investments" set forth in Section 13 of the Loan Agreement is hereby amended and restated as follows:

(l) (i) the MDInsider Acquisition, and (ii) the acquisition by Borrower or any of its Subsidiaries of all or substantially all of the Equity Interests or property of another Person, *provided that* such transaction (x) does not in the aggregate exceed Five Million Dollars ($5,000,000) during any Fiscal Year and (y) Borrower's consideration is in the form of Borrower's equity securities; and

(d) Effective as of the date hereof, the definition of "Permitted Indebtedness" set forth in Section 13 of the Loan Agreement is hereby amended by adding a new clause (m) as follows:

(m) Indebtedness in respect of indemnification, purchase price adjustments, earnouts, deferred purchase price or other similar obligations incurred by the Borrower in an acquisition permitted by clause (l) of the defined term "Permitted Investments".

(e) Effective as of the date hereof, the following definitions set forth in Section 13 of the Loan Agreement are hereby deleted:

"***Cash Burn***" shall have the meaning set forth in the Senior Loan Agreement as in effect on the Closing Date.

"***Principal Commencement Date***" has the meaning set forth in Section 1.2(c)(i).

"***Principal Extension Facility Fee***" has the meaning set forth in Section 1.3.

ARTICLE II

Conditions Precedent

2.1 Amendment Conditions. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(a) Amendment. Lender shall have received this Amendment, duly executed by Borrower.

(b) Note. Lender shall have received an Amended and Restated Secured Promissory Note, duly executed by Borrower.

(c) Amended and Restated SBA Letter Agreement. Lender shall have received an Amended and Restated SBA Letter Agreement, duly executed by Borrower.

(d) SBA Forms. Lender shall have received executed and completed SBA form 480, 652, and 1031, each in form and substance acceptable to Lender.

(e) Letter of Direction. Lender shall have received a Letter of Direction, duly executed by the Borrower.

(f) Authorization Agreement. Lender shall have received an Authorization Agreement, duly executed by Borrower.

(g) Warrant. Lender shall have received the 2019 Warrant, duly executed by Borrower.

(h) Warrant Shares. Borrower shall have authorized a sufficient number of shares of Common Stock to Permit Lender to fully exercise the 2019 Warrant.

(i) Subordination Agreement. Lender shall have received the Subordination and Intercreditor Agreement, duly executed by Borrower and the Senior Agent.

(j) Fees and Expenses. Borrower shall have paid (i) the Second Incremental Facility Fee in immediately available funds for the Second Incremental Advance, which shall be fully earned and non-refundable, and (ii) all documented and reasonable legal and out-of-pocket costs and expenses of Lender incurred by it in connection with the preparation and negotiation of this Amendment, provided that the costs and expenses payable pursuant to clause (ii) shall not exceed $25,000.

(k) Corporate Proceedings. All consents of each of Borrower's board of directors and stockholders necessary in connection with the Borrower's execution, delivery and performance of this Amendment and the transactions contemplated hereby shall be in form and substance reasonably satisfactory to Lender.

(l) No Material Adverse Effect. No event or condition shall exist that has had or could be reasonably expected to have a Material Adverse Effect since the First Incremental Closing Date.

(m) No Default. No default or Event of Default shall have occurred and be continuing.

(n) Transaction Documents. Each Transaction Document shall be valid and binding and in full force and effect.

ARTICLE III

Ratifications, Representations and Warranties

3.1 Ratifications. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Loan Agreement and except as expressly modified and superseded by this Amendment, the terms and provisions of the Loan Agreement are ratified and confirmed and shall continue in full force and effect. Borrower agrees that the Loan Agreement, as amended hereby, is legal, valid, binding and enforceable in accordance with its terms.

3.2 Representations and Warranties. Borrower hereby represents and warrants to Lender that (a) the execution, delivery, and performance of this Amendment have been authorized by all requisite action on the part of Borrower and will not violate any organizational document of Borrower, (b) the representations and warranties contained in the Loan Agreement, as amended hereby, are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof, except to the extent such representations and warranties speak to a specific date, (c) no Default or Event of Default exists, and (d) Borrower is in full compliance with all covenants and agreements contained in the Loan Agreement, as amended hereby, and the other Transaction Documents to which it is a party or it or its property is subject.

ARTICLE IV

Miscellaneous

4.1 Transaction Document. This Amendment is a Transaction Document.

4.2 Obligations. This Amendment is not intended as and shall not be construed as a release or novation of any Indebtedness.

4.3 Counterparts. This Amendment may be executed in any number of counterparts (including by facsimile or other electronic transmission), all of which taken together shall constitute one and the same

instrument. In making proof of any such agreement, it shall not be necessary to produce or account for any counterpart other than one signed by the party against which enforcement is sought.

4.4 GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE AND APPLICABLE FEDERAL LAWS.

4.5 ENTIRE AGREEMENT. THIS AMENDMENT REPRESENTS THE FINAL AGREEMENT AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO.

4.6 Prior Agreement. The Transaction Documents are hereby ratified and reaffirmed and shall remain in full force and effect. In the event of any conflict or inconsistency between this Amendment and the terms of such documents, the terms of this Amendment shall be controlling, but no such document shall otherwise be affected or the rights therein impaired.

4.7 Acknowledgment of Borrower. Borrower hereby acknowledges and agrees that: (a) Borrower does not have any defense, offset, or counterclaim with respect to the payment of any sum owed to Lender, or with respect to the performance or observance of any warranty or covenant contained in the Transaction Documents; and (b) Lender has performed all obligations and duties owed to Borrower through the date hereof.

4.8 Continuing Validity. Borrower understands and agrees that in entering into this Amendment, Lender is relying upon Borrower's representations, warranties, and agreements, as set forth in the Transaction Documents. Except as expressly modified pursuant to this Amendment, the terms of the Transaction Documents remain unchanged and in full force and effect. Lender's entering into this Amendment in no way shall obligate Lender to make any future modifications to the Obligations. Nothing in this Amendment shall constitute a satisfaction of the Obligations. It is the intention of Lender and Borrower to retain as liable parties all makers and endorsers of the Transaction Documents, unless the party is expressly released by Lender in writing. No maker, endorser, or guarantor will be released by virtue of this Amendment. The terms of this Section 4.8 apply not only to this Amendment, but also to all subsequent amendments.

4.9 Further Assurances. The parties hereto shall execute such other documents as may be reasonably necessary or as may be reasonably required, in the opinion of counsel to Lender, to effect the transactions contemplated hereby and the liens and/or security interests of all other collateral instruments, as modified by this Amendment. Borrower also agrees to provide to Lender such other documents and instruments as it reasonably may request in connection with the modification effected hereby.

4.10 Enforceability. In the event the enforceability or validity of any portion of this Amendment, the Loan Agreement, or any of the other Transaction Documents is challenged or questioned, such provision shall be construed in accordance with, and shall be governed by, whichever applicable federal law or law of the State of Delaware would uphold or would enforce such challenged or questioned provision.

4.11 JURY WAIVER; ARBITRATION. LENDER AND BORROWER WAIVE ANY RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF THIS AMENDMENT, THE OTHER TRANSACTION DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING WITHOUT LIMITATION CONTRACT

CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IF THIS JURY WAIVER IS FOR ANY REASON UNENFORCEABLE, THE PARTIES AGREE TO RESOLVE ALL CLAIMS, CAUSES AND DISPUTES THROUGH FINAL AND BINDING ARBITRATION TO BE HELD IN THE STATE OF DELAWARE IN ACCORDANCE WITH THEN-CURRENT COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. JUDGMENT UPON ANY AWARD RESULTING FROM ARBITRATION MAY BE ENTERED INTO AND ENFORCED BY ANY STATE OR FEDERAL COURT HAVING JURISDICTION THEREOF.

The Remainder of This Page Is Intentionally Left Blank.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the first day above written.

BORROWER:

ACCOLADE, INC.

By: /s/ Stephen Barnes
Name: Stephen Barnes
Title: Secretary

(Signature Page to Second Amendment to Loan and Security Agreement)

LENDER:

ESCALATE CAPITAL PARTNERS SBIC III, LP

By: Escalate SBIC Capital Management III, LLC, its general partner

By: /s/ Ross Cockrell
Name: Ross Cockrell
Title: Manager

(Signature Page to Second Amendment to Loan and Security Agreement)

Exhibit 10.11

ACCOLADE, INC.

CREDIT AGREEMENT
DATED AS OF JULY 19, 2019

COMERICA BANK
AS ADMINISTRATIVE AGENT,

AND

COMERICA BANK AND WESTERN ALLIANCE BANK
AS JOINT LEAD ARRANGERS
AND JOINT BOOKRUNNERS

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CREDIT AGREEMENT

This Credit Agreement ("Agreement") is made as of the 18th day of July, 2019, by and among the financial institutions from time to time signatory hereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), Comerica Bank and Western Alliance Bank as Joint Lead Arrangers and Joint Bookrunners, and Accolade, Inc., a Delaware corporation ("Borrower").

RECITALS

A. The Borrower has requested that the Lenders extend to it credit and letters of credit on the terms and conditions set forth herein.

B. The Lenders are prepared to extend such credit as aforesaid, but only on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants contained herein, the Borrower, the Lenders, and the Agent agree as follows:

1. DEFINITIONS.

1.1 Certain Defined Terms. For the purposes of this Agreement the following terms will have the following meanings:

"Accolade Technologies s.r.o." shall mean Accolade Technologies s.r.o., a company organized under the laws of the Czech Republic and a wholly-owned Subsidiary of Borrower.

"Account(s)" shall mean any account or account receivable as defined under the UCC, including without limitation, with respect to any Person, any right of such Person to payment for goods sold or leased or for services rendered.

"Account Control Agreement(s)" shall mean those certain account control agreements, or similar agreements that are delivered pursuant to Section 7.14 of this Agreement or otherwise, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Account Debtor" shall mean the party who is obligated on or under any Account.

"Advance(s)" shall mean, as the context may indicate, a borrowing requested by Borrower, and made by the Revolving Credit Lenders under Section 2.1 hereof, or the Swing Line Lender under Section 2.5 hereof, including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section 2.3 or 2.5 hereof, and any advance deemed to have been made in respect of a Letter of Credit under Section 3.6(c) hereof, and shall include, as applicable, a Eurodollar-based Advance, a Base Rate Advance and a Quoted Rate Advance.

"Advisor" shall mean Accretive, LLC.

"Affected Lender" is defined in Section 13.12 hereof.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling (including but not limited to all directors and officers of such Person), controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power (i) to vote 10%

or more of the Equity Interests having ordinary voting power for the election of directors or managers of such other Person or (ii) to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent" is defined in the preamble, and include any successor agents appointed in accordance with Section 12.4 hereof.

"Agent's Correspondent" shall mean for Eurodollar-based Advances, the Agent's Grand Cayman Branch (or for the account of said branch office, at the Agent's main office in Detroit, Michigan, United States).

"Annual Recurring Revenue Run Rate" shall mean the product of Eligible Monthly Recurring Revenue multiplied by twelve (12).

"Annual Revenue Growth" shall mean the number, expressed as a percentage, derived by: (i) dividing (a) the annual revenue of Borrower and its Domestic Subsidiaries (determined in accordance with GAAP) for the Fiscal Year most recently ended on or prior to the date of determination, by (b) the annual revenue of Borrower and its Domestic Subsidiaries (determined in accordance with GAAP) for the Fiscal Year immediately preceding such Fiscal Year referenced in clause (a), and (ii) subtracting one from the quotient calculated in clause (i).

"Anti-Terrorism Laws" shall mean any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, all as amended, supplemented or replaced from time to time.

"Applicable Fee Percentage" shall mean, as of any date of determination thereof, the applicable percentage used to calculate certain of the fees due and payable hereunder, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Annex I.

"Applicable Interest Rate" shall mean, (i) with respect to each Revolving Credit Advance, the Eurodollar-based Rate or the Base Rate, and (ii) with respect to each Swing Line Advance, the Base Rate or, if made available to the Borrower by the Swing Line Lender at its option, the Quoted Rate, in each case as selected by the Borrower from time to time subject to the terms and conditions of this Agreement.

"Applicable Margin" shall mean, as of any date of determination thereof, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Annex I.

"Asset Sale" shall mean the sale, transfer or other disposition by any Credit Party of any asset (other than the sale or transfer of less than one hundred percent (100%) of the stock or other ownership interests of any Subsidiary) to any Person (other than to Borrower or a Guarantor).

"Assignment Agreement" shall mean an Assignment Agreement substantially in the form of Exhibit I hereto.

"Authorized Signer" shall mean each person who has been authorized by Borrower to execute and deliver any requests for Advances hereunder pursuant to a written authorization delivered to the Agent and whose signature card or incumbency certificate has been received by the Agent.

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" shall mean Title 11 of the United States Code and the rules promulgated thereunder.

"Base Rate" shall mean for any day, that rate of interest which is equal to the sum of the Applicable Margin plus the greatest of (a) the Prime Rate for such day, (b) the Federal Funds Effective Rate in effect on such day, plus one percent (1.0%), and (c) the Daily Adjusting LIBOR Rate plus one percent (1.0%); provided, however, for purposes of determining the Base Rate during any period that LIBOR Rate is unavailable as determined under Sections 11.3 or 11.4 hereof, the Base Rate shall be determined using, for clause (c) hereof, the Daily Adjusting LIBOR Rate in effect immediately prior to the LIBOR Rate becoming unavailable pursuant to Sections 11.3 or 11.4.

"Base Rate Advance" shall mean an Advance which bears interest at the Base Rate.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230, as amended from time to time.

"Borrower" is defined in the preamble to this Agreement.

"Borrowing Base" shall mean, as of any date of determination thereof, an amount equal to Eligible Monthly Recurring Revenue multiplied by (a) 6.00 from the Effective Date through and including December 31, 2019, (b) 5.75 from January 1, 2020 through and including March 31, 2020, (c) 5.50 from April 1, 2020 through and including June 30, 2020, (d) 5.25 from July 1, 2020 through and including September 30, 2020, (e) 5.00 from October 1, 2020 through and including December 31, 2020, (f) 4.75 from January 1, 2021 through and including March 31, 2021, (g) 4.50 from April 1, 2021 through and including June 30, 2021, (h) 4.25 from July 1, 2021 through and including September 30, 2021, and (i) 4.00 on October 1, 2021, and at all times thereafter; provided that the Borrowing Base shall be determined on the basis of the most current Borrowing Base Certificate required or permitted to be submitted hereunder.

"Borrowing Base Certificate" shall mean a borrowing base certificate, in substantially the form of Exhibit H attached hereto, executed by a Responsible Officer of the Borrower.

"Business Day" shall mean any day other than a Saturday or a Sunday on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in Detroit, Michigan and New York, New York, and in the case of a Business Day which relates to a Eurodollar-based Advance, on which dealings are carried on in the London interbank eurodollar market.

"Capital Expenditures" shall mean, for any period, with respect to any Person (without duplication), the aggregate of all expenditures incurred by such Person and its Subsidiaries during such period for the acquisition or leasing (pursuant to a Capitalized Lease) of fixed or capital assets or additions to equipment,

plant and property that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries. For the avoidance of doubt, this definition is subject to the terms of Section 13.1 hereof.

"Capitalized Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) with respect to which the discounted present value of the rental obligations of such Person as lessee thereunder, in conformity with GAAP, is required to be capitalized on the balance sheet of that Person. For the avoidance of doubt, this definition is subject to the terms of Section 13.1 hereof.

"CFC" shall mean a "controlled foreign corporation" as defined in Section 957 of the Code.

"Change in Law" shall mean the occurrence, after the Effective Date, of any of the following: (i) the adoption or introduction of, or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not applicable to any Lender or Agent on such date, or (ii) any change in interpretation, administration or implementation of any such law, treaty, rule or regulation by any Governmental Authority, or (iii) the issuance, making or implementation by any Governmental Authority of any interpretation, administration, request, regulation, guideline, or directive (whether or not having the force of law), including any risk-based capital guidelines. For purposes of this definition, (x) a change in law, treaty, rule, regulation, interpretation, administration or implementation shall include, without limitation, any change made or which becomes effective on the basis of a law, treaty, rule, regulation, interpretation administration or implementation then in force, the effective date of which change is delayed by the terms of such law, treaty, rule, regulation, interpretation, administration or implementation, (y) the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, H.R. 4173) and all requests, rules, regulations, guidelines, interpretations or directives promulgated thereunder or issued in connection therewith shall be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or promulgated, and (z) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall each be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"Change of Control" shall mean any transaction or series of related transactions in which (a) any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of more than 50% of the shares of all classes of Equity Interests then outstanding of Borrower ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the Board of Directors of Borrower, who did not have such power before such transaction; (b) the holders of the Equity Interests of Borrower as of the Effective Date cease to own and control, free and clear of any Liens (other than Liens permitted by Section 8.2 hereof), directly or indirectly, at least 50% of the Equity Interests in Borrower, (c) Borrower ceases to own and control, free and clear of any Liens (other than Liens permitted by Section 8.2 hereof), directly or indirectly, all of the Equity Interests in each of its Subsidiaries, or failing to have the power to direct or cause the direction of the management and policies of each such Subsidiary, or (d) a "Change of Control" or term of similar import occurs under the Escalate Subordinated Debt Documents.

"Code" shall mean the Internal Revenue Code of 1986 of the United States of America, as amended from time to time, and the regulations promulgated thereunder.

"Collateral" shall mean all property or rights in which a security interest, mortgage, lien or other encumbrance for the benefit of the Lenders is or has been granted or arises or has arisen, under or in connection with this Agreement, the other Loan Documents, or otherwise to secure the Indebtedness, provided that in no event will Collateral include voting Equity Interests in any Foreign Subsidiary that is

wholly owned by Borrower or a Domestic Subsidiary representing in excess of 65% of the total combined voting power of all classes of voting Equity Interests in such Foreign Subsidiary and in no event will Collateral include Equity Interests in any other Foreign Subsidiary.

"Collateral Access Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Agent, pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of inventory or other property owned by any Credit Party, that acknowledges the Liens under the Collateral Documents and subordinates or waives any Liens held by such Person on such property and, includes such other agreements with respect to the Collateral as the Agent may require in its sole discretion, as the same may be amended, restated or otherwise modified from time to time.

"Collateral Documents" shall mean the Security Agreement, the Pledge Agreements, the Mortgages, the Leasehold Mortgages, the Consent and Acknowledgments, the Account Control Agreements, the Collateral Access Agreements, and all other security documents (and any joinders thereto) executed by any Credit Party in favor of the Agent on or after the Effective Date, in connection with any of the foregoing collateral documents, in each case, as such collateral documents may be amended or otherwise modified from time to time.

"Comerica Bank" shall mean Comerica Bank, its successors or assigns.

"Commitments" shall mean the Revolving Credit Aggregate Commitment.

"Concurrent Equity Proceeds" shall mean, with respect to any Investment or Permitted Acquisition, payment of or in respect of Debt or other transaction, net cash proceeds received by Borrower from any equity issuance by Borrower or any receipt by Borrower of any capital contribution, in each case so long as such issuance or capital contribution is consummated, and such proceeds are received, substantially concurrently with (and in any event not more than 90 days prior to) the making of such Investment or Permitted Acquisition or other transaction for the purpose thereof.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consent and Acknowledgment" shall mean an agreement in form and substance reasonably satisfactory to the Agent, pursuant to which a lessor of real property which is encumbered by a Leasehold Mortgage acknowledges and consents to the granting of a mortgage on the tenant's leasehold interest in the real property, and subordinates or waives any Liens held by such lessor on the tenant's leasehold interest and personal property, and includes such other agreements with respect to the Collateral as the Agent may require in its sole discretion, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Consolidated" (or "consolidated") or "Consolidating" (or "consolidating") shall mean, when used with reference to any financial term in this Agreement, the aggregate for two or more Persons of the amounts signified by such term for all such Persons determined on a consolidated (or consolidating) basis in accordance with GAAP, applied on a consistent basis. Unless otherwise specified herein, "Consolidated" and "Consolidating" shall refer to the Borrower and its respective Subsidiaries, determined on a Consolidated or Consolidating basis.

"Contractual Obligation" shall mean, as to any Person, any provision of any security issued by such Person or of any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Covenant Compliance Report" shall mean the report to be furnished by the Borrower to the Agent pursuant to Section 7.2(a) hereof, substantially in the form attached hereto as Exhibit J and certified by a Responsible Officer of the Borrower, in which report the Borrower shall set forth the information specified therein.

"Covenant Revenue" shall mean, the sum, without duplication, of (a) the revenue of the Borrower and its Domestic Subsidiaries, plus (b) the amount of any increase (or decrease, as applicable), of deferred revenue of the Borrower and its Domestic Subsidiaries, in each case calculated on a Consolidated basis in accordance with GAAP for the six (6) month period ending on such date of determination.

"Covered Entity" shall mean (a) each Credit Party, any other Persons that guaranty the Indebtedness and/or pledge collateral to secure the Indebtedness, (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above, and (c) all brokers or other agents of any Credit Party acting in any capacity in connection with this Agreement. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Credit Parties" shall mean the Borrower and the Guarantors, and "Credit Party" shall mean any one of them, as the context indicates or otherwise requires.

"Daily Adjusting LIBOR Rate" shall mean for any day a per annum interest rate which is equal to the quotient of the following:

(a) the LIBOR Rate;

divided by

(b) a percentage (expressed as a decimal) equal to 1.00 minus the maximum rate on such date at which Agent is required to maintain reserves on "Euro-currency Liabilities" as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as Agent is required to maintain reserves against a category of liabilities which includes eurodollar deposits or includes a category of assets which includes eurodollar loans, the rate at which such reserves are required to be maintained on such category.

such sum to be rounded upward, if necessary, in the discretion of the Agent, to the seventh decimal place.

"Debt" shall mean as to any Person, without duplication (a) all Funded Debt of a Person, (b) all Guarantee Obligations of such Person, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) all indebtedness of such Person arising in connection with any Hedging Transaction entered into by such Person, (e) all recourse Debt of any partnership of which such Person is the general partner, and (f) any Off Balance Sheet Liabilities.

"Debtor Relief Laws" shall mean the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" shall mean any event that with the giving of notice or the passage of time, or both, would constitute an Event of Default under this Agreement.

"Defaulting Lender" shall mean any Lender that (a) has failed to (i) fund all or any portion of its Advances within two (2) Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, any Issuing Lender, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Advances) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Agent or any Issuing Lender or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) has not been satisfied), (c) has failed, within three Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Borrower, each Issuing Lender, each Swing Line Lender and each Lender.

"Distribution" is defined in Section 8.5 hereof.

"Dividing Person" is defined in the definition of "Division".

"Division" shall mean the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Division Successor" shall mean any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"Dollars" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Subsidiary" shall mean any Subsidiary of Borrower incorporated or organized under the laws of the United States of America, or any state or other political subdivision thereof or which is considered to be a "disregarded entity" for United States federal income tax purposes, in each case provided such Subsidiary is directly and wholly owned by such Borrower or a Domestic Subsidiary of such Borrower, and provided such Subsidiary is not a FSHCO, and "Domestic Subsidiaries" shall mean any or all of them.

"EEA Financial Institution" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" shall mean the date on which all the conditions precedent set forth in Sections 5.1 and 5.2 have been satisfied.

"Electronic Transmission" shall mean each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System or other equivalent service.

"Eligible Assignee" shall mean (a) a Lender; (b) an Affiliate of a Lender; (c) any Person (other than a natural person) that is or will be engaged in the business of making, purchasing, holding or otherwise investing in commercial loans or similar extensions of credit in the ordinary course of its business, provided that such Person is administered or managed by a Lender, an Affiliate of a Lender or an entity or Affiliate of an entity that administers or manages a Lender; or (d) any other Person (other than a natural person) approved by the (i) the Agent (and in the case of an assignment of a commitment under the Revolving Credit, the Issuing Lender and Swing Line Lender), and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed), provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within ten (10) Business Days after having received notice thereof; provided further that (x) notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower, or any of the Borrower's Affiliates or Subsidiaries; and (y) no assignment shall be made to a Defaulting Lender (or any Person who would be a Defaulting Lender if such Person was a Lender hereunder) without the consent of the Agent, and in the case of an assignment of a commitment under the Revolving Credit, the Issuing Lender and the Swing Line Lender.

"Eligible Foreign Contracts" shall mean Eligible Recurring Revenue Contracts with respect to which the customer does not have its principal place of business in the United States and is not located in a Sanctioned Country and that are (a) supported by one or more letters of credit in an amount and of a tenor, and issued, advised and/or confirmed by an financial institution acceptable to Agent, (b) insured by the Export Import Bank of the United States or such other credit insurance acceptable to Agent naming Agent as the beneficiary, (c) generated by a customer with its principal place of business in Canada, provided that the Agent has perfected its security interest in the appropriate Canadian province, (d) generated by a customer with publicly traded debt rated investment grade by Moody's Investor Service or Standard &

Poor's Financial Services, or (e) approved by Agent on a case by case basis in its sole discretion. All Eligible Foreign Contracts shall be calculated in U.S. Dollars.

"Eligible Monthly Recurring Revenue" shall mean Recurring Revenue generated by Eligible Recurring Revenue Contracts, as determined on a PMPM basis or recurring flat fee basis. Unless otherwise agreed to by Agent, Eligible Monthly Recurring Revenue shall not include:

(a) Recurring Revenue from contracts with a customer who has elected to cancel or failed to renew, or has provided written notice of its intention to cancel or not renew; provided that if a customer subsequently provides written notice to Borrower that it agrees to renew its contract, Recurring Revenue from such contract shall be considered an Eligible Monthly Recurring if it otherwise qualifies as such;

(b) Recurring Revenue received due to one-time, non-recurring transactions, installation and/or set up fees or from any other one-time non-contractually accruing sources;

(c) Recurring Revenue from contracts for base fees where the customer has allowed any account receivable for base fees to age more than ninety (90) days past the invoice date;

(d) Recurring Revenue from Eligible Recurring Revenue Contracts with (i) Lowe's or Independence Blue Cross (including any of their respective Subsidiaries or Affiliates) to the extent (and only in such amount) that the Recurring Revenue generated from such customer's Eligible Recurring Revenue Contracts exceeds forty percent (40%) of the Recurring Revenue from all Eligible Recurring Revenue Contracts, (ii) Comcast Corporation (including its Subsidiaries and Affiliates) to the extent (and only in such amount) that the Recurring Revenue generated from such customer's Eligible Recurring Revenue Contracts exceeds seventy percent (70%) of the Recurring Revenue from all Eligible Recurring Revenue Contracts, or (iii) any other customer (including its Subsidiaries and Affiliates) to the extent (and only in such amount) that the Recurring Revenue generated from such customer's Eligible Recurring Revenue Contract including its Subsidiaries and Affiliates, exceeds twenty-five percent (25%) of the Recurring Revenue from all Eligible Recurring Revenue Contracts, except in each case, as approved in writing by the Agent and Majority Lenders;

(e) Recurring Revenue from contracts with respect to which the customer does not have its principal place of business in the United States, except for Eligible Foreign Contracts;

(f) Recurring Revenue from contracts with respect to which goods are placed on consignment, guaranteed sale, sale or return, sale on approval, bill and hold, demo or promotional, or other terms by reason of which the payment by the customer may be conditional;

(g) Recurring Revenue from contracts with respect to which the customer is an individual, officer, employee, agent or Affiliate of Borrower (other than customers who are minority investors or warrant holders in Borrower);

(h) Recurring Revenue from contracts with respect to which the customer (i) disputes liability or makes any claim with respect thereto as to which Agent believes, in its reasonable discretion, provides a basis for dispute (but only to the extent of the amount subject to such dispute or claim), or (ii) is subject to any Insolvency Proceeding, or becomes insolvent, or goes out of business;

(i) Recurring Revenue from contracts the collection of which Agent reasonably determines after inquiry and consultation with Borrower to be doubtful;

(j) Recurring Revenue from contracts with payment terms greater than ninety (90) days;

(k) Recurring Revenue from contracts with respect to which Borrower is liable to the customer for goods sold or services rendered by the customer to Borrower, but only in an amount equal to such liabilities owed by Borrower to such customer; provided that, for the avoidance of doubt, such liabilities shall not include any premiums, claims and administrative service fees owed by Borrower to Blue Cross Blue Shield for its employee health plan; and

(l) Recurring Revenue associated with billings greater than one (1) year.

"Eligible Recurring Revenue Contracts" shall mean contracts (i) for which Borrower has, as of the last day of the month preceding the date of Borrower's Request for Advance, issued at least one invoice to such customers, and (ii) which yield Recurring Revenue that meet all of Borrower's representations and warranties described in Section 6.3, provided that Agent may change the standards of eligibility based on the results of a collateral audit or based on events, conditions, contingencies, or risks which, as reasonably determined by Agent may reasonably be expected to adversely affect the Collateral; provided that contracts not received in the ordinary course of business shall not constitute Eligible Recurring Revenue Contracts (unless the same are expressly approved as such in writing by the Agent and the Majority Lenders).

"Equity Interest" shall mean (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" shall mean (a) a Reportable Event with respect to a Pension Plan; (b) the failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status

(within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; (j) the engagement by the Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon the Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"Escalate" shall mean Escalate Capital Partners SBIC III, L.P.

"Escalate Subordination Agreement" shall mean the subordination agreement by Escalate in favor of the Agent (and acknowledged by the Borrower) in form and substance satisfactory to the Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Escalate Subordinated Debt" shall mean the secured indebtedness of the Borrower to Escalate under the Escalate Subordinated Debt Documents.

"Escalate Subordinated Debt Documents" shall mean and include that certain subordinated note issued by the Borrower to Escalate on July 19, 2019 and the separate loan and security agreement dated January 30, 2017 related thereto, as amended, restated, supplemented or otherwise modified from time to time in compliance with the terms of this Agreement, together with any and all other documents, instruments and certificates executed and delivered pursuant thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time in compliance with the terms of this Agreement.

"E-System" shall mean any electronic system and any other Internet or extranet-based site, whether such electronic system is owned, operated, hosted or utilized by the Agent, any of its Affiliates or any other Person, providing for access to data protected by passcodes or other security system.

"EU Bail-In Legislation Schedule" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar-based Advance" shall mean any Advance which bears interest at the Eurodollar-based Rate.

"Eurodollar-based Rate" shall mean a per annum interest rate which is equal to the sum of the Applicable Margin, plus the greater of (a) the LIBOR Floor and (b): the quotient of:

(a) the LIBOR Rate, divided by

(b) a percentage equal to 100% minus the maximum rate on such date at which the Agent is required to maintain reserves on 'Eurocurrency Liabilities' as defined in and pursuant to Regulation D of the Board of Governors of the Federal Reserve System or, if such regulation or definition is modified, and as long as the Agent is required to maintain reserves against a category of liabilities which includes eurocurrency deposits or includes a category of assets which includes eurocurrency loans, the rate at which such reserves are required to be maintained on such category,

such sum to be rounded upward, if necessary, in the discretion of the Agent to the seventh decimal place.

"Eurodollar-Interest Period" shall mean, for any Eurodollar-based Advance, an Interest Period of one, two or three months (or any shorter or longer periods agreed to in advance by the Borrower, the Agent

and the Lenders) as selected by the Borrower, for such Eurodollar-based Advance pursuant to Section 2.3 hereof.

"Eurodollar Lending Office" shall mean, (a) with respect to the Agent, the Agent's office located at its Grand Caymans Branch or such other branch of the Agent, domestic or foreign, as it may hereafter designate as its Eurodollar Lending Office by written notice to the Borrower and the Lenders and (b) as to each of the Lenders, its office, branch or affiliate located at its address set forth on the signature pages hereof (or identified thereon as its Eurodollar Lending Office), or at such other office, branch or affiliate of such Lender as it may hereafter designate as its Eurodollar Lending Office by written notice to the Borrower and the Agent.

"Event of Default" shall mean each of the Events of Default specified in Section 9.1 hereof.

"Excluded Accounts" shall mean (a) any payroll accounts or benefit accounts held solely for the benefit of Borrower's employees, (b) any petty cash and other bank accounts, amounts on deposit in which do not exceed Fifty Thousand Dollars ($50,000) in the aggregate for a period of five consecutive Business Days and (c) accounts for Borrower or Accolade Technologies s.r.o. maintained at Citibank in aggregate account balances not to exceed $1,500,000 at any time.

"Excluded Swap Obligation" shall mean any obligation of any Credit Party to any Lender with respect to a "swap," as defined in Section 1a(47) of the Commodity Exchange Act ("CEA"), if and to the extent that such Credit Party's guaranteeing of, or granting of a security interest or lien to secure, such swap obligation, is or becomes illegal under the CEA, or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof), by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant," as defined in Section 1a(18) of the CEA and the regulations thereunder, at the time such guarantee or such security interest grant becomes effective with respect to such swap obligation. If any such swap obligation arises under a master agreement governing more than one swap, the foregoing exclusion shall apply only to those swap obligations that are attributable to swaps in respect of which such Credit Party's guaranteeing of, or granting of a security interest or lien to secure, such swaps is or becomes illegal.

"Excluded Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 13.12(a)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 11.10, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 13.13 and (d) any withholding Taxes imposed under FATCA.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices

adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" shall mean, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent, all as conclusively determined by the Agent, such sum to be rounded upward, if necessary, in the discretion of the Agent, to the nearest whole multiple of 1/100th of 1%.

"Fee Letter" shall mean the fee letter by and between Borrower and Comerica Bank dated as of April 25, 2019 relating to the Indebtedness hereunder, as amended, restated, replaced or otherwise modified from time to time.

"Fees" shall mean the Revolving Credit Facility Fee, the Letter of Credit Fees and the other fees and charges (including any agency fees) payable by the Borrower to the Lenders, the Issuing Lender or the Agent hereunder or under the Fee Letter.

"Fiscal Year" shall mean the twelve-month period ending on each February 28th (or 29th, as applicable).

"Flood Hazard Zone" shall mean an area designated by the Federal Emergency Management Agency as having special flood or mudslide hazards.

"Flood Laws" shall mean collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Foreign Lender" shall mean (a) if Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Plan" shall mean any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by any Credit Party with respect to employees employed outside the United States (other than any governmental arrangement).

"Foreign Subsidiary" shall mean any Subsidiary, other than a Domestic Subsidiary, and "Foreign Subsidiaries" shall mean any or all of them.

"Fronting Exposure" shall mean, at any time there is a Defaulting Lender, (a) with respect to the Issuing Lender, such Defaulting Lender's Percentage of the outstanding Letter of Credit Obligations with respect to Letters of Credit issued by such Issuing Lender, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Percentage of outstanding Swing Line Advances made by the Swing Line Lender.

"FSHCO" shall mean a Subsidiary that owns (directly or indirectly) no material assets other than Equity Interests (or Equity Interests and debt interests) of one or more CFCs.

"Funded Debt" of any Person shall mean, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services as of such date (other than operating leases and trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (b) the principal component of all obligations of such Person under Capitalized Leases, (c) all reimbursement obligations (actual, contingent or otherwise) of such Person in respect of letters of credit, bankers acceptances or similar obligations issued or created for the account of such Person, (d) all liabilities of the type described in (a), (b) and (c) above that are secured by any Liens on any property owned by such Person as of such date even though such Person has not assumed or otherwise become liable for the payment thereof, the amount of which is determined in accordance with GAAP; provided however that so long as such Person is not personally liable for any such liability, the amount of such liability shall be deemed to be the lesser of the fair market value at such date of the property subject to the Lien securing such liability and the amount of the liability secured, and (e) all Guarantee Obligations in respect of any liability which constitutes Funded Debt; provided, however that Funded Debt shall not include any indebtedness under any Hedging Transaction prior to the occurrence of a termination event with respect thereto.

"GAAP" shall mean, as of any applicable date of determination, generally accepted accounting principles in the United States of America, as applicable on such date, consistently applied, as in effect on the Effective Date.

"Governmental Authority" shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including without limitation any supranational bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"Governmental Obligations" shall mean noncallable direct general obligations of the United States of America or obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America.

"Guarantee Obligation" shall mean as to any Person (the "guaranteeing person") any obligation of the guaranteeing Person in respect of any obligation of another Person (the "primary obligor") (including, without limitation, any bank under any letter of credit), the creation of which was induced by a reimbursement agreement, guaranty agreement, keepwell agreement, purchase agreement, counterindemnity or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any Debt, leases, dividends or other obligations (the "primary obligations") of the primary obligor in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary

obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the applicable Person in good faith.

"Guarantor(s)" shall mean each Subsidiary of the Borrower (other than a Foreign Subsidiary) which has executed and delivered to the Agent a Guaranty (or a joinder to a Guaranty), and a Security Agreement (or a joinder to the Security Agreement).

"Guaranty" shall mean, collectively, the guaranty agreements executed and delivered from time to time after the Effective Date (whether by execution of joinder agreements or otherwise) pursuant to Section 7.13 hereof or otherwise, as amended, restated, supplemented or otherwise modified from time to time.

"Hazardous Material" shall mean any hazardous or toxic waste, substance or material defined or regulated as such in or for purposes of the Hazardous Material Laws.

"Hazardous Material Law(s)" shall mean all laws, codes, ordinances, rules, regulations and other governmental restrictions and requirements issued by any federal, state, local or other governmental or quasi-Governmental Authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to any substance or material which is regulated for reasons of health, safety or the environment and which is present or alleged to be present on or about or used in any facilities owned, leased or operated by any Credit Party, or any portion thereof including, without limitation, those relating to soil, surface, subsurface ground water conditions and the condition of the indoor and outdoor ambient air; any so-called "superfund" or "superlien" law; and any other United States federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any Hazardous Material, as now or at any time during the term of the Agreement in effect.

"Hedging Agreement" shall mean any agreement relating to a Hedging Transaction entered into between the Borrower and any Lender or an Affiliate of a Lender.

"Hedging Transaction" shall mean each interest rate swap transaction, basis swap transaction, forward rate transaction, equity transaction, equity index transaction, foreign exchange transaction, cap transaction, floor transaction (including any option with respect to any of these transactions and any combination of any of the foregoing).

"Hereof", "hereto", "hereunder" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

"Indebtedness" shall mean all indebtedness and liabilities (including without limitation principal, interest (including without limitation interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after an applicable maturity date and interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Credit Parties whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, expenses and other charges) arising under this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, of any Credit Party to any of the Lenders or Affiliates thereof or to the Agent, in any manner and at any time, whether arising under this Agreement, the Guaranty or any of the other Loan Documents (including without limitation, payment obligations under Hedging Transactions evidenced by Hedging Agreements), due or hereafter to become due, now owing or

that may hereafter be incurred by any Credit Party to any of the Lenders or Affiliates thereof or to the Agent, and which shall be deemed to include protective advances made by the Agent with respect to the Collateral under or pursuant to the terms of any Loan Document and any liabilities of any Credit Party to the Agent or any Lender arising in connection with any Lender Products, in each case whether or not reduced to judgment, with interest according to the rates and terms specified, and any and all consolidations, amendments, renewals, replacements, substitutions or extensions of any of the foregoing; provided, however that for purposes of calculating the Indebtedness outstanding under this Agreement or any of the other Loan Documents, the direct and indirect and absolute and contingent obligations of the Credit Parties (whether direct or contingent) shall be determined without duplication. Notwithstanding the foregoing, the term "Indebtedness" shall not be deemed to include any Excluded Swap Obligation.

"Indemnified Taxes" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Insolvency Proceeding" shall mean any proceeding commenced by or against any Person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefits of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"Intercompany Note" shall mean any promissory note issued or to be issued by any Credit Party to evidence an intercompany loan in form and substance satisfactory to the Agent.

"Interest Period" shall mean (a) with respect to a Eurodollar-based Advance, a Eurodollar-Interest Period, commencing on the day a Eurodollar-based Advance is made, or on the effective date of an election of the Eurodollar-based Rate made under Section 2.3 or 4.4 hereof, and (b) with respect to a Swing Line Advance carried at the Quoted Rate, an interest period of 30 days (or any lesser number of days agreed to in advance by the Borrower, the Agent and the Swing Line Lender); provided, however that (i) any Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day, except that as to an Interest Period in respect of a Eurodollar-based Advance, if the next succeeding Business Day falls in another calendar month, such Interest Period shall end on the next preceding Business Day, (ii) when an Interest Period in respect of a Eurodollar-based Advance begins on a day which has no numerically corresponding day in the calendar month during which such Interest Period is to end, it shall end on the last Business Day of such calendar month, and (iii) no Interest Period in respect of any Advance shall extend beyond the Revolving Credit Maturity Date.

"Inventory" shall mean any inventory as defined under the UCC.

"Investment" shall mean, when used with respect to any Person, (a) any loan, investment or advance made by such Person to any other Person (including, without limitation, any Guarantee Obligation) in respect of any Equity Interest, Debt, obligation or liability of such other Person and (b) any other investment made by such Person (however acquired) in Equity Interests in any other Person, including, without limitation, any investment made in exchange for the issuance of Equity Interest of such Person and any investment made as a capital contribution to such other Person.

"IRS" shall mean the United States Internal Revenue Service.

"Issuing Lender" shall mean Comerica Bank in its capacity as issuer of one or more Letters of Credit hereunder, or another Lender designated as its successor by the Borrower and the Revolving Credit Lenders.

"Issuing Office" shall mean such office as Issuing Lender shall designate as its Issuing Office.

"Leasehold Mortgages" shall mean the leasehold mortgages and any other documents related thereto or required thereby executed and delivered by any Credit Party after the Effective Date by any Credit Party pursuant to Section 7.13 hereof or otherwise, and "Leasehold Mortgage" shall mean any such document, as each such document may be amended, restated, supplemented or otherwise modified from time to time.

"Lender Products" shall mean any one or more of the following types of services or facilities extended to the Credit Parties by any Lender: (i) credit cards, (ii) credit card processing services, (iii) debit cards, (iv) purchase cards, (v) Automated Clearing House (ACH) transactions, (vi) cash management, including controlled disbursement services, and (vii) establishing and maintaining deposit accounts.

"Lenders" is defined in the preamble, and shall include the Revolving Credit Lenders, the Swing Line Lender and any assignee which becomes a Lender pursuant to Section 13.8 hereof.

"Letter of Credit Agreement" shall mean, collectively, the letter of credit application and related documentation executed and/or delivered by the Borrower in respect of each Letter of Credit, in each case satisfactory to the Issuing Lender, as amended, restated, supplemented or otherwise modified from time to time.

"Letter of Credit Documents" shall have the meaning ascribed to such term in Section 3.7(a) hereof.

"Letter of Credit Fees" shall mean the fees payable in connection with Letters of Credit pursuant to Section 3.4(a) and (b) hereof.

"Letter of Credit Maximum Amount" shall mean Five Million Dollars ($5,000,000.00).

"Letter of Credit Obligations" shall mean at any date of determination, the sum of (a) the aggregate undrawn amount of all Letters of Credit then outstanding, and (b) the aggregate amount of Reimbursement Obligations which remain unpaid as of such date.

"Letter of Credit Payment" shall mean any amount paid or required to be paid by the Issuing Lender in its capacity hereunder as issuer of a Letter of Credit as a result of a draft or other demand for payment under any Letter of Credit.

"Letter(s) of Credit" shall mean any standby letters of credit issued by Issuing Lender at the request of or for the account of the Borrower pursuant to Article 3 hereof.

"LIBOR Floor" shall mean zero percent (0%).

"LIBOR Rate" shall mean,

(a) with respect to the principal amount of any Eurodollar-based Advance outstanding hereunder, the per annum rate of interest determined on the basis of the rate for deposits in United States Dollars for a period equal to the relevant Eurodollar-Interest Period, commencing on the first day of such Eurodollar-Interest Period, appearing on Page BBAM of the Bloomberg Financial Markets Information Service at or about 11:00 a.m. (London, England time) (or soon thereafter as practical), two (2) Business Days prior to the first day of such Eurodollar-Interest Period. In the event that such rate does not appear on Page BBAM of the Bloomberg Financial Markets Information Service (or otherwise on such Service), the "LIBOR Rate" shall be determined by reference to such other publicly available service for displaying

LIBOR rates as may be agreed upon by the Agent and the Borrower, or, in the absence of such agreement, the "LIBOR Rate" shall, instead, be the per annum rate equal to the average (rounded upward, if necessary, to the nearest one-sixteenth of one percent (1/16%)) of the rate at which the Agent is offered dollar deposits at or about 11:00 a.m. (Detroit, Michigan time) (or soon thereafter as practical), two (2) Business Days prior to the first day of such Eurodollar-Interest Period in the interbank LIBOR market in an amount comparable to the principal amount of the relevant Eurodollar-based Advance which is to bear interest at such Eurodollar-based Rate and for a period equal to the relevant Eurodollar-Interest Period; and

(b) with respect to the principal amount of any Advance carried at the Daily Adjusting LIBOR Rate outstanding hereunder, the per annum rate of interest determined on the basis of the rate for deposits in United States Dollars for a period equal to one (1) month appearing on Page BBAM of the Bloomberg Financial Markets Information Service at or about 11:00 a.m. (London, England time) (or soon thereafter as practical) on such day, or if such day is not a Business Day, on the immediately preceding Business Day. In the event that such rate does not appear on Page BBAM of the Bloomberg Financial Markets Information Service (or otherwise on such Service), the "LIBOR Rate" shall be determined by reference to such other publicly available service for displaying eurodollar rates as may be agreed upon by the Agent and the Borrower, or, in the absence of such agreement, the "LIBOR Rate" shall, instead, be the per annum rate equal to the average of the rate at which the Agent is offered dollar deposits at or about 11:00 a.m. (Detroit, Michigan time) (or soon thereafter as practical) on such day in the interbank eurodollar market in an amount comparable to the principal amount of the Indebtedness hereunder which is to bear interest at such "LIBOR Rate" and for a period equal to one (1) month; provided, however, that for all of the foregoing purposes, if any LIBOR Rate so determined is less than zero percent (0%), it shall be deemed to be zero percent (0%) for purposes of this Agreement.

"Lien" shall mean any security interest in or lien on or against any property arising from any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, Capitalized Lease, consignment or bailment for security, or any other type of lien, charge, encumbrance, title exception, preferential or priority arrangement affecting property (including with respect to stock, any stockholder agreements, voting rights agreements, buy-back agreements and all similar arrangements), whether based on common law or statute.

"Liquidity" shall mean, as of any date of determination, the sum of (a) unrestricted cash and Permitted Investments held in a deposit account or securities accounts at Comerica Bank, Comerica Securities, or Western Alliance Bank, each subject to an Account Control Agreement satisfactory to Agent, and not subject to any Liens other than in favor of Agent, plus (b) Unused Revolving Credit Availability plus (c) "borrowing availability" under and as defined in the Escalate Subordinated Debt Documents.

"Loan Documents" shall mean, collectively, this Agreement, the Notes (if issued), the Letter of Credit Agreements, the Letters of Credit, the Guaranty, the Subordination Agreements, the Collateral Documents, each Hedging Agreement, and any other documents, certificates or agreements that are executed and required to be delivered pursuant to any of the foregoing documents, as such documents may be amended, restated, supplemented or otherwise modified from time to time.

"Majority Lenders" shall mean at any time, Lenders holding more than 50.0% of the sum of the Revolving Credit Aggregate Commitment (or, if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the aggregate principal amount outstanding under the Revolving Credit); provided that, for purposes of determining Majority Lenders hereunder, the Letter of Credit Obligations and principal amount outstanding under the Swing Line shall be allocated among the Revolving Credit Lenders based on their respective Revolving Credit Percentages; provided further that (i) so long as there are fewer than three Lenders, considering any Lender and its Affiliates as a single Lender, "Majority Lenders" shall mean all Lenders, and (ii) so long as there are exactly three Lenders,

considering any Lender and its Affiliates as a single Lender, "Majority Lenders" must include at least two Lenders. The Commitments of, and portion of the Indebtedness attributable to, any Defaulting Lender shall be excluded for purposes of making a determination of "Majority Lenders"; provided that the amount of any participation in any Swing Line Advance and any Letter of Credit Obligations that a Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or Issuing Lender, as the case may be, in making a determination under this definition.

"Management Fees" shall mean the fees payable to Advisor pursuant to the Management Agreement.

"Management Agreement" shall mean that certain Second Amended and Restated Management Fee Agreement dated as of July 19, 2019, executed by Advisor and the Borrower, as the same may be amended, restated, amended and restated, modified and/or otherwise supplemented from time to time.

"Management Fee Subordination Agreement" shall mean the Subordination Agreement of even date herewith executed by Advisor and acknowledged by the Borrower, as the same may be amended, restated, amended and restated, modified and/or otherwise supplemented from time to time.

"Material Adverse Effect" shall mean a material adverse effect on (a) the condition (financial or otherwise), business, performance, operations, properties or prospects of the Credit Parties taken as a whole, (b) the ability of any Credit Party to perform its obligations under this Agreement, the Notes (if issued) or any other Loan Document to which it is a party, or (c) the validity or enforceability of this Agreement, any of the Notes (if issued) or any of the other Loan Documents or the rights or remedies of the Agent or the Lenders hereunder or thereunder.

"Material Contract" shall mean (i) each agreement or contract to which any Credit Party is a party or in respect of which any Credit Party has any liability, that by its terms (without reference to any indemnity or reimbursement provision therein) provides for aggregate future guaranteed payments in respect of any such individual agreement or contract of at least $6,000,000 per year, and (ii) any other agreement or contract the loss of which would be reasonably likely to result in a Material Adverse Effect; provided that Material Contracts shall not be deemed to include any Pension Plans, collective bargaining agreements, or casualty or liability or other insurance policies maintained in the ordinary course of business.

"MDInsider Acquisition" shall mean the acquisition by the Borrower, directly or indirectly, of all or substantially all of the assets or Equity Interests of MDInsider, Inc., a Delaware corporation.

"MIRE Event" shall mean, if there are any Mortgaged Properties at such time, any increase, extension or renewal of any of the Commitments or Advances (excluding (i) any continuation or conversion of Advances, (ii) the making of any Advance or (iii) the issuance, renewal or extension of Letters of Credit).

"Mortgages" shall mean the mortgages, deeds of trust and any other similar documents related thereto or required thereby executed and delivered after the Effective Date by a Credit Party pursuant to Section 7.13 hereof or otherwise, and "Mortgage" shall mean any such document, as such documents may be amended, restated, supplemented or otherwise modified from time to time.

"Mortgaged Property" shall mean the real properties from time to time subject to a Mortgage.

"Multiemployer Plan" shall mean any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make

contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" shall mean a Plan with respect to which the Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"New Lender Addendum" shall mean an addendum substantially in the form of Exhibit F attached hereto, to be executed and delivered by any Lender becoming a party to this Agreement pursuant to Section 2.12 hereof.

"Non-Defaulting Lender" shall mean any Lender that is not, as of the date of relevance, a Defaulting Lender.

"Notes" shall mean the Revolving Credit Notes and the Swing Line Note.

"OFAC" is defined in Section 3.16(a).

"Off Balance Sheet Liability(ies)" of a Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivables sold by such Person, (ii) any liability under any sale and leaseback transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of Debt or any of the liabilities set forth in subsections (i)-(iii) of this definition, but which does not constitute a liability on the balance sheets of such Person.

"Operational Performance Guarantees" shall mean monthly and quarterly fees paid to Borrower under customer subscription contracts which are contingent on Borrower achieving specific operational performance metrics under each such contract including, without limitation, net promoter scores, call center answer times, and percentage of population engaged.

"Other Connection Taxes" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 13.12).

"Paid in Full" or "Payment in Full" shall mean (i) the indefeasible payment in full in cash of all outstanding Advances and Reimbursement Obligations, together with accrued and unpaid interest thereon, (ii) the termination, expiration, or cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Agent of a cash deposit, or at the discretion of the Agent a back up standby letter of credit satisfactory to the Agent and the Issuing Lender, in an amount equal to 105% of the Letter of Credit Obligations as of the date of such payment), (iii) the indefeasible payment in full in cash of the accrued and unpaid fees, (iv) the indefeasible payment in full in cash of all reimbursable expenses and other Indebtedness (other than contingent obligations or

expense reimbursement obligations to the extent no claim giving rise thereto has been asserted and other obligations expressly stated to survive such payment and termination of this Agreement), together with accrued and unpaid interest thereon, (v) the termination of all Commitments, and (vi) the termination of the Hedging Agreements and Lender Products or entering into other arrangements reasonably satisfactory to the Lenders or their affiliates that are counterparties thereto.

"Participant Register" is defined in Section 13.8(f).

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Pension Act" shall mean the Pension Protection Act of 2006.

"Pension Funding Rules" shall mean the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" shall mean any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by the Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Percentage" shall mean, as applicable, the Revolving Credit Percentage, or the Weighted Percentage.

"Permitted Acquisition" shall mean (x) the MDInsider Acquisition, provided that the aggregate cash consideration payable upon the consummation of the MDInsider Acquisition shall not exceed $1,000,000, or (y) any acquisition by Borrower or any Guarantor of all or substantially all of the assets of another Person, or of a division or line of business of another Person, or any Equity Interests of another Person, (i) is consented to in writing by the Agent and the Majority Lenders, (ii) is funded with Concurrent Equity Proceeds or Borrower's or any Guarantor's Equity Interests, and (iii) which satisfies and/or is conducted in accordance with the following requirements:

(a) Such acquisition is of a business or Person engaged in a line of business which is compatible with, or complementary to, the business of such Borrower or such Guarantor;

(b) If such acquisition is structured as an acquisition of the Equity Interests of any Person, then the Person so acquired shall (X) become a wholly-owned direct Domestic Subsidiary of Borrower or of a Guarantor and the Borrower or the applicable Guarantor shall cause such acquired Person to comply with Section 7.13 hereof or (Y) provided that the Credit Parties continue to comply with Section 7.4(a) hereof, be merged with and into Borrower or such Guarantor (and, in the case of Borrower, with Borrower being the surviving entity);

(c) If such acquisition is structured as the acquisition of assets, such assets shall be acquired directly by the Borrower, or a Guarantor (subject to compliance with Section 7.4(a) hereof);

(d) The Borrower shall have delivered to the Agent not less than ten (10) (or such shorter period of time agreed to by the Agent) nor more than ninety (90) days prior to the date of such acquisition, notice of such acquisition together with Pro Forma Projected Financial Information, copies of all material

documents relating to such acquisition (including the acquisition agreement and any related document), and historical financial information (including income statements, balance sheets and cash flows) covering at least three (3) complete Fiscal Years of the acquisition target, if available, prior to the effective date of the acquisition or the entire credit history of the acquisition target, whichever period is shorter, in each case in form and substance reasonably satisfactory to the Agent;

(e) Both immediately before and after the consummation of such acquisition and after giving effect to the Pro Forma Projected Financial Information, the Borrower shall be in compliance with Section 7.9 hereof and no Default or Event of Default shall have occurred and be continuing;

(f) The board of directors (or other Person(s) exercising similar functions) of the seller of the assets or issuer of the Equity Interests being acquired shall not have disapproved such transaction or recommended that such transaction be disapproved;

(g) All governmental, quasi-governmental, agency, regulatory or similar licenses, authorizations, exemptions, qualifications, consents and approvals necessary under any laws applicable to such Borrower or such Guarantor making the acquisition, or the acquisition target (if applicable) for or in connection with the proposed acquisition and all necessary non-governmental and other third-party approvals which, in each case, are material to such acquisition shall have been obtained, and all necessary or appropriate declarations, registrations or other filings with any court, governmental or regulatory authority, securities exchange or any other Person, which in each case, are material to the consummation of such acquisition or to the acquisition target, if applicable, have been made, and evidence thereof reasonably satisfactory in form and substance to the Agent shall have been delivered, or caused to have been delivered, by such Borrower to the Agent; and

(h) There shall be no actions, suits or proceedings pending or, to the knowledge of any Credit Party threatened against or affecting the acquisition target in any court or before or by any governmental department, agency or instrumentality, which could reasonably be expected to be decided adversely to the acquisition target and which, if decided adversely, could reasonably be expected to have a material adverse effect on the business, operations, properties or financial condition of the acquisition target and its subsidiaries (taken as a whole) or would materially adversely affect the ability of the acquisition target to enter into or perform its obligations in connection with the proposed acquisition, nor shall there be any actions, suits, or proceedings pending, or to the knowledge of any Credit Party threatened against the Credit Party that is making the acquisition which would materially adversely affect the ability of such Credit Party to enter into or perform its obligations in connection with the proposed acquisition.

"Permitted Investments" shall mean with respect to any Person:

(a) Governmental Obligations;

(b) Obligations of a state or commonwealth of the United States or the obligations of the District of Columbia or any possession of the United States, or any political subdivision of any of the foregoing, which are described in Section 103(a) of the Code and are graded in any of the highest three (3) major grades as determined by at least one Rating Agency; or secured, as to payments of principal and interest, by a letter of credit provided by a financial institution or insurance provided by a bond insurance company which in each case is itself or its debt is rated in one of the highest three (3) major grades as determined by at least one Rating Agency;

(c) Banker's acceptances, commercial accounts, demand deposit accounts, money market accounts, money market mutual funds, certificates of deposit, other time deposits or depository receipts issued by or maintained with any Lender or any Affiliate thereof, or any bank, trust company, savings and

loan association, savings bank or other financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or whose reported capital and surplus equal at least $250,000,000, provided that such minimum capital and surplus requirement shall not apply to demand deposit accounts maintained by any Credit Party in the ordinary course of business;

(d) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two Rating Agencies, and which matures within 270 days after the date of issue;

(e) Secured repurchase agreements against obligations itemized in clause (a) above, and executed by a bank or trust company or by members of the association of primary dealers or other recognized dealers in United States government securities, the market value of which must be maintained at levels at least equal to the amounts advanced; and

(f) Any fund or other pooling arrangement which exclusively purchases and holds the investments itemized in (a) through (e) above.

"Permitted Liens" shall mean with respect to any Person:

(a) Liens for (i) taxes or governmental assessments or charges or (ii) customs duties in connection with the importation of goods to the extent such Liens attach to the imported goods that are the subject of the duties, in each case (x) to the extent not yet due, (y) as to which the period of grace, if any, related thereto has not expired or (z) which are being contested in good faith by appropriate proceedings, provided that in the case of any such contest, any proceedings for the enforcement of such liens have been suspended and adequate reserves with respect thereto are maintained on the books of such Person in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, processor's, landlord's liens or other like liens arising in the ordinary course of business which secure obligations that are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings, provided that in the case of any such contest, (x) any proceedings commenced for the enforcement of such Liens have been suspended and (y) appropriate reserves with respect thereto are maintained on the books of such Person in conformity with GAAP;

(c) (i) Liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States government or any agency thereof entered into in the ordinary course of business and (ii) Liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations (not otherwise permitted under subsection (g) of this definition), bids, leases, fee and expense arrangements with trustees and fiscal agents, trade contracts, surety and appeal bonds, performance bonds and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided, that in each case full provision for the payment of all such obligations has been made on the books of such Person as may be required by GAAP;

(d) any attachment or judgment lien that remains unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period ending on the earlier of (i) thirty (30) consecutive days from the date of its attachment or entry (as applicable) or (ii) the commencement of enforcement steps with respect thereto, other than the filing of notice thereof in the public record;

(e) minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of

real properties, or any interest of any lessor or sublessor under any lease permitted hereunder which, in each case, does not materially interfere with the business of such Person;

(f) Liens arising in connection with worker's compensation, unemployment insurance, old age pensions and social security benefits and similar statutory obligations (excluding Liens arising under ERISA), provided that no enforcement proceedings in respect of such Liens are pending and provisions have been made for the payment of such liens on the books of such Person as may be required by GAAP; and

(g) continuations of Liens that are permitted under subsections (a)-(g) hereof, provided such continuations do not violate the specific time periods set forth in subsections (b) and (d) and provided further that such Liens do not extend to any additional property or assets of any Credit Party or secure any additional obligations of any Credit Party.

Regardless of the language set forth in this definition, no Lien over the Equity Interests of any Credit Party granted to any Person other than to the Agent for the benefit of the Lenders shall be deemed a "Permitted Lien" under the terms of this Agreement.

"Person" shall mean a natural person, corporation, limited liability company, partnership, limited liability partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, firm or association or a government or any agency or political subdivision thereof or other entity of any kind.

"Pledge Agreement(s)" shall mean any pledge agreement executed and delivered from time to time after the Effective Date by any Credit Party pursuant to Section 7.13 hereof or otherwise, and any agreements, instruments or documents related thereto, in each case in form and substance satisfactory to the Agent amended, restated, supplemented or otherwise modified from time to time.

"PMPM" shall mean the dollar amount paid to Borrower expressed as a monthly rate for each Person for whom the Borrower is responsible for providing services.

"PMPM Performance Cap" shall mean an amount equal to (a) from the Effective Date until satisfaction of the field audit requirement under Section 5.3(a) hereof, 10% of the Borrowing Base (calculated including the effect of any Operational Performance Guarantees, and (b) at all times thereafter, 20% of the Borrowing Base (calculated including the effect of any Operational Performance Guarantees), as each may be reasonably adjusted by the Majority Lenders based on future inspections, appraisals and audits conducted pursuant to Section 7.6 hereof.

"Prime Rate" shall mean the per annum rate of interest announced by the Agent, at its main office from time to time as its "prime rate" (it being acknowledged that such announced rate may not necessarily be the lowest rate charged by the Agent to any of its customers), which Prime Rate shall change simultaneously with any change in such announced rate.

"Pro Forma Balance Sheet" shall mean the pro forma consolidated balance sheet of the Borrower which has been certified by a Responsible Officer of the Borrower that it fairly presents in all material respects the pro forma adjustments reflecting the transactions (including payment of all fees and expenses in connection therewith) contemplated by this Agreement and the other Loan Documents.

"Pro Forma Projected Financial Information" shall mean, as to any proposed acquisition, a statement executed by the Borrower (supported by reasonable detail) setting forth the total consideration to be paid or incurred in connection with the proposed acquisition, and pro forma combined projected financial

information for the Credit Parties and the acquisition target (if applicable), consisting of projected balance sheets as of the proposed effective date of the acquisition and as of the end of at least the next succeeding three (3) Fiscal Years following the acquisition and projected statements of income and cash flows for each of those years, including sufficient detail to permit calculation of the ratios described in Section 7.9 hereof, as projected as of the effective date of the acquisition and as of the ends of those Fiscal Years and accompanied by (i) a statement setting forth a calculation of the ratio so described, (ii) a statement in reasonable detail specifying all material assumptions underlying the projections and (iii) such other information as the Agent or the Lenders shall reasonably request.

"PTE" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Purchasing Lender" is defined in Section 13.12.

"Quoted Rate" shall mean the rate of interest per annum offered by the Swing Line Lender in its sole discretion with respect to a Swing Line Advance and accepted by the Borrower.

"Quoted Rate Advance" shall mean any Swing Line Advance which bears interest at the Quoted Rate.

"Rating Agency" shall mean Moody's Investor Services, Inc., Standard and Poor's Ratings Services, their respective successors or any other nationally recognized statistical rating organization which is acceptable to the Agent.

"Recipient" shall mean (a) the Agent, (b) any Lender, and (c) any Issuing Lender.

"Recurring Revenue" shall mean, as of any relevant measurement date, the sum, without duplication, of (a) monthly minimum recurring gross fee revenue of Borrower and its Domestic Subsidiaries (determined on a PMPM basis or recurring flat fee basis) from customer subscription contracts, (but excluding any Operational Performance Guarantees), plus (b) 90% of the potential fees from Operational Performance Guarantees; provided that, the amount calculated in this clause (b) shall not exceed the PMPM Performance Cap.

"Register" is defined in Section 13.8(h) hereof.

"Reimbursement Obligation(s)" shall mean the aggregate amount of all unreimbursed drawings under all Letters of Credit (excluding for the avoidance of doubt, reimbursement obligations that are deemed satisfied pursuant to a deemed disbursement under Section 3.6(c)).

"Related Parties" shall mean with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" shall mean any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Request for Advance" shall mean a Request for Revolving Credit Advance or a Request for Swing Line Advance, as the context may indicate or otherwise require.

"Request for Revolving Credit Advance" shall mean a request for a Revolving Credit Advance issued by Borrower under Section 2.3 of this Agreement in the form attached hereto as Exhibit A.

"Request for Swing Line Advance" shall mean a request for a Swing Line Advance issued by Borrower under Section 2.5(b) of this Agreement in the form attached hereto as Exhibit D.

"Requirement of Law" shall mean as to any Person, the certificate of incorporation and bylaws, the partnership agreement or other organizational or governing documents of such Person and any law, treaty, rule or regulation or determination of an arbitration or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" shall mean, with respect to any Person, the chief executive officer, chief financial officer, treasurer, president or controller of such Person, or with respect to compliance with financial covenants, the chief financial officer or the treasurer of such Person, or any other officer of such Person having substantially the same authority and responsibility.

"Reportable Compliance Event" shall mean that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law.

"Revolving Credit" shall mean the revolving credit loans to be advanced to the Borrower by the applicable Revolving Credit Lenders pursuant to Article 2 hereof, in an aggregate amount (subject to the terms hereof), not to exceed, at any one time outstanding, the Revolving Credit Aggregate Commitment.

"Revolving Credit Advance" shall mean a borrowing requested by Borrower and made by the Revolving Credit Lenders under Section 2.1 of this Agreement, including without limitation any readvance, refunding or conversion of such borrowing pursuant to Section 2.3 hereof and any deemed disbursement of an Advance in respect of a Letter of Credit under Section 3.6(c) hereof, and may include, subject to the terms hereof, Eurodollar-based Advances and Base Rate Advances.

"Revolving Credit Aggregate Commitment" shall mean Fifty Million Dollars ($50,000,000.00), subject to increases pursuant to Section 2.12 hereof up to the Revolving Credit Optional Increase Amount, and subject to reduction or termination under Section 2.11 or 9.2 hereof.

"Revolving Credit Commitment Amount" shall mean with respect to any Revolving Credit Lender, (i) if the Revolving Credit Aggregate Commitment has not been terminated, the amount specified opposite such Revolving Credit Lender's name in the column entitled "Revolving Credit Commitment Amount" on Annex II, as adjusted from time to time in accordance with the terms hereof; and (ii) if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the amount equal to its Percentage of the aggregate principal amount outstanding under the Revolving Credit (including the outstanding Letter of Credit Obligations and any outstanding Swing Line Advances).

"Revolving Credit Facility Fee" shall mean the fee payable to the Agent for distribution to the Revolving Credit Lenders in accordance with Section 2.9 hereof.

"Revolving Credit Lenders" shall mean the financial institutions from time to time parties hereto as lenders of the Revolving Credit.

"Revolving Credit Maturity Date" shall mean the earlier to occur of (i) July 19, 2021, and (ii) the date on which the Revolving Credit Aggregate Commitment shall terminate in accordance with the provisions of this Agreement; provided, however, (a) if the annual revenue of Borrower and its Domestic

Subsidiaries based on the financial statements delivered pursuant to Section 7.1(a) for the Fiscal Year ending February 28, 2021, is greater than or equal to $160,000,000, and (b) no Default or Event of Default shall have occurred and be continuing, then the Revolving Credit Maturity Date shall automatically, with no further action required by the parties hereto, be extended to July 19, 2022.

"Revolving Credit Notes" shall mean the revolving credit notes described in Section 2.2 hereof, made by the Borrower to each of the Revolving Credit Lenders in the form attached hereto as Exhibit B, as such notes may be amended or supplemented from time to time, and any other notes issued in substitution, replacement or renewal thereof from time to time.

"Revolving Credit Optional Increase Amount" shall mean an amount equal to $30,000,000, minus the amount of any permanent reductions made to the Revolving Credit Aggregate Commitment prior to the date a request for such increase is made.

"Revolving Credit Percentage" shall mean, with respect to any Revolving Credit Lender, the percentage specified opposite such Revolving Credit Lender's name in the column entitled "Revolving Credit Percentage" on Annex II, as adjusted from time to time in accordance with the terms hereof.

"Sanctioned Country" shall mean a country subject to a Sanctions program maintained under any Anti-Terrorism Law.

"Sanctioned Person" shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

"Sanction(s)" shall mean any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"Security Agreement" shall mean, collectively, the security agreement(s) executed and delivered by the Borrower and the Guarantors on the Effective Date pursuant to Section 5.1 hereof, and any such agreements executed and delivered after the Effective Date (whether by execution of a joinder agreement to any existing security agreement or otherwise) pursuant to Section 7.13 hereof or otherwise, in the form of the Security Agreement attached hereto as Exhibit G, as amended, restated, supplemented or otherwise modified from time to time.

"Subordinated Debt" shall mean the Escalate Subordinated Debt and any other Funded Debt of any Credit Party and other obligations under the Subordinated Debt Documents and any other Funded Debt of any Credit Party which has been subordinated in right of payment and priority to the Indebtedness, all on terms and conditions satisfactory to the Agent.

"Subordinated Debt Documents" shall mean and include (a) the Escalate Subordinated Debt Documents and (b) any other documents evidencing any Subordinated Debt, in each case, as the same may be amended, modified, supplemented or otherwise modified from time to time in compliance with the terms of this Agreement.

"Subordination Agreements" shall mean, collectively, the Escalate Subordination Agreement, the Management Fee Subordination Agreement, and any other subordination agreements entered into by any Person from time to time in favor of the Agent in connection with any Subordinated Debt, the terms of

which are acceptable to the Agent, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time, and "Subordination Agreement" shall mean any one of them.

"Subsidiary(ies)" shall mean any other corporation, association, joint stock company, business trust, limited liability company, partnership or any other business entity of which more than fifty percent (50%) of the outstanding voting stock, share capital, membership, partnership or other interests, as the case may be, is owned either directly or indirectly by any Person or one or more of its Subsidiaries, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by any Person and/or its Subsidiaries. Unless otherwise specified to the contrary herein or the context otherwise requires, Subsidiary(ies) shall refer to the Subsidiary(ies) of the Borrower.

"Sweep Agreement" shall mean any agreement relating to the "Sweep to Loan" automated system of the Agent or any other cash management arrangement which the Borrower and the Agent have executed for the purposes of effecting the borrowing and repayment of Swing Line Advances.

"Swing Line" shall mean the revolving credit loans to be advanced to the Borrower by the Swing Line Lender pursuant to Section 2.5 hereof, in an aggregate amount (subject to the terms hereof), not to exceed, at any one time outstanding, the Swing Line Maximum Amount.

"Swing Line Advance" shall mean a borrowing requested by the Borrower and made by Swing Line Lender pursuant to Section 2.5 hereof and may include, subject to the terms hereof, Quoted Rate Advances and Base Rate Advances.

"Swing Line Lender" shall mean Comerica Bank in its capacity as lender of the Swing Line under Section 2.5 of this Agreement, or its successor as subsequently designated hereunder.

"Swing Line Maximum Amount" shall mean Two Million Dollars ($2,000,000.00).

"Swing Line Note" shall mean the swing line note which may be issued by the Borrower to Swing Line Lender pursuant to Section 2.5(b)(ii) hereof in the form attached hereto as Exhibit C, as such note may be amended or supplemented from time to time, and any note or notes issued in substitution, replacement or renewal thereof from time to time.

"Swing Line Participation Certificate" shall mean the Swing Line Participation Certificate delivered by the Agent to each Revolving Credit Lender pursuant to Section 2.5(e)(ii) hereof in the form attached hereto as Exhibit K.

"Taxes" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Uniform Commercial Code" or "UCC" shall mean the Uniform Commercial Code as in effect in any applicable state; provided that, unless specified otherwise or the context otherwise requires, such terms shall refer to the Uniform Commercial Code as in effect in the State of California.

"Unused Revolving Credit Availability" shall mean, on any date of determination, the amount equal to the lesser of (i) the Revolving Credit Aggregate Commitment, or (ii) the then applicable Borrowing Base, minus (x) the aggregate outstanding principal amount of all Advances (including Swing Line Advances) and (y) the Letter of Credit Obligations.

"U.S. Borrower" is any Borrower that is a U.S. Person.

"U.S. Person" shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" is defined in Section 13.13.

"USA Patriot Act" is defined in Section 6.7.

"Weighted Percentage" shall mean with respect to any Lender, its weighted percentage calculated by dividing (i) the sum of its Revolving Credit Commitment Amount, by (ii) the sum of the Revolving Credit Aggregate Commitment (or, if the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), the aggregate principal amount outstanding under the Revolving Credit, including any outstanding Letter of Credit Obligations and outstanding Swing Line Advances). Annex II reflects each Lender's Weighted Percentage and may be revised by the Agent from time to time to reflect changes in the Weighted Percentages of the Lenders.

"Withholding Agent" shall mean any Credit Party and the Agent.

"Write-Down and Conversion Powers" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which writedown and conversion powers are described in the EU Bail-In Legislation Schedule.

2. REVOLVING CREDIT.

2.1 Commitment. Subject to the terms and conditions of this Agreement (including without limitation Section 2.3 hereof), each Revolving Credit Lender severally and for itself alone agrees to make Advances of the Revolving Credit in Dollars to the Borrower from time to time on any Business Day during the period from the Effective Date hereof until (but excluding) the Revolving Credit Maturity Date in an aggregate amount not to exceed at any one time outstanding such Lender's Revolving Credit Percentage multiplied by the Revolving Credit Aggregate Commitment. Subject to the terms and conditions set forth herein, advances, repayments and readvances may be made under the Revolving Credit.

2.2 Accrual of Interest and Maturity; Evidence of Indebtedness.

(a) The Borrower hereby unconditionally promises to pay to the Agent for the account of each Revolving Credit Lender the then unpaid principal amount of each Revolving Credit Advance (plus all accrued and unpaid interest) of such Revolving Credit Lender to the Borrower on the Revolving Credit Maturity Date and on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. Subject to the terms and conditions hereof, each Revolving Credit Advance shall, from time to time from and after the date of such Advance (until paid), bear interest at its Applicable Interest Rate.

(b) Each Revolving Credit Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to the appropriate lending office of such Revolving Credit Lender resulting from each Revolving Credit Advance made by such lending office of such Revolving Credit Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Revolving Credit Lender from time to time under this Agreement.

(c) The Agent shall maintain the Register pursuant to Section 13.8(h), and a subaccount therein for each Revolving Credit Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Revolving Credit Advance made hereunder, the type thereof and each Eurodollar-

Interest Period applicable to any Eurodollar-based Advance, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Revolving Credit Lender hereunder in respect of the Revolving Credit Advances and (iii) both the amount of any sum received by the Agent hereunder from the Borrower in respect of the Revolving Credit Advances and each Revolving Credit Lender's share thereof.

(d) The entries made in the Register maintained pursuant to clause (c) of this Section 2.2 and Section 13.8(h) shall, absent manifest error, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Revolving Credit Lender or the Agent to maintain the Register or any account, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Revolving Credit Advances (and all other amounts owing with respect thereto) made to the Borrower by the Revolving Credit Lenders in accordance with the terms of this Agreement.

(e) The Borrower agrees that, upon written request to the Agent by any Revolving Credit Lender, the Borrower will execute and deliver, to such Revolving Credit Lender, at the Borrower's own expense, a Revolving Credit Note evidencing the outstanding Revolving Credit Advances owing to such Revolving Credit Lender.

2.3 Requests for and Refundings and Conversions of Advances. The Borrower may request an Advance of the Revolving Credit, a refund of any Revolving Credit Advance in the same type of Advance or to convert any Revolving Credit Advance to any other type of Revolving Credit Advance only by delivery to the Agent of a Request for Revolving Credit Advance executed by an Authorized Signer for the Borrower, subject to the following:

(a) each such Request for Revolving Credit Advance shall set forth the information required on the Request for Revolving Credit Advance, including without limitation:

(i) the proposed date of such Revolving Credit Advance (or the refunding or conversion of an outstanding Revolving Credit Advance), which must be a Business Day;

(ii) whether such Advance is a new Revolving Credit Advance or a refunding or conversion of an outstanding Revolving Credit Advance; and

(iii) whether such Revolving Credit Advance is to be a Base Rate Advance or a Eurodollar-based Advance, and, except in the case of a Base Rate Advance, the first Eurodollar-Interest Period applicable thereto, provided, however, that the initial Revolving Credit Advance made under this Agreement shall be a Base Rate Advance, which may then be converted into a Eurodollar-based Advance in compliance with this Agreement.

(b) each such Request for Revolving Credit Advance shall be delivered to the Agent and the Lenders by 12:00 p.m. (Detroit time) three (3) Business Days prior to the proposed date of the Revolving Credit Advance, except in the case of a Base Rate Advance, for which the Request for Revolving Credit Advance must be delivered to the Agent and the Lenders by 12:00 p.m. (Detroit time) on the proposed date for such Revolving Credit Advance;

(c) on the proposed date of such Revolving Credit Advance, the sum of (x) the aggregate principal amount of all Revolving Credit Advances and Swing Line Advances outstanding on such date (including, without duplication, the Advances that are deemed to be disbursed by the Agent under Section 3.6(c) hereof in respect of the Borrower's Reimbursement Obligations hereunder), plus (y) the Letter of Credit Obligations as of such date, in each case after giving effect to all outstanding requests for Revolving

Credit Advances and Swing Line Advances and for the issuance of any Letters of Credit, shall not exceed the lesser of (i) the Revolving Credit Aggregate Commitment and (ii) the then applicable Borrowing Base;

(d) in the case of a Base Rate Advance, the principal amount of the initial funding of such Advance, as opposed to any refunding or conversion thereof, shall be at least $250,000 or the remainder available under the Revolving Credit Aggregate Commitment if less than $250,000;

(e) in the case of a Eurodollar-based Advance, the principal amount of such Advance, plus the amount of any other outstanding Revolving Credit Advance to be then combined therewith having the same Eurodollar-Interest Period, if any, shall be at least $350,000 (or a larger integral multiple of $50,000) or the remainder available under the Revolving Credit Aggregate Commitment if less than $350,000, and at any one time there shall not be in effect more than six (6) different Eurodollar-Interest Periods;

(f) a Request for Revolving Credit Advance, once delivered to the Agent and the Lenders, shall not be revocable by the Borrower and shall constitute a certification by the Borrower as of the date thereof that:

(i) all conditions to the making of Revolving Credit Advances set forth in this Agreement have been satisfied (including, without limitation, the delivery of the Borrowing Base Certificate as required in accordance with Section 7.2(b) hereof), and shall remain satisfied to the date of such Revolving Credit Advance (both before and immediately after giving effect to such Revolving Credit Advance);

(ii) there is no Default or Event of Default in existence, and none will exist upon the making of such Revolving Credit Advance (both before and immediately after giving effect to such Revolving Credit Advance); and

(iii) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of the date of the making of such Revolving Credit Advance (both before and immediately after giving effect to such Revolving Credit Advance), other than any representation or warranty that expressly speaks only as of a different date;

The Agent, acting on behalf of the Revolving Credit Lenders, may also, at its option, lend under this Section 2.3 upon the telephone or email request of an Authorized Signer of the Borrower to make such requests and, in the event the Agent, acting on behalf of the Revolving Credit Lenders, makes any such Advance upon a telephone or email request, an Authorized Signer shall fax or deliver by electronic file to the Agent, on the same day as such telephone or email request, an executed Request for Revolving Credit Advance. The Borrower hereby authorizes the Agent to disburse Advances under this Section 2.3 pursuant to the telephone or email instructions of any person purporting to be an Authorized Signer. Notwithstanding the foregoing, the Borrower acknowledges that the Borrower shall bear all risk of loss resulting from disbursements made upon any telephone or email request. Each telephone or email request for an Advance from an Authorized Signer for the Borrower shall constitute a certification of the matters set forth in the Request for Revolving Credit Advance form as of the date of such requested Advance.

2.4 Disbursement of Advances.

(a) Upon receiving any Request for Revolving Credit Advance from Borrower under Section 2.3 hereof, the Agent shall promptly notify each Revolving Credit Lender by wire, telex or telephone (confirmed by wire, telecopy or telex) of the amount of such Advance being requested and the date such Revolving Credit Advance is to be made by each Revolving Credit Lender in an amount equal to its

Revolving Credit Percentage of such Advance. Unless such Revolving Credit Lender's commitment to make Revolving Credit Advances hereunder shall have been suspended or terminated in accordance with this Agreement, each such Revolving Credit Lender shall make available the amount of its Revolving Credit Percentage of each Revolving Credit Advance in immediately available funds to the Agent, as follows:

(i) for Base Rate Advances, at the office of the Agent located at 411 West Lafayette, 7th Floor, MC 3289, Detroit, Michigan 48226, not later than 1:00 p.m. (Detroit time) on the date of such Advance; and

(ii) for Eurodollar-based Advances, at the Agent's Correspondent for the account of the Eurodollar Lending Office of the Agent, not later than 12:00 p.m. (the time of the Agent's Correspondent) on the date of such Advance.

(b) Subject to submission of an executed Request for Revolving Credit Advance by Borrower without exceptions noted in the compliance certification therein, the Agent shall make available to the Borrower the aggregate of the amounts so received by it from the Revolving Credit Lenders in like funds and currencies:

(i) for Base Rate Advances, not later than 4:00 p.m. (Detroit time) on the date of such Revolving Credit Advance, by credit to an account of the Borrower maintained with the Agent or, if approved in advance by the Agent in its sole discretion, to such other account or third party as Borrower may request in writing; and

(ii) for Eurodollar-based Advances, not later than 4:00 p.m. (the time of the Agent's Correspondent) on the date of such Revolving Credit Advance, by credit to an account of the Borrower maintained with the Agent's Correspondent or, if approved in advance by the Agent in its sole discretion, to such other account or third party as Borrower may request in writing.

(c) The Agent shall deliver the documents and papers received by it for the account of each Revolving Credit Lender to such Revolving Credit Lender. Unless the Agent shall have been notified by any Revolving Credit Lender prior to the date of any proposed Revolving Credit Advance that such Revolving Credit Lender does not intend to make available to the Agent such Revolving Credit Lender's Percentage of such Advance, the Agent may assume that such Revolving Credit Lender has made such amount available to the Agent on such date, as aforesaid. The Agent may, but shall not be obligated to, make available to the Borrower the amount of such payment in reliance on such assumption. If such amount is not in fact made available to the Agent by such Revolving Credit Lender, as aforesaid, the Agent shall be entitled to recover such amount on demand from such Revolving Credit Lender. If such Revolving Credit Lender does not pay such amount forthwith upon the Agent's demand therefor and the Agent has in fact made a corresponding amount available to the Borrower, the Agent shall promptly notify the Borrower and the Borrower shall pay such amount to the Agent, if such notice is delivered to the Borrower prior to 1:00 p.m. (Detroit time) on a Business Day, on the day such notice is received, and otherwise on the next Business Day, and such amount paid by the Borrower shall be applied as a prepayment of the Revolving Credit (without any corresponding reduction in the Revolving Credit Aggregate Commitment), reimbursing the Agent for having funded said amounts on behalf of such Revolving Credit Lender. The Borrower shall retain its claim against such Revolving Credit Lender with respect to the amounts repaid by them to the Agent and, if such Revolving Credit Lender subsequently makes such amounts available to the Agent, the Agent shall promptly make such amounts available to the Borrower as a Revolving Credit Advance. The Agent shall also be entitled to recover from such Revolving Credit Lender or the Borrower, as the case may be, but without duplication, interest on such amount in respect of each day from the date such amount was made available by the Agent to the Borrower, to the date such amount is recovered by the Agent, at a rate per annum equal to:

(i) in the case of such Revolving Credit Lender, for the first two (2) Business Days such amount remains unpaid, the Federal Funds Effective Rate, and thereafter, at the rate of interest then applicable to such Revolving Credit Advances (plus any administrative, processing or similar fees assessed by Agent in connection with the foregoing); and

(ii) in the case of the Borrower, the rate of interest then applicable to such Advance of the Revolving Credit.

Until such Revolving Credit Lender has paid the Agent such amount, such Revolving Credit Lender shall have no interest in or rights with respect to such Advance for any purpose whatsoever. The obligation of any Revolving Credit Lender to make any Revolving Credit Advance hereunder shall not be affected by the failure of any other Revolving Credit Lender to make any Advance hereunder, and no Revolving Credit Lender shall have any liability to the Borrower or any of its Subsidiaries, the Agent, any other Revolving Credit Lender, or any other party for another Revolving Credit Lender's failure to make any loan or Advance hereunder.

2.5 Swing Line.

(a) Swing Line Advances. The Swing Line Lender may, on the terms and subject to the conditions hereinafter set forth (including without limitation Section 2.5(c) hereof), but shall not be required to, make one or more Advances (each such advance being a "Swing Line Advance") to the Borrower from time to time on any Business Day during the period from the Effective Date hereof until (but excluding) the Revolving Credit Maturity Date in an aggregate amount not to exceed at any one time outstanding the Swing Line Maximum Amount. Subject to the terms set forth herein, advances, repayments and readvances may be made under the Swing Line.

(b) Accrual of Interest and Maturity; Evidence of Indebtedness.

(i) Swing Line Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to Swing Line Lender resulting from each Swing Line Advance from time to time, including the amount and date of each Swing Line Advance, its Applicable Interest Rate, its Interest Period, if any, and the amount and date of any repayment made on any Swing Line Advance from time to time. The entries made in such account or accounts of Swing Line Lender shall be prima facie evidence, absent manifest error, of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of Swing Line Lender to maintain such account, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Swing Line Advances (and all other amounts owing with respect thereto) in accordance with the terms of this Agreement.

(ii) The Borrower agrees that, upon the written request of Swing Line Lender, the Borrower will execute and deliver to Swing Line Lender a Swing Line Note.

(iii) The Borrower unconditionally promises to pay to the Swing Line Lender the then unpaid principal amount of such Swing Line Advance (plus all accrued and unpaid interest) on the Revolving Credit Maturity Date and on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. Subject to the terms and conditions hereof, each Swing Line Advance shall, from time to time after the date of such Advance (until paid), bear interest at its Applicable Interest Rate.

(c) Requests for Swing Line Advances. Borrower may request a Swing Line Advance by the delivery to Swing Line Lender of a Request for Swing Line Advance executed by an Authorized Signer for Borrower, subject to the following:

(i) each such Request for Swing Line Advance shall set forth the information required on the Request for Advance, including without limitation, (A) the proposed date of such Swing Line Advance, which must be a Business Day, (B) whether such Swing Line Advance is to be a Base Rate Advance or a Quoted Rate Advance, and (C) in the case of a Quoted Rate Advance, the duration of the Interest Period applicable thereto;

(ii) on the proposed date of such Swing Line Advance, after giving effect to all outstanding requests for Swing Line Advances made by the Borrower as of the date of determination, the aggregate principal amount of all Swing Line Advances outstanding on such date shall not exceed the Swing Line Maximum Amount;

(iii) on the proposed date of such Swing Line Advance, after giving effect to all outstanding requests for Revolving Credit Advances and Swing Line Advances and Letters of Credit requested by the Borrower on such date of determination (including, without duplication, Advances that are deemed disbursed pursuant to Section 3.6(c) hereof in respect of the Borrower's Reimbursement Obligations hereunder), the sum of (x) the aggregate principal amount of all Revolving Credit Advances and the Swing Line Advances outstanding on such date plus (y) the Letter of Credit Obligations on such date shall not exceed the lesser of (A) the Revolving Credit Aggregate Commitment and (B) the then applicable Borrowing Base;

(iv) (A) in the case of a Swing Line Advance that is a Base Rate Advance, the principal amount of the initial funding of such Advance, as opposed to any refunding or conversion thereof, shall be at least Two Hundred Fifty Thousand Dollars ($250,000) or such lesser amount as may be agreed to by the Swing Line Lender, and (B) in the case of a Swing Line Advance that is a Quoted Rate Advance, the principal amount of such Advance, plus any other outstanding Swing Line Advances to be then combined therewith having the same Interest Period, if any, shall be at least Two Hundred Fifty Thousand Dollars ($250,000) or such lesser amount as may be agreed to by the Swing Line Lender, and at any time there shall not be in effect more than six (6) Interest Rates and Interest Periods;

(v) each such Request for Swing Line Advance shall be delivered to the Swing Line Lender by 3:00 p.m. (Detroit time) on the proposed date of the Swing Line Advance;

(vi) each Request for Swing Line Advance, once delivered to Swing Line Lender, shall not be revocable by the Borrower, and shall constitute and include a certification by the Borrower as of the date thereof that:

(A) all conditions to the making of Swing Line Advances set forth in this Agreement shall have been satisfied (including, without limitation, the delivery of the Borrowing Base Certificate as required in accordance with Section 7.2(b) hereof) and shall remain satisfied to the date of such Swing Line Advance (both before and immediately after giving effect to such Swing Line Advance);

(B) there is no Default or Event of Default in existence, and none will exist upon the making of such Swing Line Advance (both before and immediately after giving effect to such Swing Line Advance); and

(C) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respect as of the date of the making of such Swing Line Advance (both before and immediately after giving effect to such Swing Line Advance), other than any representation or warranty that expressly speaks only as of a different date;

(vii) At the option of the Agent, subject to revocation by the Agent at any time and from time to time and so long as the Agent is the Swing Line Lender, the Borrower may utilize the Agent's "Sweep to Loan" automated system for obtaining Swing Line Advances and making periodic repayments. At any time during which the "Sweep to Loan" system is in effect, Swing Line Advances shall be advanced to fund borrowing needs pursuant to the terms of the Sweep Agreement. Each time a Swing Line Advance is made using the "Sweep to Loan" system, the Borrower shall be deemed to have certified to the Agent and the Lenders each of the matters set forth in clause (vi) of this Section 2.5(c). Principal and interest on Swing Line Advances requested, or deemed requested, pursuant to this Section shall be paid pursuant to the terms and conditions of the Sweep Agreement without any deduction, setoff or counterclaim whatsoever. Unless sooner paid pursuant to the provisions hereof or the provisions of the Sweep Agreement, the principal amount of the Swing Line Loans shall be paid in full, together with accrued interest thereon, on the Revolving Credit Maturity Date. The Agent may suspend or revoke the Borrower's privilege to use the "Sweep to Loan" system at any time and from time to time for any reason and, immediately upon any such revocation, the "Sweep to Loan" system shall no longer be available to the Borrower for the funding of Swing Line Advances hereunder (or otherwise), and the regular procedures set forth in this Section 2.5 for the making of Swing Line Advances shall be deemed immediately to apply. The Agent may, at its option, also elect to make Swing Line Advances upon the Borrower's telephone requests on the basis set forth in the last paragraph of Section 2.3, provided that the Borrower complies with the provisions set forth in this Section 2.5.

(d) Disbursement of Swing Line Advances. Upon receiving any executed Request for Swing Line Advance from the Borrower and the satisfaction of the conditions set forth in Section 2.5(c) hereof, Swing Line Lender shall, at its option, make available to the Borrower the amount so requested in Dollars not later than 4:00 p.m. (Detroit time) on the date of such Advance, by credit to an account of the Borrower maintained with the Agent or, if approved in advance by the Agent in its sole discretion, to such other account or third party as Borrower may request in writing. Swing Line Lender shall promptly notify the Agent of any Swing Line Advance by telephone, telex or telecopier.

(e) Refunding of or Participation Interest in Swing Line Advances.

(i) The Agent, at any time in its sole and absolute discretion, may, in each case on behalf of the Borrower (which hereby irrevocably direct the Agent to act on their behalf) request each of the Revolving Credit Lenders (including the Swing Line Lender in its capacity as a Revolving Credit Lender) to make an Advance of the Revolving Credit to the Borrower, in an amount equal to such Revolving Credit Lender's Revolving Credit Percentage of the aggregate principal amount of the Swing Line Advances outstanding on the date such notice is given (the "Refunded Swing Line Advances"); provided however that the Swing Line Advances carried at the Quoted Rate which are refunded with

Revolving Credit Advances at the request of the Swing Line Lender at a time when no Default or Event of Default has occurred and is continuing shall not be subject to Section 11.1 and no losses, costs or expenses may be assessed by the Swing Line Lender against the Borrower or the Revolving Credit Lenders as a consequence of such refunding. The applicable Revolving Credit Advances used to refund any Swing Line Advances shall be Base Rate Advances. In connection with the making of any such Refunded Swing Line Advances or the

purchase of a participation interest in Swing Line Advances under Section 2.5(e)(ii) hereof, the Swing Line Lender shall retain its claim against the Borrower for any unpaid interest or fees in respect thereof accrued to the date of such refunding. Unless any of the events described in Section 9.1(i) hereof shall have occurred (in which event the procedures of Section 2.5(e)(ii) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of a Revolving Credit Advance are then satisfied (but subject to Section 2.5(e)(iii)), each Revolving Credit Lender shall make the proceeds of its Revolving Credit Advance available to the Agent for the benefit of the Swing Line Lender at the office of the Agent specified in Section 2.4(a) hereof prior to 11:00 a.m. Detroit time on the Business Day next succeeding the date such notice is given, in immediately available funds. The proceeds of such Revolving Credit Advances shall be immediately applied to repay the Refunded Swing Line Advances, subject to Section 11.1 hereof.

(ii) If, prior to the making of an Advance of the Revolving Credit pursuant to Section 2.5(e)(i) hereof, one of the events described in Section 9.1(i) hereof shall have occurred, each Revolving Credit Lender will, on the date such Advance of the Revolving Credit was to have been made, purchase from the Swing Line Lender an undivided participating interest in each Swing Line Advance that was to have been refunded in an amount equal to its Revolving Credit Percentage of such Swing Line Advance. Each Revolving Credit Lender within the time periods specified in Section 2.5(e)(i) hereof, as applicable, shall immediately transfer to the Agent, for the benefit of the Swing Line Lender, in immediately available funds, an amount equal to its Revolving Credit Percentage of the aggregate principal amount of all Swing Line Advances outstanding as of such date. Upon receipt thereof, the Agent will deliver to such Revolving Credit Lender a Swing Line Participation Certificate evidencing such participation.

(iii) Each Revolving Credit Lender's obligation to make Revolving Credit Advances to refund Swing Line Advances, and to purchase participation interests, in accordance with Section 2.5(e)(i) and (ii), respectively, shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (A) any set-off, counterclaim, recoupment, defense or other right which such Revolving Credit Lender may have against Swing Line Lender, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of any Default or Event of Default; (C) any adverse change in the condition (financial or otherwise) of Borrower or any other Person; (D) any breach of this Agreement or any other Loan Document by Borrower or any other Person; (E) any inability of Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which such Revolving Credit Advance is to be made or such participating interest is to be purchased; (F) the termination of the Revolving Credit Aggregate Commitment hereunder; or (G) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Revolving Credit Lender does not make available to the Agent the amount required pursuant to Section 2.5(e)(i) or (ii) hereof, as the case may be, the Agent on behalf of the Swing Line Lender, shall be entitled to recover such amount on demand from such Revolving Credit Lender, together with interest thereon for each day from the date of non-payment until such amount is paid in full (x) for the first two (2) Business Days such amount remains unpaid, at the Federal Funds Effective Rate and (y) thereafter, at the rate of interest then applicable to such Swing Line Advances. The obligation of any Revolving Credit Lender to make available its pro rata portion of the amounts required pursuant to Section 2.5(e)(i) or (ii) hereof shall not be affected by the failure of any other Revolving Credit Lender to make such amounts available, and no Revolving Credit Lender shall have any liability to any Credit Party, the Agent, the Swing Line Lender, or any other Revolving Credit Lender or any other party for another Revolving Credit Lender's failure to make available the amounts required under Section 2.5(e)(i) or (ii) hereof.

(iv) Notwithstanding the foregoing, no Revolving Credit Lender shall be required to make any Revolving Credit Advance to refund a Swing Line Advance or to purchase a participation in a Swing Line Advance if at least two (2) Business Days prior to the making of such Swing Line Advance by the Swing Line Lender, the officers of the Swing Line Lender immediately responsible for matters concerning this Agreement shall have received written notice from the Agent or any Lender that Swing Line Advances should be suspended based on the occurrence and continuance of a Default or Event of Default and stating that such notice is a "notice of default"; provided, however that the obligation of the Revolving Credit Lenders to make or refund such Swing Line Advance or purchase a participation in such Swing Line Advance shall be reinstated upon the date on which such Default or Event of Default has been waived by the requisite Lenders.

2.6 Interest Payments; Default Interest.

(a) Interest on the unpaid balance of all Base Rate Advances of the Revolving Credit and the Swing Line from time to time outstanding shall accrue from the date of such Advance to the date repaid, at a per annum interest rate equal to the Base Rate, and shall be payable in immediately available funds quarterly in arrears commencing on September 1, 2019, and on the first day of each December, March, June, and September thereafter. Whenever any payment under this Section 2.6(a) shall become due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Interest accruing at the Base Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed, and in such computation effect shall be given to any change in the interest rate resulting from a change in the Base Rate on the date of such change in the Base Rate.

(b) Interest on each Eurodollar-based Advance of the Revolving Credit shall accrue at its Eurodollar-based Rate and shall be payable in immediately available funds on the last day of the Eurodollar-Interest Period applicable thereto (and, if any Eurodollar-Interest Period shall exceed three months, then on the last Business Day of the third month of such Eurodollar-Interest Period, and at three month intervals thereafter). Interest accruing at the Eurodollar-based Rate shall be computed on the basis of a 360 day year and assessed for the actual number of days elapsed from the first day of the Eurodollar-Interest Period applicable thereto to but not including the last day thereof.

(c) Interest on each Quoted Rate Advance of the Swing Line shall accrue at its Quoted Rate and shall be payable in immediately available funds on the last day of the Interest Period applicable thereto. Interest accruing at the Quoted Rate shall be computed on the basis of a 360-day year and assessed for the actual number of days elapsed from the first day of the Interest Period applicable thereto to, but not including, the last day thereof.

(d) Notwithstanding anything to the contrary in the preceding sections, all accrued and unpaid interest on any Revolving Credit Advance refunded or converted pursuant to Section 2.3 hereof and any Swing Line Advance refunded pursuant to Section 2.5(e) hereof, shall be due and payable in full on the date such Advance is refunded or converted.

(e) In the case of any Event of Default under Section 9.1(i), immediately upon the occurrence thereof, and in the case of any other Event of Default, immediately upon receipt by the Agent of notice from the Majority Lenders, interest shall be payable on demand on all Revolving Credit Advances and Swing Line Advances from time to time outstanding at a per annum rate equal to the Applicable Interest Rate in respect of each such Advance plus, in the case of Eurodollar-based Advances and Quoted Rate Advances, two percent (2%) for the remainder of the then existing Interest Period, if any, and at all other such times, and for all Base Rate Advances from time to time outstanding, at a per annum rate equal to the Base Rate plus two percent (2%).

2.7 Optional Prepayments.

(a) (i) The Borrower may prepay all or part of the outstanding principal of any Base Rate Advance(s) of the Revolving Credit at any time, provided that, unless the "Sweep to Loan" system shall be in effect in respect of the Revolving Credit, after giving effect to any partial prepayment, the aggregate balance of Base Rate Advance(s) of the Revolving Credit remaining outstanding shall be at least One Hundred Thousand Dollars ($100,000), and (ii) subject to Section 2.10(c) hereof, the Borrower may prepay all or part of the outstanding principal of any Eurodollar-based Advance of the Revolving Credit at any time (subject to not less than three (3) Business Days' notice to the Agent) provided that, after giving effect to any partial prepayment, the unpaid portion of such Advance which is to be refunded or converted under Section 2.3 hereof shall be at least One Hundred Thousand Dollars ($100,000)

(b) (i) The Borrower may prepay all or part of the outstanding principal of any Swing Line Advance carried at the Base Rate at any time, provided that after giving effect to any partial prepayment, the aggregate balance of such Base Rate Advances remaining outstanding shall be at least One Hundred Thousand Dollars ($100,000) and (ii) subject to Section 2.10(c) hereof, the Borrower may prepay all or part of the outstanding principal of any Swing Line Advance carried at the Quoted Rate at any time (subject to not less than one (1) day's notice to the Swing Line Lender) provided that after giving effect to any partial prepayment, the aggregate balance of Swing Line Advances remaining outstanding shall be at least One Hundred Thousand Dollars ($100,000).

(c) Any prepayment of a Base Rate Advance made in accordance with this Section shall be without premium or penalty and any prepayment of any other type of Advance shall be subject to the provisions of Section 11.1 hereof, but otherwise without premium or penalty.

2.8 Base Rate Advance in Absence of Election or Upon Default. If, (a) as to any outstanding Eurodollar-based Advance of the Revolving Credit or any outstanding Quoted Rate Advance of the Swing Line, the Agent has not received payment of all outstanding principal and accrued interest on the last day of the Interest Period applicable thereto, or does not receive a timely Request for Advance meeting the requirements of Section 2.3 or 2.5 hereof with respect to the refunding or conversion of such Advance, or (b) if on the last day of the applicable Interest Period a Default or an Event of Default shall have occurred and be continuing, then, on the last day of the applicable Interest Period the principal amount of any Eurodollar-based Advance or Quoted Rate Advance, as the case may be, which has not been prepaid shall, absent a contrary election of the Majority Revolving Credit Lenders, be converted automatically to a Base Rate Advance and the Agent shall thereafter promptly notify the Borrower of said action. All accrued and unpaid interest on any Advance converted to a Base Rate Advance under this Section 2.8 shall be due and payable in full on the date such Advance is converted.

2.9 Revolving Credit Facility Fee. From the Effective Date to the Revolving Credit Maturity Date, the Borrower shall pay to the Agent for distribution to the Revolving Credit Lenders pro-rata in accordance with their respective Revolving Credit Percentages, a Revolving Credit Facility Fee quarterly in arrears commencing September 1 2019, and on the first day of each December, March, June, and September thereafter (in respect of the prior three months or any portion thereof). The Revolving Credit Facility Fee payable to each Revolving Credit Lender shall be determined by multiplying the Applicable Fee Percentage times the Revolving Credit Aggregate Commitment then in effect (whether used or unused). The Revolving Credit Facility Fee shall be computed on the basis of a year of three hundred sixty (360) days and assessed for the actual number of days elapsed. Whenever any payment of the Revolving Credit Facility Fee shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Upon receipt of such payment, the Agent shall make prompt payment to each Revolving Credit Lender of its share of the Revolving Credit Facility Fee based upon its respective

Revolving Credit Percentage. It is expressly understood that the Revolving Credit Facility Fees described in this Section are not refundable.

2.10 Mandatory Repayment of Revolving Credit Advances.

(a) If at any time and for any reason the aggregate outstanding principal amount of Revolving Credit Advances plus Swing Line Advances, plus the outstanding Letter of Credit Obligations, shall exceed the lesser of (i) the Revolving Credit Aggregate Commitment and (ii) the then applicable Borrowing Base, the Borrower shall immediately reduce any pending request for a Revolving Credit Advance on such day by the amount of such excess and, to the extent any excess remains thereafter, repay any Revolving Credit Advances and Swing Line Advances in an amount equal to the lesser of the outstanding amount of such Advances and the amount of such remaining excess, with such amounts to be applied between the Revolving Credit Advances and Swing Line Advances as determined by the Agent and then, to the extent that any excess remains after payment in full of all Revolving Credit Advances and Swing Line Advances, to provide cash collateral in support of any Letter of Credit Obligations in an amount equal to the lesser of (x) 105% of the amount of such Letter of Credit Obligations and (y) the amount of such remaining excess, with such cash collateral to be provided on terms satisfactory to the Agent. the Borrower acknowledges that, in connection with any repayment required hereunder, it shall also be responsible for the reimbursement of any prepayment or other costs required under Section 11.1 hereof. Any payments made pursuant to this Section shall be applied first to outstanding Base Rate Advances under the Revolving Credit, next to Swing Line Advances carried at the Base Rate and then to Eurodollar-based Advances of the Revolving Credit, and then to Swing Line Advances carried at the Quoted Rate.

(b) If at any time any contract between Borrower and Comcast Corporation or any of its Subsidiaries or Affiliates shall cease to be an Eligible Recurring Revenue Contract as a result of the circumstances described in clause (a) of the definition of "Eligible Recurring Revenue Contracts" (but without giving effect the proviso thereto), the Borrower shall, immediately after its knowledge thereof, repay outstanding Advances in an amount equal to the portion of such Advances that were attributable to the Eligible Monthly Recurring Revenue from such contracts at the time any outstanding Advance was made. Any payments made pursuant to this Section shall be applied first to outstanding Base Rate Advances under the Revolving Credit, next to Swing Line Advances carried at the Base Rate and then to Eurodollar-based Advances of the Revolving Credit, and then to Swing Line Advances carried at the Quoted Rate.

(c) To the extent that, on the date any mandatory repayment of the Revolving Credit Advances under this Section 2.10 or payment pursuant to the terms of any of the Loan Documents is due, the Indebtedness under the Revolving Credit or any other Indebtedness to be prepaid is being carried, in whole or in part, at the Eurodollar-based Rate and no Default or Event of Default has occurred and is continuing, the Borrower may deposit the amount of such mandatory prepayment in a cash collateral account to be held by the Agent, for and on behalf of the Revolving Credit Lenders, on such terms and conditions as are reasonably acceptable to the Agent and upon such deposit the obligation of the Borrower to make such mandatory prepayment shall be deemed satisfied. Subject to the terms and conditions of said cash collateral account, sums on deposit in said cash collateral account shall be applied (until exhausted) to reduce the principal balance of the Revolving Credit on the last day of each Eurodollar-Interest Period attributable to the Eurodollar-based Advances of such Revolving Credit Advance, thereby avoiding breakage costs under Section 11.1 hereof; provided, however, that if a Default or Event of Default shall have occurred at any time while sums are on deposit in the cash collateral account, the Agent may, in its sole discretion, elect to apply such sums to reduce the principal balance of such Eurodollar-based Advances prior to the last day of the applicable Eurodollar-Interest Period, and the Borrower will be obligated to pay any resulting breakage costs under Section 11.1.

2.11 Optional Reduction or Termination of Revolving Credit Aggregate Commitment. The Borrower may, upon at least five (5) Business Days' prior written notice to the Agent, permanently reduce the Revolving Credit Aggregate Commitment in whole at any time, or in part from time to time, without premium or penalty, provided that: (i) each partial reduction of the Revolving Credit Aggregate Commitment shall be in an aggregate amount equal to Five Million Dollars ($5,000,000) or a larger integral multiple of One Hundred Thousand Dollars ($100,000); (ii) each reduction shall be accompanied by the payment of the Revolving Credit Facility Fee, if any, accrued and unpaid to the date of such reduction; (iii) the Borrower shall prepay in accordance with the terms hereof the amount, if any, by which the aggregate unpaid principal amount of Revolving Credit Advances and Swing Line Advances (including, without duplication, any deemed Advances made under Section 3.6 hereof) outstanding hereunder, plus the Letter of Credit Obligations, exceeds the amount of the then applicable Revolving Credit Aggregate Commitment as so reduced, together with interest thereon to the date of prepayment; (iv) no reduction shall reduce the Revolving Credit Aggregate Commitment to an amount which is less than the aggregate undrawn amount of any Letters of Credit outstanding at such time; and (v) no such reduction shall reduce the Swing Line Maximum Amount unless the Borrower so elects, provided that the Swing Line Maximum Amount shall at no time be greater than the Revolving Credit Aggregate Commitment; provided, however that if the termination or reduction of the Revolving Credit Aggregate Commitment requires the prepayment of a Eurodollar-based Advance or a Quoted Rate Advance and such termination or reduction is made on a day other than the last Business Day of the then current Interest Period applicable to such Eurodollar-based Advance or such Quoted Rate Advance, then, pursuant to Section 11.1, the Borrower shall compensate the Revolving Credit Lenders and/or the Swing Line Lender for any losses or, so long as no Default or Event of Default has occurred and is continuing, the Borrower may deposit the amount of such prepayment in a collateral account as provided in Section 2.10(c). Reductions of the Revolving Credit Aggregate Commitment and any accompanying prepayments of Advances of the Revolving Credit shall be distributed by the Agent to each Revolving Credit Lender in accordance with such Revolving Credit Lender's Revolving Credit Percentage thereof, and will not be available for reinstatement by or readvance to the Borrower, and any accompanying prepayments of Advances of the Swing Line shall be distributed by the Agent to the Swing Line Lender and will not be available for reinstatement by or readvance to the Borrower. Any reductions of the Revolving Credit Aggregate Commitment hereunder shall reduce each Revolving Credit Lender's portion thereof proportionately (based on the applicable Percentages), and shall be permanent and irrevocable. Any payments made pursuant to this Section shall be applied first to outstanding Base Rate Advances under the Revolving Credit, next to Swing Line Advances carried at the Base Rate and then to Eurodollar-based Advances of the Revolving Credit, and then to Swing Line Advances carried at the Quoted Rate.

2.12 Optional Increase in Revolving Credit. Borrower may request that the Revolving Credit Aggregate Commitment be increased in an aggregate amount (for all such requests under this Section 2.12) not to exceed the Revolving Credit Optional Increase Amount, subject, in each case, to Section 11.1 hereof and to the satisfaction concurrently with or prior to the date of each such request of the following conditions:

(a) no Default or Event of Default shall have occurred and be continuing;

(b) the Annual Recurring Revenue Run Rate (calculated as of the month end immediately preceding the date of the request) shall be at least $145,000,000;

(c) Borrower shall have delivered to the Agent a written request for such increase, specifying the amount of the requested increase (each such request, a "Request for Revolving Credit Increase"); provided, however, that in the event Borrower previously delivered a Request for Revolving Credit Increase pursuant to this Section 2.12, Borrower may not deliver a subsequent Request for Revolving Credit Increase until all the conditions to effectiveness of such first Request for Revolving Credit Increase have been fully satisfied (or such Request for Revolving Credit Increase has been withdrawn); and provided further that

Borrower may make no more than three (3) Requests for Revolving Credit Increase and no Request for Increase may be made after December 31, 2021;

(d) within three (3) Business Days after the Agent's receipt of the Request for Revolving Credit Increase, the Agent shall inform each Revolving Credit Lender of the requested increase in the Revolving Credit Aggregate Commitment, offer each Revolving Credit Lender the opportunity to increase its Revolving Credit Commitment Amount in an amount equal to its applicable Revolving Credit Percentage of the requested increase in the Revolving Credit Aggregate Commitment, and request each such Revolving Credit Lender to notify the Agent in writing whether such Revolving Credit Lender desires to increase its applicable commitment by the requested amount. Each Revolving Credit Lender approving an increase in its applicable commitment by the requested amount shall deliver its written consent thereto within such time period determined by Borrower in consultation with Agent (which shall in no event be sooner than ten (10) Business Days of the Agent's informing such Revolving Credit Lender of the Request for Revolving Credit Increase); if the Agent shall not have received a written consent from a Revolving Credit Lender within such time period, such Revolving Credit Lender shall be deemed to have elected not to increase its applicable Revolving Credit Commitment Amount. If any one or more Revolving Credit Lenders shall elect not to increase its Revolving Credit Commitment Amount, then the Agent may offer the remaining increase amount to each other Revolving Credit Lender hereunder on a non-pro rata basis, or to (A) any other Lender hereunder, or (B) any other Person meeting the requirements of Section 13.8 hereof (including, for the purposes of this Section 2.12, any existing Revolving Credit Lender which agrees to increase its Revolving Credit Commitment Amount hereunder, the "New Revolving Credit Lender(s)"), to increase their respective applicable Revolving Credit Commitment Amount (or to provide a commitment). Notwithstanding anything to the contrary in the foregoing, Western Alliance Bank hereby agrees to increase its Revolving Credit Aggregate Commitment by up to $15,000,000 in the aggregate as a result of any Requests for Revolving Credit Increase that results in an increase in the Revolving Credit Aggregate Commitments of all Revolving Credit Lenders by the full Revolving Credit Optional Increase Amount; provided that such advance commitment shall in no way affect the opportunity for any other Revolving Credit Lender to increase its commitment based on its Revolving Credit Percentage as set forth above; provided further that if any Requests for Revolving Credit Increase does not result in an increase in the Revolving Credit Aggregate Commitments of all Revolving Credit Lenders by the full Revolving Credit Optional Increase Amount, then any increase of Western Alliance Bank's Revolving Credit Aggregate Commitment shall be subject to Western Alliance Bank's prior approval;

(e) the New Revolving Credit Lenders shall have become a party to this Agreement by executing and delivering a New Lender Addendum for a minimum amount for each such New Revolving Credit Lender that was not an existing Revolving Credit Lender of $5,000,000 and an aggregate amount for all such New Revolving Credit Lenders of that portion of the Revolving Credit Optional Increase Amount, taking into account the amount of any prior increase in the Revolving Credit Aggregate Commitment (pursuant to this Section 2.12) covered by the applicable Request; provided, however, that each New Revolving Credit Lender shall remit to the Agent funds in an amount equal to its Percentage (after giving effect to this Section 2.12) of all Advances of the Revolving Credit then outstanding, such sums to be reallocated among and paid to the existing Revolving Credit Lenders based upon the new Percentages as determined below;

(f) no New Revolving Credit Lender shall receive compensation (whether in the form of a fee, original issue discount or interest rate pricing) for its commitment under the Revolving Credit, except as set forth in this Agreement;

(g) Borrower shall have paid to the Agent for distribution to the existing Revolving Credit Lenders, as applicable, all interest, fees (including the Revolving Credit Facility Fee, which shall not be duplicative) and other amounts, if any, accrued to the effective date of such increase and any breakage fees

attributable to the reduction (prior to the last day of the applicable Interest Period) of any outstanding Eurocurrency-based Advances, calculated on the basis set forth in Section 11.1 hereof as though Borrower had prepaid such Advances;

(h) if requested, Borrower shall have executed and delivered to the Agent new Revolving Credit Notes payable to each of the New Revolving Credit Lenders in the face amount of each such New Revolving Credit Lender's Percentage of the Revolving Credit Aggregate Commitment (after giving effect to this Section 2.12) and, if applicable, renewal and replacement Revolving Credit Notes payable to each of the existing Revolving Credit Lenders in the face amount of each such Revolving Credit Lender's Revolving Credit Percentage of the Revolving Credit Aggregate Commitment (after giving effect to this Section 2.12), dated as of the effective date of such increase (with appropriate insertions relevant to such Notes and acceptable to the applicable Revolving Credit Lenders, including the New Revolving Credit Lenders);

(i) prior to the date the increased commitment becomes available, the Borrower shall have delivered to the Agent, in each case dated as of the date of the applicable increase:

(1) a pro forma Covenant Compliance Report demonstrating that, upon giving effect to the applicable increase, all financial covenants set forth in Section 7.9 would be satisfied on a pro forma basis on such date and for the most recent determination period for which the Borrower has delivered or is required to have delivered financial statements pursuant to Section 7.1(a) or (b); and

(2) a certificate signed by a Responsible Officer of Borrower (A) certifying and attaching the resolutions adopted by Borrower approving or consenting to such increase, and (B) certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in this Agreement and the other Loan Documents are true and correct in all material respects on and as of the date such increase becomes available, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and (2) no Default or Event of Default shall have occurred and be continuing; and

(j) such amendments, acknowledgments, consents, documents, instruments, any registrations, if any, shall have been executed and delivered and/or obtained by Borrower as required by the Agent, in its reasonable discretion;

(k) prior to the date the Revolving Credit Increase becomes available, each Lender, if applicable, shall have completed its flood insurance due diligence and flood insurance compliance as required as a result of such increase; and

(l) no Revolving Credit Increase shall be permitted under this Section 2.12 if such increase would result in a violation of any Subordinated Debt Documents or Subordination Agreements, unless the Agent has received satisfactory evidence prior to giving effect to such increase that the holders of any such Subordinated Debt shall have consented to such increase on terms satisfactory to Agent.

2.13 Use of Proceeds of Advances. Advances of the Revolving Credit shall be used to finance working capital and for all other lawful corporate purposes.

3. LETTERS OF CREDIT.

3.1 Letters of Credit. Subject to the terms and conditions of this Agreement, Issuing Lender may, but shall not be required to, through the Issuing Office, at any time and from time to time from and after the date hereof until thirty (30) days prior to the Revolving Credit Maturity Date, upon the written request of the Borrower accompanied by a duly executed Letter of Credit Agreement and such other documentation related to the requested Letter of Credit as the Issuing Lender may require, issue Letters of Credit in Dollars for the account of the Borrower, in an aggregate amount for all Letters of Credit issued hereunder at any one time outstanding not to exceed the Letter of Credit Maximum Amount. Each Letter of Credit shall be in a minimum face amount of One Hundred Thousand Dollars ($100,000) (or such lesser amount as may be agreed to by Issuing Lender) and each Letter of Credit (including any renewal thereof) shall expire not later than the first to occur of (i) twelve (12) months after the date of issuance thereof and (ii) ten (10) Business Days prior to the Revolving Credit Maturity Date in effect on the date of issuance thereof. The submission of all applications in respect of and the issuance of each Letter of Credit hereunder shall be subject in all respects to such industry rules and governing law as are acceptable to the Issuing Lender. In the event of any conflict between this Agreement and any Letter of Credit Document other than any Letter of Credit, this Agreement shall control.

3.2 Conditions to Issuance. No Letter of Credit shall be issued (including the renewal or extension of any Letter of Credit previously issued) at the request and for the account of the Borrower unless, as of the date of issuance (or renewal or extension) of such Letter of Credit:

(a) (i) after giving effect to the Letter of Credit requested, the Letter of Credit Obligations do not exceed the Letter of Credit Maximum Amount; and (ii) after giving effect to the Letter of Credit requested, the Letter of Credit Obligations on such date plus the aggregate amount of all Revolving Credit Advances and Swing Line Advances (including all Advances deemed disbursed by the Agent under Section 3.6(c) hereof in respect of the Borrower's Reimbursement Obligations) hereunder requested or outstanding on such date do not exceed the lesser of (A) the Revolving Credit Aggregate Commitment and (B) the then applicable Borrowing Base;

(b) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects and shall be true and correct in all material respects as of date of the issuance of such Letter of Credit (both before and immediately after the issuance of such Letter of Credit), other than any representation or warranty that expressly speaks only as of a different date;

(c) there is no Default or Event of Default in existence, and none will exist upon the issuance of such Letter of Credit;

(d) the Borrower shall have delivered to Issuing Lender at its Issuing Office, not less than three (3) Business Days prior to the requested date for issuance (or such shorter time as the Issuing Lender, in its sole discretion, may permit), the Letter of Credit Agreement related thereto, together with such other documents and materials as may be required pursuant to the terms thereof, and the terms of the proposed Letter of Credit shall be reasonably satisfactory to Issuing Lender;

(e) no order, judgment or decree of any court, arbitrator or Governmental Authority shall purport by its terms to enjoin or restrain Issuing Lender from issuing the Letter of Credit requested, or any Revolving Credit Lender from taking an assignment of its Revolving Credit Percentage thereof pursuant to

Section 3.6 hereof, and no law, rule, regulation, request or directive (whether or not having the force of law) shall prohibit the Issuing Lender from issuing, or any Revolving Credit Lender from taking an assignment of its Revolving Credit Percentage of, the Letter of Credit requested or letters of credit generally;

(f) there shall have been (i) no introduction of or change in the interpretation of any law or regulation, (ii) no declaration of a general banking moratorium by banking authorities in the United States, California, or the respective jurisdictions in which the Revolving Credit Lenders, the Borrower and the beneficiary of the requested Letter of Credit are located, and (iii) no establishment of any new restrictions by any central bank or other governmental agency or authority on transactions involving letters of credit or on banks generally that, in any case described in this clause (e), would make it unlawful or unduly burdensome for the Issuing Lender to issue or any Revolving Credit Lender to take an assignment of its Revolving Credit Percentage of the requested Letter of Credit or letters of credit generally;

(g) if any Revolving Credit Lender is a Defaulting Lender, the Issuing Lender has entered into arrangements satisfactory to it to eliminate the Fronting Exposure with respect to the participation in the Letter of Credit Obligations by such Defaulting Lender, including creation of a cash collateral account on terms satisfactory to the Agent or delivery of other security to assure payment of such Defaulting Lender's Percentage of all outstanding Letter of Credit Obligations; and

(h) Issuing Lender shall have received the issuance fees required in connection with the issuance of such Letter of Credit pursuant to Section 3.4 hereof.

Each Letter of Credit Agreement submitted to Issuing Lender pursuant hereto shall constitute the certification by the Borrower of the matters set forth in Sections 5.2 hereof. The Agent shall be entitled to rely on such certification without any duty of inquiry.

3.3 Notice. The Issuing Lender shall deliver to the Agent, concurrently with or promptly following its issuance of any Letter of Credit, a true and complete copy of each Letter of Credit. Promptly upon its receipt thereof, the Agent shall give notice, substantially in the form attached as Exhibit E, to each Revolving Credit Lender of the issuance of each Letter of Credit, specifying the amount thereof and the amount of such Revolving Credit Lender's Percentage thereof.

3.4 Letter of Credit Fees; Increased Costs.

(a) The Borrower shall pay letter of credit fees as follows:

(i) A per annum letter of credit fee with respect to the undrawn amount of each Letter of Credit issued pursuant hereto (based on the amount of each Letter of Credit) in the amount of the Applicable Fee Percentage (determined with reference to Annex I to this Agreement) shall be paid to the Agent for distribution to the Revolving Credit Lenders in accordance with their Revolving Credit Percentages.

(ii) A letter of credit facing fee on the face amount of each Letter of Credit shall be paid to the Agent for distribution to the Issuing Lender for its own account, in accordance with the terms of the applicable Fee Letter.

(b) All payments by the Borrower to the Agent for distribution to the Issuing Lender or the Revolving Credit Lenders under this Section 3.4 shall be made in Dollars in immediately available funds at the Issuing Office or such other office of the Agent as may be designated from time to time by written notice to the Borrower by the Agent. The fees described in clauses (a)(i) and (ii) above (i) shall be

nonrefundable under all circumstances, (ii) in the case of fees due under clause (a)(i) above, shall be payable quarterly in advance on the first day of each calendar quarter, and (iii) in the case of fees due under clause (a)(ii) above, shall be payable upon the issuance of such Letter of Credit and quarterly in advance thereafter. The fees due under clause (a)(i) above shall be determined by multiplying the Applicable Fee Percentage times the undrawn amount of the face amount of each such Letter of Credit on the date of determination, and shall be calculated on the basis of a 360 day year and assessed for the actual number of days from the date of the issuance thereof to the stated expiration thereof. The parties hereto acknowledge that, unless the Issuing Lender otherwise agrees, any material amendment and any extension to a Letter of Credit issued hereunder shall be treated as a new Letter of Credit for the purposes of the letter of credit facing fee.

(c) If any Change in Law shall either (i) impose, modify or cause to be deemed applicable any reserve, special deposit, limitation or similar requirement against letters of credit issued or participated in by, or assets held by, or deposits in or for the account of, Issuing Lender or any Revolving Credit Lender or (ii) impose on Issuing Lender or any Revolving Credit Lender any other condition regarding this Agreement, the Letters of Credit or any participations in such Letters of Credit, and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost or expense (other than Taxes) to Issuing Lender or such Revolving Credit Lender of issuing or maintaining or participating in any of the Letters of Credit (which increase in cost or expense shall be determined by the Issuing Lender's or such Revolving Credit Lender's reasonable allocation of the aggregate of such cost increases and expenses resulting from such events), then, upon demand by the Issuing Lender or such Revolving Credit Lender, as the case may be, the Borrower shall, within thirty (30) days following demand for payment, pay to Issuing Lender or such Revolving Credit Lender, as the case may be, from time to time as specified by the Issuing Lender or such Revolving Credit Lender, additional amounts which shall be sufficient to compensate the Issuing Lender or such Revolving Credit Lender for such increased cost and expense (together with interest on each such amount from ten days after the date such payment is due until payment in full thereof at the Base Rate), provided that if the Issuing Lender or such Revolving Credit Lender could take any reasonable action, without cost or administrative or other burden or restriction to such Lender, to mitigate or eliminate such cost or expense, it agrees to do so within a reasonable time after becoming aware of the foregoing matters. Each demand for payment under this Section 3.4(c) shall be accompanied by a certificate of Issuing Lender or the applicable Revolving Credit Lender setting forth the amount of such increased cost or expense incurred by the Issuing Lender or such Revolving Credit Lender, as the case may be, as a result of any event mentioned in clause (i) or (ii) above, and in reasonable detail, the methodology for calculating and the calculation of such amount, which certificate shall be prepared in good faith and shall be conclusive evidence, absent manifest error, as to the amount thereof.

3.5 Other Fees. In connection with the Letters of Credit, and in addition to the Letter of Credit Fees, the Borrower shall pay, for the sole account of the Issuing Lender, standard documentation, administration, payment and cancellation charges assessed by Issuing Lender or the Issuing Office, at the times, in the amounts and on the terms set forth or to be set forth from time to time in the standard fee schedule of the Issuing Office in effect from time to time.

3.6 Participation Interests in and Drawings and Demands for Payment Under Letters of Credit.

(a) Upon issuance by the Issuing Lender of each Letter of Credit hereunder (and on the Effective Date with respect to each existing Letter of Credit), each Revolving Credit Lender shall automatically acquire a pro rata participation interest in such Letter of Credit and each related Letter of Credit Payment based on its respective Revolving Credit Percentage.

(b) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, the Borrower agrees to pay to the Issuing Lender an amount equal to the amount paid by the Issuing Lender in respect of such draft or other demand under such Letter of Credit and all

reasonable expenses paid or incurred by the Agent relative thereto not later than 1:00 p.m. (Detroit time), in Dollars, on (i) the Business Day that the Borrower received notice of such presentment and honor, if such notice is received prior to 11:00 a.m. (Detroit time) or (ii) the Business Day immediately following the day that the Borrower received such notice, if such notice is received after 11:00 a.m. (Detroit time).

(c) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, but the Borrower does not reimburse the Issuing Lender as required under clause (b) above and the Revolving Credit Aggregate Commitment has not been terminated (whether by maturity, acceleration or otherwise), the Borrower shall be deemed to have immediately requested that the Revolving Credit Lenders make a Base Rate Advance of the Revolving Credit (which Advance may be subsequently converted at any time into a Eurodollar-based Advance pursuant to Section 2.3 hereof) in the principal amount equal to the amount paid by the Issuing Lender in respect of such draft or other demand under such Letter of Credit and all reasonable expenses paid or incurred by the Agent relative thereto. The Agent will promptly notify the Revolving Credit Lenders of such deemed request, and each such Lender shall make available to the Agent an amount equal to its pro rata share (based on its Revolving Credit Percentage) of the amount of such Advance.

(d) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, but the Borrower does not reimburse the Issuing Lender as required under clause (b) above, and (i) the Revolving Credit Aggregate Commitment has been terminated (whether by maturity, acceleration or otherwise), or (ii) any reimbursement received by the Issuing Lender from the Borrower is or must be returned or rescinded upon or during any bankruptcy or reorganization of any Credit Party or otherwise, then the Agent shall notify each Revolving Credit Lender, and each Revolving Credit Lender will be obligated to pay the Agent for the account of the Issuing Lender its pro rata share (based on its Revolving Credit Percentage) of the amount paid by the Issuing Lender in respect of such draft or other demand under such Letter of Credit and all reasonable expenses paid or incurred by the Agent relative thereto (but no such payment shall diminish the obligations of the Borrower hereunder). Upon receipt thereof, the Agent will deliver to such Revolving Credit Lender a participation certificate evidencing its participation interest in respect of such payment and expenses. To the extent that a Revolving Credit Lender fails to make such amount available to the Agent by 11:00 am Detroit time on the Business Day next succeeding the date such notice is given, such Revolving Credit Lender shall pay interest on such amount in respect of each day from the date such amount was required to be paid, to the date paid to the Agent, at the rate applicable under Section 2.4(c)(i) in respect of Revolving Credit Advances. The failure of any Revolving Credit Lender to make its pro rata portion of any such amount available under to the Agent shall not relieve any other Revolving Credit Lender of its obligation to make available its pro rata portion of such amount, but no Revolving Credit Lender shall be responsible for failure of any other Revolving Credit Lender to make such pro rata portion available to the Agent.

(e) In the case of any Advance made under this Section 3.6, each such Advance shall be disbursed notwithstanding any failure to satisfy any conditions for disbursement of any Advance set forth in Article 2 hereof or Article 5 hereof, and, to the extent of the Advance so disbursed, the Reimbursement Obligation of the Borrower to the Agent under this Section 3.6 shall be deemed satisfied (unless, in each case, taking into account any such deemed Advances, the aggregate outstanding principal amount of Advances of the Revolving Credit and the Swing Line, plus the Letter of Credit Obligations (other than the Reimbursement Obligations to be reimbursed by this Advance) on such date exceed the lesser of the Borrowing Base or the then applicable Revolving Credit Aggregate Commitment).

(f) If the Issuing Lender shall honor a draft or other demand for payment presented or made under any Letter of Credit, the Issuing Lender shall provide notice thereof to the Borrower on the date such draft or demand is honored, and to each Revolving Credit Lender on such date unless the Borrower shall have satisfied its reimbursement obligations by payment to the Agent (for the benefit of the Issuing Lender)

as required under this Section 3.6. The Issuing Lender shall further use reasonable efforts to provide notice to the Borrower prior to honoring any such draft or other demand for payment, but such notice, or the failure to provide such notice, shall not affect the rights or obligations of the Issuing Lender with respect to any Letter of Credit or the rights and obligations of the parties hereto, including without limitation the obligations of the Borrower under this Section 3.6.

(g) Notwithstanding the foregoing however no Revolving Credit Lender shall be deemed to have acquired a participation in a Letter of Credit if the officers of the Issuing Lender immediately responsible for matters concerning this Agreement shall have received written notice from the Agent or any Lender at least two (2) Business Days prior to the date of the issuance or extension of such Letter of Credit or, with respect to any Letter of Credit subject to automatic extension, at least five (5) Business Days prior to the date that the beneficiary under such Letter of Credit must be notified that such Letter of Credit will not be renewed, that the issuance or extension of Letters of Credit should be suspended based on the occurrence and continuance of a Default or Event of Default and stating that such notice is a "notice of default"; provided, however that the Revolving Credit Lenders shall be deemed to have acquired such a participation upon the date on which such Default or Event of Default has been waived by the requisite Revolving Credit Lenders, as applicable.

(h) Nothing in this Agreement shall be construed to require or authorize any Revolving Credit Lender to issue any Letter of Credit, it being recognized that the Issuing Lender shall be the sole issuer of Letters of Credit under this Agreement.

(i) In the event that any Revolving Credit Lender becomes a Defaulting Lender, the Issuing Lender may, at its option, require that the Borrower enter into arrangements satisfactory to Issuing Lender to eliminate the Fronting Exposure with respect to the participation in the Letter of Credit Obligations by such Defaulting Lender, including creation of a cash collateral account on terms satisfactory to the Agent or delivery of other security to assure payment of such Defaulting Lender's Percentage of all outstanding Letter of Credit Obligations.

3.7 Obligations Irrevocable. The obligations of the Borrower to make payments to the Agent for the account of Issuing Lender or the Revolving Credit Lenders with respect to Letter of Credit Obligations under Section 3.6 hereof, shall be unconditional and irrevocable and not subject to any qualification or exception whatsoever, including, without limitation:

(a) Any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement, any other documentation relating to any Letter of Credit, this Agreement or any of the other Loan Documents (the "Letter of Credit Documents");

(b) Any amendment, modification, waiver, consent, or any substitution, exchange or release of or failure to perfect any interest in collateral or security, with respect to or under any Letter of Credit Document;

(c) The existence of any claim, setoff, defense or other right which the Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any persons or entities for whom any such beneficiary or any such transferee may be acting), the Agent, the Issuing Lender or any Revolving Credit Lender or any other Person, whether in connection with this Agreement, any of the Letter of Credit Documents, the transactions contemplated herein or therein or any unrelated transactions;

(d) Any draft or other statement or document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) Payment by the Issuing Lender to the beneficiary under any Letter of Credit against presentation of documents which do not comply with the terms of such Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit;

(f) Any failure, omission, delay or lack on the part of the Agent, Issuing Lender or any Revolving Credit Lender or any party to any of the Letter of Credit Documents or any other Loan Document to enforce, assert or exercise any right, power or remedy conferred upon the Agent, Issuing Lender, any Revolving Credit Lender or any such party under this Agreement, any of the other Loan Documents or any of the Letter of Credit Documents, or any other acts or omissions on the part of the Agent, Issuing Lender, any Revolving Credit Lender or any such party; or

(g) Any other event or circumstance that would, in the absence of this Section 3.7, result in the release or discharge by operation of law or otherwise of the Borrower from the performance or observance of any obligation, covenant or agreement contained in Section 3.6 hereof.

No setoff, counterclaim, reduction or diminution of any obligation or any defense of any kind or nature which the Borrower has or may have against the beneficiary of any Letter of Credit shall be available hereunder to the Borrower against the Agent, Issuing Lender or any Revolving Credit Lender. With respect to any Letter of Credit, nothing contained in this Section 3.7 shall be deemed to prevent the Borrower, after satisfaction in full of the absolute and unconditional obligations of the Borrower hereunder with respect to such Letter of Credit, from asserting in a separate action any claim, defense, set off or other right which they (or any of them) may have against the Agent, Issuing Lender or any Revolving Credit Lender in connection with such Letter of Credit.

3.8 Risk Under Letters of Credit.

(a) In the administration and handling of Letters of Credit and any security therefor, or any documents or instruments given in connection therewith, Issuing Lender shall have the sole right to take or refrain from taking any and all actions under or upon the Letters of Credit.

(b) Subject to other terms and conditions of this Agreement, Issuing Lender shall issue the Letters of Credit and shall hold the documents related thereto in its own name and shall make all collections thereunder and otherwise administer the Letters of Credit in accordance with Issuing Lender's regularly established practices and procedures and will have no further obligation with respect thereto. In the administration of Letters of Credit, Issuing Lender shall not be liable for any action taken or omitted on the advice of counsel, accountants, appraisers or other experts selected by Issuing Lender with due care and Issuing Lender may rely upon any notice, communication, certificate or other statement from the Borrower, beneficiaries of Letters of Credit, or any other Person which Issuing Lender believes to be authentic. Issuing Lender will, upon request, furnish the Revolving Credit Lenders with copies of Letter of Credit Documents related thereto.

(c) In connection with the issuance and administration of Letters of Credit and the assignments hereunder, Issuing Lender makes no representation and shall have no responsibility with respect to (i) the obligations of the Borrower or the validity, sufficiency or enforceability of any document or instrument given in connection therewith, or the taking of any action with respect to same, (ii) the financial condition of, any representations made by, or any act or omission of the Borrower or any other Person, or (iii) any failure or delay in exercising any rights or powers possessed by Issuing Lender in its capacity as issuer of Letters of Credit in the absence of its gross negligence or willful misconduct. Each of the Revolving Credit Lenders expressly acknowledges that it has made and will continue to make its own evaluations of the Borrower's creditworthiness without reliance on any representation of Issuing Lender or Issuing Lender's officers, agents and employees.

(d) If at any time Issuing Lender shall recover any part of any unreimbursed amount for any draw or other demand for payment under a Letter of Credit, or any interest thereon, the Agent or Issuing Lender, as the case may be, shall receive same for the pro rata benefit of the Revolving Credit Lenders in accordance with their respective Percentages and shall promptly deliver to each Revolving Credit Lender its share thereof, less such Revolving Credit Lender's pro rata share of the costs of such recovery, including court costs and attorney's fees. If at any time any Revolving Credit Lender shall receive from any source whatsoever any payment on any such unreimbursed amount or interest thereon in excess of such Revolving Credit Lender's Percentage of such payment, such Revolving Credit Lender will promptly pay over such excess to the Agent, for redistribution in accordance with this Agreement.

3.9 Indemnification. The Borrower hereby indemnifies and agrees to hold harmless the Revolving Credit Lenders, the Issuing Lender and the Agent and their respective Affiliates, and the respective officers, directors, employees and agents of such Persons (each an "L/C Indemnified Person"), from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever (other than Taxes) which the Revolving Credit Lenders, the Issuing Lender or the Agent or any such Person may incur or which may be claimed against any of them by reason of or in connection with any Letter of Credit (collectively, the "L/C Indemnified Amounts"), and none of the Issuing Lender, any Revolving Credit Lender or the Agent or any of their respective officers, directors, employees or agents shall be liable or responsible for:

(a) the use which may be made of any Letter of Credit or for any acts or omissions of any beneficiary in connection therewith;

(b) the validity, sufficiency or genuineness of documents or of any endorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(c) payment by the Issuing Lender to the beneficiary under any Letter of Credit against presentation of documents which do not strictly comply with the terms of any Letter of Credit (unless such payment resulted from the gross negligence or willful misconduct of the Issuing Lender), including failure of any documents to bear any reference or adequate reference to such Letter of Credit;

(d) any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit; or

(e) any other event or circumstance whatsoever arising in connection with any Letter of Credit.

It is understood that in making any payment under a Letter of Credit the Issuing Lender will rely on documents presented to it under such Letter of Credit as to any and all matters set forth therein without further investigation and regardless of any notice or information to the contrary.

With respect to clauses (a) through (e) hereof, (i) no Borrower shall be required to indemnify any L/C Indemnified Person for any L/C Indemnified Amounts to the extent such amounts result from the gross negligence or willful misconduct of such L/C Indemnified Person or any officer, director, employee or agent of such L/C Indemnified Person and (ii) the Agent and the Issuing Lender shall be liable to the Borrower to the extent, but only to the extent, of any direct, as opposed to consequential or incidental, damages suffered by Borrower which were caused by the gross negligence or willful misconduct of the Issuing Lender or any officer, director, employee or agent of the Issuing Lender or by the Issuing Lender's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit.

3.10 Right of Reimbursement. Each Revolving Credit Lender agrees to reimburse the Issuing Lender on demand, pro rata in accordance with its respective Revolving Credit Percentage, for (i) the reasonable out-of-pocket costs and expenses of the Issuing Lender to be reimbursed by the Borrower pursuant to any Letter of Credit Agreement or any Letter of Credit, to the extent not reimbursed by the Borrower or any other Credit Party and (ii) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, fees, reasonable out-of-pocket expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Issuing Lender in any way relating to or arising out of this Agreement (including Section 3.6(c) hereof), any Letter of Credit, any documentation or any transaction relating thereto, or any Letter of Credit Agreement, to the extent not reimbursed by the Borrower, except to the extent that such liabilities, losses, costs or expenses were incurred by Issuing Lender as a result of Issuing Lender's gross negligence or willful misconduct or by the Issuing Lender's wrongful dishonor of any Letter of Credit after the presentation to it by the beneficiary thereunder of a draft or other demand for payment and other documentation strictly complying with the terms and conditions of such Letter of Credit.

4. [RESERVED].

5. CONDITIONS.

The obligations of the Lenders to make Advances or loans pursuant to this Agreement and the obligation of the Issuing Lender to issue Letters of Credit are subject to the following conditions:

5.1 Conditions of Initial Advances. The obligations of the Lenders to make initial Advances or loans pursuant to this Agreement and the obligation of the Issuing Lender to issue initial Letters of Credit, in each case, on the Effective Date only, are subject to the following conditions:

(a) Notes, this Agreement and the other Loan Documents. The Borrower shall have executed and delivered to the Agent for the account of each Lender requesting Notes, the Swing Line Note and the Revolving Credit Notes; the Borrower shall have executed and delivered this Agreement; and each Credit Party shall have executed and delivered the other Loan Documents to which such Credit Party is required to be a party (including all schedules and other documents to be delivered pursuant hereto); and such Notes (if any), this Agreement and the other Loan Documents shall be in full force and effect.

(b) Corporate Authority. The Agent shall have received, with a counterpart thereof for each Lender, from each Credit Party, a certificate of its Secretary or Assistant Secretary or other authorized officer dated as of the Effective Date as to:

(i) corporate resolutions (or the equivalent) of each Credit Party authorizing the transactions contemplated by this Agreement and the other Loan Documents approval of this Agreement and the other Loan Documents, in each case to which such Credit Party is party, and authorizing the execution and delivery of this Agreement and the other Loan Documents, and in the case of the Borrower, authorizing the execution and delivery of requests for Advances and the issuance of Letters of Credit hereunder,

(ii) the incumbency and signature of the officers or other authorized persons of such Credit Party executing any Loan Document and in the case of the Borrower, the officers who are authorized to execute any Requests for Advance, or requests for the issuance of Letters of Credit,

(iii) a certificate of good standing or continued existence (or the equivalent thereof) from the state of its incorporation or formation, and

(iv) copies of such Credit Party's articles of incorporation and bylaws or other constitutional documents, as in effect on the Effective Date.

(c) Collateral Documents, Guaranties and other Loan Documents. The Agent shall have received the following documents, each in form and substance satisfactory to the Agent and fully executed by each party thereto:

(i) The following Collateral Documents, each in form and substance acceptable to the Agent and fully executed by each party thereto and dated as of the Effective Date:

(A) the Security Agreement, executed and delivered by the Credit Parties.

(ii) (A) Certified copies of uniform commercial code requests for information, or a similar search report certified by a party acceptable to the Agent, dated a date reasonably prior to the Effective Date, listing all effective financing statements in the jurisdiction noted on Schedule 5.1(c) which name any Credit Party (under their present names or under any previous names used within five (5) years prior to the date hereof) as debtors, together with (x) copies of such financing statements, and (y) authorized Uniform Commercial Code (Form UCC-3) Termination Statements, if any, necessary to release all Liens and other rights of any Person in any Collateral described in the Collateral Documents previously granted by any Person (other than Liens permitted by Section 8.2 of this Agreement) and (B) intellectual property search reports results from the United States Patent and Trademark Office and the United States Copyright Office for the Credit Parties dated a date reasonably prior to the Effective Date.

(iii) Any documents (including, without limitation, financing statements, amendments to financing statements and assignments of financing statements, stock powers executed in blank and any endorsements) requested by the Agent and reasonably required to be provided in connection with the Collateral Documents to create, in favor of the Agent (for and on behalf of the Lenders), a first priority perfected security interest in the Collateral thereunder shall have been filed, registered or recorded, or shall have been delivered to the Agent in proper form for filing, registration or recordation.

(d) Insurance. The Agent shall have received evidence reasonably satisfactory to it that the Credit Parties have obtained the insurance policies required by Section 7.5 hereof and that such insurance policies are in full force and effect.

(e) Compliance with Certain Documents and Agreements. Each Credit Party shall have each performed and complied in all material respects with all agreements and conditions contained in this Agreement and the other Loan Documents, to the extent required to be performed or complied with by such Credit Party. No Person (other than the Agent, Lenders and Issuing Lender) party to this Agreement or any other Loan Document shall be in material default in the performance or compliance with any of the terms or provisions of this Agreement or the other Loan Documents or shall be in material default in the performance or compliance with any of the material terms or material provisions of, in each case to which such Person is a party.

(f) Opinions of Counsel. The Credit Parties shall furnish the Agent prior to the initial Advance under this Agreement, with signed copies for each Lender, opinions of counsel to the Credit Parties, including opinions of local counsel to the extent deemed necessary by the Agent, in each case dated the Effective Date and covering such matters as reasonably required by and otherwise reasonably satisfactory in form and substance to the Agent and each of the Lenders.

(g) Payment of Fees. The Borrower shall have paid to Comerica Bank any fees due under the terms of the Fee Letter, along with any other fees, costs or expenses due and outstanding to the Agent or the Lenders as of the Effective Date (including reasonable fees, disbursements and other charges of counsel to the Agent).

(h) Pro Forma Balance Sheet and Financial Statements. The Borrower shall have delivered to the Lenders and the Agent, in form and substance satisfactory to the Agent: (a) the Pro Forma Balance Sheet, (b) quarterly financial statements prepared by the Borrower for February 28, 2019 and (c) annual projections of the Borrower through the fiscal year ending February 28, 2020, in form reasonably acceptable to the Agent, it being understood and agreed that Borrower will furnish updated projections for such period to Agent after the Effective Date reflecting the adoption of ASC 606.

(i) Management Agreement and Management Fee Subordination Agreement. The Agent shall have received (i) a copy of the Management Agreement and (ii) fully executed Management Fee Subordination Agreement in form and substance acceptable to the Agent.

(j) Governmental and Other Approvals. The Agent shall have received copies of all authorizations, consents, approvals, licenses, qualifications or formal exemptions, filings, declarations and registrations with, any court, governmental agency or regulatory authority or any securities exchange or any other person or party (whether or not governmental) received by any Credit Party in connection with the transactions contemplated by the Loan Documents to occur on the Effective Date.

(k) Closing Certificate. The Agent shall have received, with a signed counterpart for each Lender, a certificate of a Responsible Officer of the Borrower dated the Effective Date (or, if different, the date of the initial Advance hereunder), stating that to the best of his or her respective knowledge after due inquiry, (a) the conditions set forth in this Section 5 have been satisfied to the extent required to be satisfied by any Credit Party; (b) the representations and warranties made by the Credit Parties in this Agreement or any of the other Loan Documents, as applicable, are true and correct in all material respects; (c) no Default or Event of Default shall have occurred and be continuing; (d) since December 31, 2018, nothing shall have occurred which has had, or could reasonably be expected to have, a material adverse change on the business, results of operations, conditions, property or prospects (financial or otherwise) of the Borrower or any other Credit Party; and (e) there shall have been no material adverse change to the Pro Forma Balance Sheet.

(l) Escalate Subordinated Debt Documents. On or before the Effective Date, the Agent shall have received (i) evidence satisfactory to it that Borrower shall have received not less than $22,000,000 from Escalate, (ii) copies of fully executed Escalate Subordinated Debt Documents, and (iii) a fully executed Escalate Subordination Agreement, all in form and substances acceptable to the Agent.

(m) Customer Identification Forms. The Agent shall have received (i) the completed Beneficial Ownership Certification from the Borrower and each Guarantor and (ii) all other documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including USA PATRIOT Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for the Borrower, each Guarantor and any other Person who provides guaranty or collateral support for all or any of the Indebtedness.

(n) Representations and Warranties. The representations and warranties made by the Credit Parties in this Agreement or any of the other Loan Documents, as applicable, shall be true and correct in all material respects.

(o) No Default or Event of Default shall have occurred and be continuing.

(p) Since December 31, 2018, nothing shall have occurred which has had, or could reasonably be expected to have, a material adverse change on the business, results of operations, conditions, property or prospects (financial or otherwise) of the Borrower or any other Credit Party.

5.2 Continuing Conditions. The obligations of each Lender to make Advances (including the initial Advance) or to provide other credit accommodations and the obligation of the Issuing Lender to issue any Letters of Credit shall be subject to the continuing conditions that:

(a) No Default or Event of Default shall exist as of the date of the Advance or the request for the Letter of Credit, as the case may be; and

(b) Each of the representations and warranties contained in this Agreement and in each of the other Loan Documents shall be true and correct in all material respects as of the date of the Advance or Letter of Credit (as the case may be) as if made on and as of such date (other than any representation or warranty that expressly speaks only as of a different date).

5.3 Post-Closing Conditions. The Borrower agrees as follows with respect to the period following the Effective Date:

(a) Within ninety (90) days after the Effective Date (as may be extended by the Agent in its reasonable discretion), the Agent and the Lenders shall have received the commercially reasonable assistance of the Borrower in completing, in form and content satisfactory to the Agent, an audit of all accounts receivable and inventory of the Borrower and its respective Subsidiaries;

(b) Within ninety (90) days after the Effective Date (as may be extended by the Agent in its reasonable discretion), Borrower shall, with the commercially reasonable assistance of the Agent, deliver an Account Control Agreement with respect to any deposit or securities accounts maintained with Agent, any Lender, or any other third-party financial institution as of the Effective Date (but excluding any Excluded Accounts); and

(c) Within ninety (90) days after the Effective Date (as may be extended by the Agent in its reasonable discretion), for each real property location (including each warehouse or other storage location) leased by any Credit Party as a lessee (such locations being disclosed and identified as such on Schedule 6.3(b) hereto), such Credit Party shall, with the commercially reasonable assistance of the Agent, (i) deliver a true, complete and accurate copy of the fully executed applicable lease bailment or warehouse agreement, as the case may be; and (ii) use commercially reasonable efforts to deliver a Collateral Access Agreement with respect to each location.

6. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Agent, the Lenders, the Swing Line Lender and the Issuing Lender as follows:

6.1 Corporate Authority. Each Credit Party is a corporation (or other business entity) duly organized and existing in good standing under the laws of the state or jurisdiction of its incorporation or formation, as applicable, and each Credit Party is duly qualified and authorized to do business as a foreign corporation in each jurisdiction where the character of its assets or the nature of its activities makes such qualification and authorization necessary except where failure to be so qualified or be in good standing could not reasonably be expected to have a Material Adverse Effect. Each Credit Party has all requisite corporate, limited liability or partnership power and authority to own all its property (whether real, personal, tangible or intangible or of any kind whatsoever) and to carry on its business.

6.2 Due Authorization. Execution, delivery and performance of this Agreement, and the other Loan Documents, to which each Credit Party is party, and the issuance of the Notes by the Borrower (if requested) are within such Person's corporate, limited liability or partnership power, have been duly authorized, are not in contravention of any material law applicable to such Credit Party or the terms of such Credit Party's organizational documents and, except as have been previously obtained or as referred to in Section 6.10, below, do not require the consent or approval of any governmental body, agency or authority or any other third party except to the extent that such consent or approval is not material to the transactions contemplated by the Loan Documents.

6.3 Good Title; Leases; Assets; No Liens.

(a) Each Credit Party, to the extent applicable, has good and valid title (or, in the case of real property, good and marketable title) to all assets owned by it, subject only to the Liens permitted under section 8.2 hereof, and each Credit Party has a valid leasehold or interest as a lessee or a licensee in all of its leased real property;

(b) Schedule 6.3(b) hereof identifies all of the real property owned or leased, as lessee thereunder, by the Credit Parties on the Effective Date, including all warehouse or bailee locations;

(c) The Eligible Recurring Revenue Contracts are bona fide, existing contracts. Each Credit Party has not received notice of any actual or imminent Insolvency Proceeding of any customer with respect to an Eligible Recurring Revenue Contract that is included in any Borrowing Base Certificate as an Eligible Recurring Revenue Contract. To the knowledge of the Borrower, no licenses or agreements giving rise to such Eligible Recurring Revenue Contracts is with any Sanctioned Country or with any Person organized under or doing business in a Sanctioned Country.

(d) The Credit Parties will collectively own or collectively have a valid leasehold interest in all assets that were owned or leased (as lessee) by the Credit Parties immediately prior to the Effective Date to the extent that such assets are necessary for the continued operation of the Credit Parties' businesses in substantially the manner as such businesses were operated immediately prior to the Effective Date;

(e) Each Credit Party owns or has a valid leasehold interest in all real property necessary for its continued operations and, to the best knowledge of the Borrower, no material condemnation, eminent domain or expropriation action has been commenced or threatened against any such owned or leased real property; and

(f) There are no Liens on and no financing statements on file with respect to any of the assets owned by the Credit Parties, except for the Liens permitted pursuant to Section 8.2 of this Agreement.

6.4 Taxes. Except as set forth on Schedule 6.4 hereof, each Credit Party has filed all United States federal income and other material tax returns which are required to be filed by it or has obtained extensions for filing such tax returns and is not delinquent in filing such returns in accordance with such extensions and has paid all material taxes due by it, except to the extent such taxes are being contested in good faith by appropriate proceedings and with respect to which adequate provision has been made on the books of such Credit Party or if such taxes or assessments do not, individually or in the aggregate exceed $100,000.00.

6.5 No Defaults. No Credit Party is in default under or with respect to any agreement, instrument or undertaking to which is a party or by which it or any of its property is bound which would cause or would reasonably be expected to cause a Material Adverse Effect.

6.6 Enforceability of Agreement and Loan Documents. This Agreement and each of the other Loan Documents to which any Credit Party is a party (including without limitation, each Request for Advance), have each been duly executed and delivered by its duly authorized officers and constitute the valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity).

6.7 Compliance with Laws. (a) Except as disclosed on Schedule 6.7, each Credit Party has complied with all applicable federal, state and local laws, ordinances, codes, rules, regulations and guidelines (including consent decrees and administrative orders) including but not limited to Hazardous Material Laws, and is in compliance with any Requirement of Law, except to the extent that failure to comply therewith could not reasonably be expected to have a Material Adverse Effect; and (b) neither the extension of credit made pursuant to this Agreement or the use of the proceeds thereof by the Credit Parties will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or The United and Strengthening America by providing appropriate Tools Required to Intercept and Obstruct Terrorism ("USA Patriot Act") Act of 2001, Public Law 10756, October 26, 2001 or Executive Order 13224 of September 23, 2001 issued by the President of the United States (66 Fed. Reg. 49049 (2001)).

6.8 Non-contravention. The execution, delivery and performance of this Agreement and the other Loan Documents (including each Request for Advance) to which each Credit Party is a party are not in contravention of the terms of any indenture, agreement or undertaking to which such Credit Party is a party or by which it or its properties are bound where such violation could reasonably be expected to have a Material Adverse Effect.

6.9 Litigation. Except as set forth on Schedule 6.9 hereof, there is no suit, action, proceeding, including, without limitation, any bankruptcy proceeding or governmental investigation pending against or to the knowledge of the Borrower, threatened against any Credit Party (other than any suit, action or proceeding in which a Credit Party is the plaintiff and in which no counterclaim or cross-claim against such Credit Party has been filed), or any judgment, decree, injunction, rule, or order of any court, government, department, commission, agency, instrumentality or arbitrator outstanding against any Credit Party, nor is any Credit Party in violation of any applicable law, regulation, ordinance, order, injunction, decree or requirement of any governmental body or court which could in any of the foregoing events reasonably be expected to have a Material Adverse Effect.

6.10 Consents, Approvals and Filings, Etc. Except as set forth on Schedule 6.10 hereof, no material authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other Person (whether or not governmental) is required in connection with (a) the execution, delivery and performance: (i) by any Credit Party of this Agreement and any of the other Loan Documents to which such Credit Party is a party or (ii) by the Credit Parties of the grant of

Liens granted, conveyed or otherwise established (or to be granted, conveyed or otherwise established) by or under this Agreement or the other Loan Documents, as applicable, and (b) otherwise necessary to the operation of its business, except in each case for (x) such matters which have been previously obtained, and (y) such filings to be made concurrently herewith or promptly following the Effective Date as are required by the Collateral Documents to perfect Liens in favor of the Agent. All such material authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations which have previously been obtained or made, as the case may be, are in full force and effect and, to the best knowledge of the Borrower,

are not the subject of any attack or threatened attack (in each case in any material respect) by appeal or direct proceeding or otherwise.

6.11 Agreements Affecting Financial Condition. No Credit Party is party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect.

6.12 No Investment Company or Margin Stock. No Credit Party is an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No Credit Party is engaged principally, or as one of its important activities, directly or indirectly, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of any of the Advances will be used by any Credit Party to purchase or carry margin stock. Terms for which meanings are provided in Regulation U of the Board of Governors of the Federal Reserve System or any regulations substituted therefore, as from time to time in effect, are used in this paragraph with such meanings.

6.13 ERISA Compliance.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(c) No ERISA Event has occurred, and no Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(d) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of Borrower or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(e) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. No Borrower nor any Subsidiary has incurred any material obligation in connection with

the termination of or withdrawal from any Foreign Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

(f) As of the date hereof and throughout the term of this Agreement, none of the Credit Parties is (1) an employee benefit plan subject to Title I of ERISA, (2) a plan or account subject to Section 4975 of the Code, (3) an entity deemed to hold "plan assets" of any such plans or accounts for purposes of ERISA or the Code, or (4) a "governmental plan" within the meaning of ERISA.

6.14 Conditions Affecting Business or Properties. Neither the respective businesses nor the properties of any Credit Party is affected by any fire, explosion, accident, strike, lockout or other dispute, drought, storm, hail, earthquake, embargo, Act of God, or other casualty (except to the extent such event is covered by insurance sufficient to ensure that upon application of the proceeds thereof, no Material Adverse Effect could reasonably be expected to occur) which could reasonably be expected to have a Material Adverse Effect.

6.15 Environmental and Safety Matters. Except as set forth in Schedules 6.9, 6.10 and 6.15:

(a) all facilities and property owned or leased by the Credit Parties are in compliance in all material respects with all applicable Hazardous Material Laws;

(b) to the best knowledge of the Borrower, there have been no unresolved and outstanding past, and there are no pending or threatened:

(i) claims, complaints, notices or requests for information received by any Credit Party with respect to any alleged material violation of any applicable Hazardous Material Law, or

(ii) written complaints, notices or inquiries to any Credit Party regarding potential liability of any Credit Parties under any Hazardous Material Law; and

(c) to the best knowledge of the Borrower, no conditions exist at, on or under any property now or previously owned or leased by any Credit Party which, with the passage of time, or the giving of notice or both, are reasonably likely to give rise to liability under any Hazardous Material Law or create a significant adverse effect on the value of the property.

6.16 Subsidiaries. Except as disclosed on Schedule 6.16 hereto as of the Effective Date, and thereafter, except as disclosed to the Agent in writing from time to time, no Credit Party has any Subsidiaries.

6.17 Management Agreements. Schedule 6.17 attached hereto is an accurate and complete list of all management agreements in effect on or as of the Effective Date to which any Credit Party is a party or is bound.

6.18 Material Contracts. Schedule 6.18 attached hereto is an accurate and complete list of all Material Contracts in effect on or as of the Effective Date to which any Credit Party is a party or is bound.

6.19 Franchises, Patents, Copyrights, Tradenames, etc. The Credit Parties possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the

foregoing, necessary for the conduct of their business substantially as now conducted without known conflict with any rights of others. Schedule 6.19 contains a true and accurate list of all trade names and any and all other names used by any Credit Party during the five-year period ending as of the Effective Date.

6.20 Capital Structure. Schedule 6.20 attached hereto sets forth all issued and outstanding Equity Interests of each Credit Party, including the number of authorized, issued and outstanding Equity Interests of each Credit Party, the par value of such Equity Interests and the holders of such Equity Interests, all on and as of the Effective Date. All issued and outstanding Equity Interests of each Credit Party are duly authorized and validly issued, fully paid, nonassessable, free and clear of all Liens (other than Liens permitted by Section 8.2 hereof) and such Equity Interests were issued in compliance with all applicable state, federal and foreign laws concerning the issuance of securities. Except as disclosed on Schedule 6.20, there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Credit Party, of any Equity Interests of any Credit Party.

6.21 Accuracy of Information; Beneficial Ownership.

(a) The financial statements furnished to the Agent and the Lenders prior to the Effective Date fairly present in all material respects the financial condition of the Borrower and its respective Subsidiaries and the results of their operations for the periods covered thereby, and have been prepared in accordance with GAAP subject, in the case of interim financial statements, to year-end adjustments and the absence of footnotes. The projections, the Pro Forma Balance Sheet and the other pro forma financial information delivered to the Agent prior to the Effective Date are based upon good faith estimates and assumptions believed by management of the Borrower to be accurate and reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may materially differ from the projected results set forth therein.

(b) Since December 31, 2018, there has been no material adverse change in the business, operations, condition, property or prospects (financial or otherwise) of the Credit Parties, taken as a whole.

(c) To the best knowledge of the Credit Parties, as of the Effective Date, (i) the Credit Parties do not have any material contingent obligations not disclosed by or reserved against in the opening balance sheet to be delivered hereunder and (ii) there are no unrealized or anticipated losses from any present commitment of the Credit Parties which contingent obligations and losses in the aggregate could reasonably be expected to have a Material Adverse Effect.

(d) As of the Effective Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

6.22 Solvency. After giving effect to the consummation of the transactions contemplated by this Agreement and other Loan Documents, the Borrower and its Subsidiaries, on a consolidated basis, will be solvent, able to pay their indebtedness as it matures and will have capital sufficient to carry on their businesses and all business in which they are about to engage. This Agreement is being executed and delivered by the Borrower to the Agent and the Lenders in good faith and in exchange for fair, equivalent consideration. The Credit Parties do not intend to nor does management of the Credit Parties believe the Credit Parties will incur debts beyond their ability to pay as they mature. The Credit Parties do not contemplate filing a petition in bankruptcy or for an arrangement or reorganization under the Bankruptcy Code or any similar law of any jurisdiction now or hereafter in effect relating to any Credit Party, nor does

any Credit Party have any knowledge of any threatened bankruptcy or Insolvency Proceedings against a Credit Party.

6.23 Employee Matters. There are no strikes, slowdowns, work stoppages, unfair labor practice complaints, grievances, arbitration proceedings or controversies pending or, to the best knowledge of the Borrower, threatened against any Credit Party by any employees of any Credit Party, except as could not reasonably be expected to have a Material Adverse Effect. Set forth on Schedule 6.23 are all union contracts or agreements to which any Credit Party is party as of the Effective Date and the related expiration dates of each such contract.

6.24 No Misrepresentation. Neither this Agreement nor any other Loan Document, certificate, information or report furnished or to be furnished by or on behalf of a Credit Party to the Agent or any Lender in connection with any of the transactions contemplated hereby or thereby, contains a misstatement of material fact, or omits to state a material fact required to be stated in order to make the statements contained herein or therein, taken as a whole, not materially misleading in the light of the circumstances under which such statements were made. There is no fact, other than information known to the public generally, known to any Credit Party after diligent inquiry, that could reasonably be expect to have a Material Adverse Effect that has not expressly been disclosed to the Agent in writing.

6.25 Corporate Documents and Corporate Existence. As to each Credit Party, (a) it is an organization as described on Schedule 1.1 hereto and has provided the Agent and the Lenders with complete and correct copies of its articles of incorporation, by-laws and all other applicable charter and other organizational documents, and, if applicable, a good standing certificate and (b) its correct legal name, business address, type of organization and jurisdiction of organization, tax identification number and other relevant identification numbers are set forth on Schedule 1.1 hereto.

6.26 Anti-Money Laundering/Anti-Terrorism. No Covered Entity (A) is a Sanctioned Person; or (B), either in its own right or through any third party, (1) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; (2) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (3) engages in any dealings or transactions prohibited by, any Anti-Terrorism Laws.

6.27 EEA Financial Institution. No Credit Party is an EEA Financial Institution.

7. AFFIRMATIVE COVENANTS.

The Borrower covenants and agrees that, until the Payment in Full of all of the Indebtedness, it will, and, as applicable, it will cause each of its Subsidiaries to:

7.1 Financial Statements. Furnish to the Agent, in form and detail satisfactory to the Agent, with sufficient copies for each Lender, the following documents:

(a) as soon as available, but in any event within one-hundred eighty (180) days after the end of each Fiscal Year, a copy of the audited Consolidated and unaudited Consolidating financial statements of the Borrower and its Consolidated Subsidiaries as at the end of such Fiscal Year and the related audited Consolidated and unaudited Consolidating statements of income, stockholders equity, and cash flows of the Borrower and its Consolidated Subsidiaries for such Fiscal Year or partial Fiscal Year and accompanying footnotes, setting forth in each case in comparative form the figures for the previous Fiscal Year, certified as being fairly stated in all material respects by an independent, nationally recognized certified public accounting firm reasonably satisfactory to the Agent and the Majority Lenders; provided

that the accountants used by the Borrower immediately prior to the Effective Date shall be reasonably satisfactory to the Agent and the Majority Lenders;

(b) as soon as available, but in any event within forty five (45) days after the end of each fiscal quarter of the Credit Parties (including the last quarter of each Fiscal Year, which, for such quarter, shall be a Borrower-prepared draft subject to standard audit adjustments), the Borrower prepared unaudited Consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at the end of such quarter and the related unaudited statements of income, stockholders equity and cash flows of the Borrower and its Consolidated Subsidiaries (it being understood that Borrower shall provide reasonably sufficient detail with respect to all cash held in its deposit and securities accounts) for the portion of the Fiscal Year through the end of such quarter, setting forth in each case in comparative form the figures for the corresponding periods in the previous Fiscal Year, and certified by a Responsible Officer of the Borrower as being fairly stated in all material respects; and

(c) as soon as available, but in any event within thirty (30) days after the end of each month (including the last month of each fiscal quarter and each Fiscal Year, which, for such months, shall be a Borrower-prepared draft subject to standard audit adjustments), commencing with the month ending June 30, 2019, the Borrower prepared unaudited Consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at the end of such month and the related unaudited statements of income, stockholders equity and cash flows of the Borrower and its Subsidiaries (it being understood that Borrower shall provide reasonably sufficient detail with respect to all cash held in its deposit and securities accounts) for the portion of the Fiscal Year through the end of such fiscal month, setting forth in each case in comparative form (i) the figures for the corresponding periods in the previous year and (ii) the figures for the relevant period set forth in the projections delivered for such year pursuant to Section 7.2(e), and certified by a Responsible Officer of the Borrower as being fairly stated in all material respects; and all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP throughout the periods reflected therein and with prior periods (except as approved by a Responsible Officer and disclosed therein), provided however that the financial statements delivered pursuant to clauses (b) and (c) hereof will not be required to include footnotes and will be subject to change from audit and year-end adjustments.

7.2 Certificates; Other Information. Furnish to the Agent, in form and detail acceptable to the Agent, with sufficient copies for each Lender, the following documents:

(a) Within thirty (30) days after and as of the most recent month end, commencing with the month ending June 30, 2019, a Covenant Compliance Report duly executed by a Responsible Officer of the Borrower;

(b) Within thirty (30) days after and as of the most recent month-end, commencing with the month ending June 30, 2019, or more frequently as reasonably requested by the Agent or the Majority Lenders, (i) a Borrowing Base Certificate executed by a Responsible Officer of the Borrower, together with aged listings by invoice date of accounts receivable and accounts payable, and (ii) a Recurring Revenue report (by customer), in form and substance satisfactory to Agent and the Majority Lenders;

(c) Promptly upon receipt thereof, copies of all significant reports submitted by the Credit Parties' firm(s) of certified public accountants in connection with each annual, interim or special audit or review of any type of the financial statements or related internal control systems of the Credit Parties made by such accountants, including any comment letter submitted by such accountants to management in connection with their services;

(d) Any financial reports, statements, press releases, other material information or written notices delivered to the holders of the Subordinated Debt pursuant to any applicable Subordinated Debt Documents (to the extent not otherwise required hereunder), as and when delivered to such Persons;

(e) Within thirty (30) days after the end of each Fiscal Year, projections for the Credit Parties for the next succeeding Fiscal Year, on a quarterly basis and for the following Fiscal Year on an annual basis, including a balance sheet, as at the end of each relevant period and for the period commencing at the beginning of the Fiscal Year and ending on the last day of such relevant period, such projections certified by a Responsible Officer of the Borrower as being based on reasonable estimates and assumptions taking into account all facts and information known (or reasonably available to any Credit Party) by a Responsible Officer of the Borrower;

(f) Within thirty (30) days after and as of the end of each month, including the last month of each Fiscal Year, or more frequently as requested by the Agent or the Majority Lenders the monthly aging of the accounts receivable and accounts payable of the Credit Parties;

(g) Within thirty (30) days after and as of the end of each fiscal quarter, a report signed by a Responsible Officer of Borrower, in form reasonably acceptable to Agent, listing any applications or registrations that Borrower has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations as well as any material change in Borrower's intellectual property Collateral.

(h) Any additional information as required by any Loan Document, and such additional schedules, certificates and reports respecting all or any of the Collateral, the items or amounts received by the Credit Parties in full or partial payment thereof, and any goods (the sale or lease of which shall have given rise to any of the Collateral) possession of which has been obtained by the Credit Parties, all to such extent as the Agent may reasonably request from time to time, any such schedule, certificate or report to be certified as true and correct in all material respects by a Responsible Officer of the applicable Credit Party and shall be in such form and detail as the Agent may reasonably specify;

(i) Promptly, following any request therefor, information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with applicable "know your customer" anti-money laundering rules and regulations, including under the USA PATRIOT Act and any the Beneficial Ownership Regulation; and

(j) Such additional financial and/or other information as the Agent or any Lender may from time to time reasonably request, promptly following such request.

7.3 Payment of Obligations. Unless the failure to so pay, discharge or otherwise satisfy could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, pay, discharge or otherwise satisfy, at or before maturity or before they become delinquent, as the case may be, all of its material obligations of whatever nature, including without limitation all assessments, governmental charges, claims for labor, supplies, rent or other obligations, except where the amount or validity thereof is currently being appropriately contested in good faith and reserves in conformity with GAAP with respect thereto have been provided on the books of the Credit Parties.

7.4 Conduct of Business and Maintenance of Existence; Compliance with Laws.

(a) Other than business or operational changes that could not reasonably be expected to have a Material Adverse Effect, continue to engage in their respective business and operations substantially as conducted immediately prior to the Effective Date;

(b) Preserve, renew and keep in full force and effect its existence and maintain its qualifications to do business in each jurisdiction where such qualifications are necessary for its operations, except as otherwise permitted pursuant to Section 8.4;

(c) Take all action it deems necessary in its reasonable business judgment to maintain all rights, privileges, licenses and franchises necessary for the normal conduct of its business except where the failure to so maintain such rights, privileges or franchises could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(d) Comply with all Contractual Obligations and Requirements of Law, except to the extent that failure to comply therewith could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(e) (i) Continue to be a Person whose property or interests in property is not blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Order"), (ii) not engage in the transactions prohibited by Section 2 of that Order or become associated with Persons such that a violation of Section 2 of the Order would arise, and (iii) not become a Person on the list of Specially Designated National and Blocked Persons, or (iv) otherwise not become subject to the limitation of any OFAC regulation or executive order.

7.5 Maintenance of Property; Insurance. (a) Keep all material property it deems, in its reasonable business judgment, useful and necessary in its business in working order (ordinary wear and tear excepted); (b) maintain insurance coverage with financially sound and reputable insurance companies on physical assets and against other business risks in such amounts and of such types as are customarily carried by companies similar in size and nature (including without limitation casualty and public liability and property damage insurance), and in the event of acquisition of additional property, real or personal, or of the incurrence of additional risks of any nature, increase such insurance coverage in such manner and to such extent as prudent business judgment and present practice or any applicable Requirements of Law would dictate and in the event of any Mortgaged Property located in a Flood Hazard Zone, maintain at all times flood insurance on such property from such insurance providers, on such terms and in such amounts as required under the Flood Laws or as otherwise required by any Lender; (c) in the case of all insurance policies covering any Collateral, such insurance policies shall provide that the loss payable thereunder shall be payable to the applicable Credit Party, and to the Agent (as mortgagee, or, in the case of personal property interests, lender loss payee) as their respective interests may appear; and (d) in the case of all public liability insurance policies, such policies shall list the Agent as an additional insured, as the Agent may reasonably request; (e) if requested by the Agent, certificates evidencing such policies, including all endorsements thereto, to be deposited with the Agent, such certificates being in form and substance reasonably acceptable to the Agent; provided that if any Credit Party fails to insure or fails to pay the premiums on any required insurance (including, without limitation, flood insurance), Agent may (but is not obligated to), and, with respect to flood insurance only, any Lender may (but shall not be obligated to), following five (5) Business Days' notice to Agent, have the insurance issued or renewed (and pay the premiums on it for the account of the applicable Credit Party) in amounts and with companies and at premiums as Agent or such Lender deems appropriate or, with respect to flood insurance, as required by the Flood Laws. If Agent or any Lender elects to have insurance issued or renewed to insure the interests of the applicable Credit Party, Agent or such Lender shall have no obligation to also insure such Credit Party's interest or to notify such Credit Party of its actions. Any sums paid by Agent or any Lender for insurance as provided above shall be added to the Indebtedness.

7.6 Inspection of Property; Books and Records, Discussions. Permit the Agent and each Lender, through their authorized attorneys, accountants and representatives (a) at all reasonable times

during normal business hours, upon the request of the Agent or such Lender (or so long as no Event of Default has occurred and is continuing, five Business Days' prior written notice from the Agent or such Lender), to examine each Credit Party's books, accounts, records, ledgers and assets and properties; (b) from time to time, during normal business hours, upon the request of the Agent (or so long as no Event of Default has occurred and is continuing, five Business Days' prior written notice from the Agent), to conduct full or partial collateral audits of the Accounts and Inventory of the Credit Parties and appraisals of all or a portion of the fixed assets (including real property) of the Credit Parties, such audits and appraisals to be completed by an appraiser as may be selected by the Agent and consented to by the Borrower (such consent not to be unreasonably withheld), with all reasonable costs and expenses of such audits to be reimbursed by the Credit Parties, provided that so long as no Event of Default or Default exists, the Borrower shall not be required to reimburse the Agent for such audits or appraisals more frequently than twice each Fiscal Year; (c) during normal business hours and at their own risk, upon the request of the Agent or such Lender (or so long as no Event of Default has occurred and is continuing, five Business Days' prior written notice from the Agent or such Lender), to enter onto the real property owned or leased by any Credit Party to conduct inspections, investigations or other reviews of such real property; and (d) at reasonable times during normal business hours and at reasonable intervals, upon the request of the Agent or such Lender (or so long as no Event of Default has occurred and is continuing, five Business Days' prior written notice from the Agent or such Lender), to visit all of the Credit Parties' offices, discuss each Credit Party's respective financial matters with their respective officers, as applicable, and, by this provision, the Borrower authorizes, and will cause each of its respective Subsidiaries to authorize, its independent certified or chartered public accountants to discuss the finances and affairs of any Credit Party and examine any of such Credit Party's books, reports or records held by such accountants (provided that such Credit Party may, if it chooses, be present at or participate in any such discussions).

7.7 Notices. Promptly give written notice to the Agent of:

(a) the occurrence of any Default or Event of Default of which any Credit Party has knowledge;

(b) any (i) litigation or proceeding existing at any time between any Credit Party and any Governmental Authority or other third party, or any investigation of any Credit Party conducted by any Governmental Authority, which in any case if adversely determined would (x) have a Material Adverse Effect, or (y) result in the rendering of a judgment for the payment of money in excess of the sum of Two Hundred Fifty Thousand Dollars ($250,000), or (ii) any material adverse change in the financial condition of any Credit Party since the date of the last audited financial statements delivered pursuant to Section 7.1(a) hereof;

(c) the occurrence of any event which any Credit Party believes could reasonably be expected to have a Material Adverse Effect, promptly after concluding that such event could reasonably be expected to have such a Material Adverse Effect;

(d) promptly after becoming aware thereof, the taking by the IRS or any foreign taxing jurisdiction of a written tax position (or any such tax position taken by any Credit Party in a filing with the IRS or any foreign taxing jurisdiction) which could reasonably be expected to have a Material Adverse Effect, setting forth the details of such position and the financial impact thereof;

(e) (i) all jurisdictions in which any Credit Party proposes to become qualified after the Effective Date to transact business, (ii) the acquisition or creation of any new Subsidiaries, (iii) any material change after the Effective Date in the authorized and issued Equity Interests of any Credit Party or any other material amendment to any Credit Party's charter, by-laws or other organizational documents, such notice, in each case, to identify the applicable jurisdictions, capital structures or amendments as applicable,

provided that such notice shall be given not less than ten (10) Business Days after the effectiveness of such changes, acquisition or creation, as the case may be (or such longer period to which the Agent may consent);

(f) not less than five (5) Business Days (or such other shorter period to which the Agent may agree) prior to the proposed effective date thereof, any amendments, restatements or other modifications to the Escalate Subordinated Debt Documents contemplated by Section 17 of the Escalate Subordination Agreement;

(g) promptly notify the Agent of the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect; and

(h) any default or event of default by any Person under any Subordinated Debt Document, concurrently with delivery or promptly after receipt (as the case may be) of any notice of default or event of default under the applicable document, as the case may be.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and, in the case of notices referred to in clauses (a), (b), (c), (d) and (g) hereof stating what action the applicable Credit Party has taken or proposes to take with respect thereto.

7.8 Hazardous Material Laws.

(a) Use and operate all of its facilities and properties in material compliance with all applicable Hazardous Material Laws, keep all material required permits, approvals, certificates, licenses and other authorizations required under such Hazardous Material Laws in effect and remain in compliance therewith, and handle all Hazardous Materials in material compliance with all applicable Hazardous Material Laws;

(b) (i) Promptly notify the Agent and provide copies upon receipt of all written claims, complaints, notices or inquiries received by any Credit Party relating to its facilities and properties or compliance with Hazardous Material Laws which, if adversely determined, could reasonably be expected to have a Material Adverse Effect and (ii) promptly cure and have dismissed with prejudice to the reasonable satisfaction of the Agent and the Majority Lenders any material actions and proceedings relating to compliance with Hazardous Material Laws to which any Credit Party is named a party, other than such actions or proceedings being contested in good faith and with the establishment of reasonable reserves;

(c) To the extent necessary to comply in all material respects with Hazardous Material Laws, remediate or monitor contamination arising from a release or disposal of Hazardous Material, which solely, or together with other releases or disposals of Hazardous Materials could reasonably be expected to have a Material Adverse Effect;

(d) Provide such information and certifications which the Agent or any Lender may reasonably request from time to time to evidence compliance with this Section 7.8.

7.9 Financial Covenants.

(a) Liquidity. Maintain, as of the last day of each calendar month, Liquidity of not less than (a) from the Effective Date until Agent's receipt of the financial statements for the Fiscal Year ending February 29, 2020, $10,000,000, and (b) from and after Agent's receipt of the audited financial statements required under Section 7.1(a) for the Fiscal Year ending February 29, 2020, and upon Agent's receipt of the audited financial statements required under Section 7.1(a) for each Fiscal Year thereafter, (i) if Annual

Revenue Growth is greater than 25%, $10,000,000, (ii) if Annual Revenue Growth is greater than 10%, but less than 25%, $15,000,000, and (iii) if Annual Revenue Growth is less than 10%, $20,000,000, in each case tested as of the last day of each calendar month.

(b) Covenant Revenue. Maintain Covenant Revenue of not less than the amounts set forth in the table below for each six-month measuring period:

Six Month Measuring Period Ending	Covenant Revenue
June 30, 2019	$ 55,800,000
September 30, 2019	$ 52,200,000
December 31, 2019	$ 62,600,000
March 31, 2020	$ 67,900,000
June 30, 2020	$ 63,800,000
September 30, 2020	$ 70,200,000
December 31, 2020, and the last day of each fiscal quarter thereafter	$ 93,000,000

7.10 Governmental and Other Approvals. Apply for, obtain and/or maintain in effect, as applicable, all authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations (whether with any court, governmental agency, regulatory authority, securities exchange or otherwise) which are necessary or reasonably requested by the Agent in connection with the execution, delivery and performance by any Credit Party of, as applicable, this Agreement, the other Loan Documents, the Subordinated Debt Documents, or any other documents or instruments to be executed and/or delivered by any Credit Party, as applicable in connection therewith or herewith, except where the failure to so apply for, obtain or maintain could not reasonably be expected to have a Material Adverse Effect.

7.11 Compliance with ERISA. Comply in all material respects with all material requirements imposed by ERISA and the Code, including, but not limited to, the minimum funding requirements for any Pension Plan, except to the extent that any noncompliance could not reasonably be expected to have a Material Adverse Effect.

7.12 Defense of Collateral. Defend the Collateral from any Liens other than Liens permitted by Section 8.2.

7.13 Future Subsidiaries; Additional Collateral.

(a) With respect to each Person which becomes a Domestic Subsidiary of Borrower subsequent to the Effective Date, whether by Permitted Acquisition, Division or otherwise, cause such new Domestic Subsidiary to execute and deliver to the Agent, for and on behalf of each of the Lenders (unless waived by the Agent and the Majority Lenders):

(i) within thirty (30) days after the date such Person becomes a Domestic Subsidiary (or such longer time period as the Agent and the Majority Lenders may determine), a Guaranty, or

in the event that a Guaranty already exists, a joinder agreement to the Guaranty whereby such Domestic Subsidiary becomes obligated as a Guarantor under the Guaranty; and

(ii) within thirty (30) days after the date such Person becomes a Domestic Subsidiary (or such longer time period as the Agent and the Majority Lenders may determine), a joinder agreement to the Security Agreement whereby such Domestic Subsidiary grants a Lien over its assets (other than Equity Interests which should be governed by (b) of this Section 7.13) as set forth in the Security Agreement, and such Domestic Subsidiary shall take such additional actions as may be necessary to ensure a valid first priority perfected Lien over such assets of such Domestic Subsidiary, subject only to the other Liens permitted pursuant to Section 8.2 of this Agreement;

(iii) within the time period specified in and to the extent required under clause (c) of this Section 7.13, a Mortgage, Leasehold Mortgage, Collateral Access Agreements and/or other documents required to be delivered in connection therewith;

(b) With respect to the Equity Interests of each Person which becomes (whether by Permitted Acquisition, Division or otherwise) (i) a Domestic Subsidiary subsequent to the Effective Date, cause the Credit Party that holds such Equity Interests to execute and deliver such Pledge Agreements, and take such actions as may be necessary to ensure a valid first priority perfected Lien over one hundred percent (100%) of the Equity Interests of such Domestic Subsidiary held by a Credit Party, such Pledge Agreements to be executed and delivered (unless waived by the Agent and the Majority Lenders) within thirty (30) days after the date such Person becomes a Domestic Subsidiary (or such longer time period as the Agent and the Majority Lenders may determine); and (ii) a Foreign Subsidiary subsequent to the Effective Date, all of the Equity Interests of which are held directly by Borrower or one of its Domestic Subsidiaries, cause the Credit Party that holds such Equity Interests to execute and deliver such Pledge Agreements and take such actions as may be necessary to ensure a valid first priority perfected Lien of no more than sixty-five percent (65%) of the total combined voting power of all classes of voting Equity Interests of such Subsidiary and one-hundred percent (100%) of the non-voting Equity Interests, such Pledge Agreements to be executed and delivered (unless waived by the Agent and the Majority Lenders) within thirty (30) days after the date such Person becomes a Foreign Subsidiary (or such longer time period as the Agent and the Majority Lenders may determine); and

(c) (i) With respect to the acquisition of a fee interest in real property by any Credit Party after the Effective Date (whether by Permitted Acquisition or otherwise), not later than thirty (30) days after the acquisition is consummated or the owner of such property becomes a Domestic Subsidiary (or such longer time period as the Agent and the Majority Lenders may determine), such Credit Party shall execute or cause to be executed (unless waived by the Agent and the Majority Lenders), a Mortgage (or an amendment to an existing mortgage, where appropriate) covering such real property, together with such additional real estate documentation, environmental reports, title policies and surveys as may be reasonably required by the Agent and all flood hazard determination certifications, acknowledgments and evidence of flood insurance and other flood-related documentation with respect to such real property as required by Flood Laws and as otherwise reasonably required by the Agent; and (ii) with respect to the acquisition of any leasehold interest in real property by any Credit Party after the Effective Date (whether by Permitted Acquisition or otherwise), not later than thirty (30) days after the acquisition is consummated or the owner of the applicable leasehold interest becomes a Domestic Subsidiary (or such longer time period as the Agent may determine), the applicable Credit Party shall deliver to the Agent a copy of the applicable lease agreement and shall execute or cause to be executed, at the Agent's option, unless otherwise waived by the Agent, (x) a Leasehold Mortgage covering the applicable leasehold interest, and a Consent and Acknowledgment, together with such additional real estate documentation as may be reasonably required by the Agent or (y) a Collateral Access Agreement in form and substance reasonably acceptable to the Agent together with such other documentation as may be reasonably required by the Agent;

in each case in form reasonably satisfactory to the Agent, in its reasonable discretion, together with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by the Agent. Upon the Agent's request, Credit Parties shall take, or cause to be taken, such additional steps as are necessary or advisable under applicable law to perfect and ensure the validity and priority of the Liens granted under this Section 7.13.

Notwithstanding the foregoing, (y) the Agent shall not enter into any Mortgage in respect of any real property acquired by a Credit Party after the Effective Date until sixty (60) days after the Agent or the Borrower has delivered to the Lenders (which may be delivered electronically) the following documents in respect of such real property: (i) sufficient information to allow each Lender to conduct flood insurance due diligence and flood insurance compliance with respect to such property (such information to include without limitation such property's street address that will be used in the Mortgage with respect to such property and in the mortgage title insurance policy and any other Loan Documents to be delivered in connection with such Mortgage), (ii) a completed flood hazard determination from a third party vendor; (iii) if any part of such property is located in a Flood Hazard Zone, a notification to the applicable Credit Parties of that fact and, if applicable, notification to the applicable Credit Parties that flood insurance coverage is not available and evidence of the receipt by the applicable Credit Parties of such notice; provided that (subject to clause (z) below) the Agent may enter into such Mortgage prior to the end of such sixty (60) day period if the Agent shall have received confirmation from each applicable Lender that such Lender has completed any necessary flood insurance due diligence to its reasonable satisfaction; provided that (subject to clause (z) below) the Agent may enter into such Mortgage prior to the end of such sixty (60) day period if the Agent shall have received confirmation from each applicable Lender that such Lender has completed any necessary flood insurance due diligence to its reasonable satisfaction, and (z) if any part of such property is located in a Flood Hazard Zone and flood insurance coverage is not available, no party shall enter into a Mortgage with respect to such property.

7.14 Accounts. Other than Excluded Accounts, maintain all primary deposit accounts and securities accounts of any Credit Party with the Agent (or Comerica Securities, Inc.) and Western Alliance Bank; provided, that, (a) such Credit Party shall maintain approximately 50% of its aggregate month-end deposit account and securities account balances, measured as of the last day of each month, with Agent (or Comerica Securities, Inc.), and approximately 50% of its aggregate month-end deposit account and securities account balances, measured as of the last day of each month, with Western Alliance Bank (provided, that, if such balances ever deviate from such approximate 50%/50% allocation split by more than 5%, then such Credit Party shall transfer funds to the appropriate accounts to restore the approximate 50%/50% allocation split, such that the deviation is less than 5%, within 5 Business Days of the occurrence thereof), and (b) with respect to any such accounts, such Credit Party (i) shall cause to be executed and delivered an Account Control Agreement in form and substance satisfactory to the Agent, and (ii) has taken all other steps necessary, or in the opinion of the Agent, desirable to ensure that the Agent has a perfected security interest in such account.

7.15 Use of Proceeds. Use all Advances of the Revolving Credit as set forth in Section 2.13 hereof. The Borrower shall not use any portion of the proceeds of any such advances for the purpose of purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) in any manner which violates the provisions of Regulation T, U or X of said Board of Governors or for any other purpose in violation of any applicable statute or regulation and not use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law.

7.16 [Reserved]Further Assurances and Information.

(a) Take such actions as the Agent or Majority Lenders may from time to time reasonably request to establish and maintain first priority perfected security interests in and Liens on all of the Collateral, subject only to those Liens permitted under Section 8.2 hereof, including executing and delivering such additional pledges, assignments, mortgages, lien instruments or other security instruments covering any or all of the Credit Parties' assets as the Agent may reasonably require, such documentation to be in form and substance reasonably acceptable to the Agent, and prepared at the expense of the Borrower.

(b) Execute and deliver or cause to be executed and delivered to the Agent within a reasonable time following the Agent's or the Majority Lenders' request, and at the expense of the Borrower, such other documents or instruments as the Agent may reasonably require to effectuate more fully the purposes of this Agreement or the other Loan Documents.

(c) Provide the Agent and the Lenders with any other information required by Section 326 of the USA Patriot Act or necessary for the Agent and the Lenders to verify the identity of any Credit Party as required by Section 326 of the USA Patriot Act.

(d) With respect to all or any portion of a Mortgaged Property (a) at any time upon the Agent's or any Lender's request, provide the Agent and each Lender with sufficient information to allow the Agent and each Lender to conduct flood insurance due diligence and flood insurance compliance with respect to such property (such information to include without limitation such property's street address that is used in the Mortgage with respect to such property and in the mortgage title insurance policy and any other Loan Documents delivered in connection with such Mortgage), and (b) if any part of such Mortgaged Property is determined to be in a Flood Hazard Zone, deliver or cause to be delivered to Agent and the Lenders, within forty five (45) days after receipt by the applicable Credit Party of notice from the Agent or a Lender that any part of such Mortgaged Property is located in a Flood Hazard Zone, evidence of flood insurance on such property from such insurance providers on such terms and in such amounts as required under the Flood Laws or as otherwise required by any Lender.

7.18 Anti-Terrorism Laws. Not permit (i) any Covered Entity to become a Sanctioned Person, (ii) any Covered Entity, either in its own right or through any third party, to (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law; or (D) use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (iii) the funds used to repay the Indebtedness will not be derived from any unlawful activity, and (iv) shall cause each Covered Entity to comply with all Anti-Terrorism Laws.

8. NEGATIVE COVENANTS.

The Borrower covenants and agrees that, until the Payment in Full of all of the Indebtedness, it will not, and, as applicable, it will not permit any of its Subsidiaries to:

8.1 Limitation on Debt. Create, incur, assume or suffer to exist any Debt, except:

(a) Indebtedness of any Credit Party to the Agent or any Lender;

(b) any Debt existing on the Effective Date and set forth in Schedule 8.1 attached hereto and any renewals or refinancing of such Debt, provided that (i) the aggregate principal amount of such renewed

or refinanced Debt shall not exceed the aggregate principal amount of the original Debt outstanding on the Effective Date (less any principal payments and the amount of any commitment reductions made thereon on or prior to such renewal or refinancing) without the prior written consent of Agent, (ii) the renewal or refinancing of such Debt shall be on substantially the same or better terms as in effect with respect to such Debt on the Effective Date, and shall otherwise be in compliance with this Agreement, and (iii) at the time of such renewal or refinancing no Default or Event of Default has occurred and is continuing or would result from the renewal or refinancing of such Debt;

(c) any Debt of Borrower or any of its Subsidiaries incurred to finance the acquisition of fixed or capital assets, whether pursuant to a loan or a Capitalized Lease provided that both at the time of and immediately after giving effect to the incurrence thereof (i) no Default or Event of Default shall have occurred and be continuing, and (ii) the aggregate amount of all such Debt at any one time outstanding (including, without limitation, any Debt of the type described in this clause (c) which is set forth on Schedule 8.1 hereof) shall not exceed $2,000,000, and any renewals or refinancings of such Debt on terms substantially the same or better than those in effect at the time of the original incurrence of such Debt;

(d) Subordinated Debt;

(e) Debt under any Hedging Transactions, provided that such transaction is entered into for risk management purposes and not for speculative purposes;

(f) Debt arising from judgments or decrees not deemed to be a Default or Event of Default under subsection (g) of Section 9.1;

(g) Debt owing to a Person that is a Credit Party, but only to the extent permitted under Section 8.7 hereof;

(h) Debt owing to trade creditors incurred in the ordinary course of business;

(i) Debt arising from the endorsement of instruments in the ordinary course of business;

(j) Performance bonds, surety bonds, and other indemnities or similar obligations issued in the ordinary course of business;

(k) Debt consisting of the financing of insurance premiums in the ordinary course of business.

(l) Debt in respect of netting services, overdraft protection, cash management obligations and similar arrangements entered into in the ordinary course of business;

(m) Debt that is otherwise permitted under Sections 8.7(d) and (e) hereof;

(n) Debt in respect of indemnification, purchase price adjustments, earnouts, deferred purchase price or other similar obligations incurred by the Borrower or any Credit Party in a Permitted Acquisition or similar investment or disposition under agreements which provide for indemnification, the adjustment of the purchase price or for similar adjustments; and

(o) additional unsecured Debt not otherwise described above, provided that both at the time of and immediately after giving effect to the incurrence thereof (i) no Default or Event of Default shall have occurred and be continuing or result therefrom and (ii) the aggregate amount of all such Debt shall not exceed $1,000,000 at any one time outstanding.

8.2 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except for:

(a) Permitted Liens;

(b) Liens securing Debt permitted by Section 8.1(c), provided that (i) such Liens are created upon fixed or capital assets acquired by the applicable Credit Party after the date of this Agreement (including without limitation by virtue of a loan or a Capitalized Lease), (ii) any such Lien is created solely for the purpose of securing indebtedness representing or incurred to finance the cost of the acquisition of the item of property subject thereto, (iii) the principal amount of the Debt secured by any such Lien shall at no time exceed 100% of the sum of the purchase price or cost of the applicable property, equipment or improvements and the related costs and charges imposed by the vendors thereof and (iv) the Lien does not cover any property other than the fixed or capital asset acquired; provided, however, that no such Lien shall be created over any owned real property of any Credit Party for which the Agent has received a Mortgage or for which such Credit Party is required to execute a Mortgage pursuant to the terms of this Agreement;

(c) Liens created pursuant to the Loan Documents;

(d) Liens securing the Escalate Subordinated Debt;

(e) leases or subleases and license or sublicenses granted in the ordinary course of business;

(f) Liens in favor of other financial institutions arising in connection with deposit accounts held at such institutions to secure standard fees for deposit services charged by such institutions, provided that Lender has a perfected security interest in the amounts held in such deposit accounts to the extent required by Section 7.14;

(g) Liens securing Debt to the extent used to finance insurance premiums;

(h) Liens consisting of rights of set-off or bankers' liens or amounts on deposit; and

(i) other Liens, existing on the Effective Date, set forth on Schedule 8.2 and renewals, refinancings and extensions thereof on substantially the same or better terms as in effect on the Effective Date and otherwise in compliance with this Agreement.

Regardless of the provisions of this Section 8.2, no Lien over the Equity Interests of Borrower or any Subsidiary of Borrower (except for those Liens for the benefit of the Agent and the Lenders or the Liens granted under the Escalate Subordinated Debt Documents) shall be permitted under the terms of this Agreement.

8.3 Acquisitions. Except for Permitted Acquisitions, purchase or otherwise acquire (including pursuant to any merger with or as a Division Successor pursuant to the Division of, any Person that was not a Credit Party prior to such merger or Division) or become obligated for the purchase of all or substantially all or any material portion of the assets or business interests or a division or other business unit of any Person, or any Equity Interest of any Person, or any business or going concern.

8.4 Limitation on Mergers, Dissolution or Sale of Assets. Enter into any merger or consolidation, or consummate a Division as the Dividing Person, or convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, Equity Interests, receivables and leasehold interests), whether now owned or hereafter acquired or liquidate, wind up or dissolve, except:

(a) Inventory leased or sold in the ordinary course of business;

(b) obsolete, damaged, uneconomic or worn out machinery or equipment, or machinery or equipment no longer used or useful in the conduct of the applicable Credit Party's business;

(c) Permitted Acquisitions;

(d) mergers or consolidations of any Subsidiary of Borrower with or into Borrower or any Guarantor so long as Borrower or such Guarantor shall be the continuing or surviving entity; provided that at the time of each such merger or consolidation, both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or result from such merger or consolidation;

(e) any Subsidiary of Borrower may liquidate or dissolve into Borrower or a Guarantor if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower, so long as no Default or Event of Default has occurred and is continuing or would result therefrom;

(f) sales or transfers, including without limitation upon voluntary liquidation from any Subsidiary to Borrower or a Guarantor, provided that the Borrower or applicable Guarantor takes such actions as the Agent may reasonably request to ensure the perfection and priority of the Liens in favor of the Lenders over such transferred assets;

(g) (i) Asset Sales (exclusive of asset sales permitted pursuant to all other subsections of this Section 8.4) in which the sales price is at least equal to the fair market value of the assets sold and the consideration received is cash or cash equivalents or Debt of any Credit Party being assumed by the purchaser, provided that the aggregate amount of such Asset Sales does not exceed $1,500,000 in any Fiscal Year and no Default or Event of Default has occurred and is continuing at the time of each such sale (both before and after giving effect to such Asset Sale), and (ii) other Asset Sales approved by the Majority Lenders in their sole discretion;

(h) the sale or disposition of Permitted Investments and other cash equivalents in the ordinary course of business;

(i) any Credit Party (other than Borrower) that is a limited liability company may consummate a Division as the Dividing Person provided that, if the Credit Party is a Guarantor, then immediately upon the consummation of the Division, the assets of the applicable Dividing Person are held by Borrower or one or more Guarantors at such time; provided further that if the foregoing requirements are not satisfied, such Division shall be permitted if such Division, in the aggregate, would otherwise result in an Asset Sale permitted by clause (g) above;

(j) non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business;

(k) (i) the lapse of registered patents, trademarks, copyrights and other intellectual property to the extent not economically desirable in the conduct of Borrower's business or (ii) the abandonment of patents, trademarks, copyrights or other intellectual property rights in the ordinary course of business so long as, in each case, such lapse or abandonment is not materially adverse to the interests of the Agent or the Lenders; and

(l) dispositions of owned or leased vehicles in the ordinary course of business.

The Lenders hereby consent and agree to the release by the Agent of any and all Liens on the property sold or otherwise disposed of in compliance with this Section 8.4.

8.5 Restricted Payments. Declare or make any distributions, dividend, payment or other distribution of assets, properties, cash, rights, obligations or securities (collectively, "Distributions") on account of any of its Equity Interests, as applicable, or purchase, redeem or otherwise acquire for value any of its Equity Interests, as applicable, or any warrants, rights or options to acquire any of its Equity Interests, now or hereafter outstanding (collectively, "Purchases"), except that:

(a) any Subsidiary may pay cash Distributions to Borrower;

(b) each Credit Party may declare and make Distributions payable in the Equity Interests of such Credit Party, provided that the issuance of such Equity Interests does not otherwise violate the terms of this Agreement and no Default or Event of Default has occurred and is continuing at the time of making such Distribution or would result from the making of such Distribution;

(c) each Credit Party may pay any Management Fees pursuant to the terms of the Management Agreement and in accordance with Section 8.14; and

(d) each Credit Party may repurchase the Equity Interests of former employees, directors, officers or consultants pursuant to stock repurchase agreements as long as such repurchases in any Fiscal Year do not exceed $500,000.

8.6 [Reserved].

8.7 Limitation on Investments, Loans and Advances. Make or allow to remain outstanding any Investment (whether such investment shall be of the character of investment in shares of stock, evidences of indebtedness or other securities or otherwise) in, or any loans or advances to, any Person other than:

(a) Permitted Investments;

(b) Investments existing on the Effective Date and listed on Schedule 8.7 hereof;

(c) sales on open account in the ordinary course of business;

(d) Investments (i) of Subsidiaries in or to other Subsidiaries of Borrower that are Credit Parties, (ii) by Borrower in Accolade Technologies s.r.o. not to exceed $7,500,000 in the aggregate in any Fiscal Year, and (iii) by Borrower in other Subsidiaries not to exceed $500,000 in the aggregate in any Fiscal Year;

(e) intercompany loans or intercompany Investments made by any Credit Party to or in any Guarantor or Borrower; provided, that in each case, no Default or Event of Default shall have occurred and be continuing at the time of making such intercompany loan or intercompany Investment or result from such intercompany loan or intercompany Investment being made and that any intercompany loans shall be evidenced by and funded under an Intercompany Note pledged to the Agent under the appropriate Collateral Documents;

(f) Investments in respect of Hedging Transactions provided that such transaction is entered into for risk management purposes and not for speculative purposes;

(g) loans and advances to employees, officers and directors of any Credit Party for moving, entertainment, travel and other similar expenses in the ordinary course of business not to exceed $150,000 in the aggregate at any time outstanding;

(h) Permitted Acquisitions;

(i) Investments constituting deposits made in connection with the purchase of goods or services in the ordinary course of business in an aggregate amount for such deposits not to exceed $5,000,000 at any one time outstanding;

(j) Investments received in connection with the bankruptcy or reorganization of customers and suppliers and in the settlement of delinquent obligations of, and other disputes with, customers or suppliers in the ordinary course of business;

(k) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business

(l) other Investments not described above provided that both at the time of and immediately after giving effect to any such Investment (i) no Default or Event of Default shall have occurred and be continuing or shall result from the making of such Investment and (ii) the aggregate amount of all such Investments shall not exceed $1,000,000 at any time outstanding.

In valuing any Investments for the purpose of applying the limitations set forth in this Section 8.7 (except as otherwise expressly provided herein), such Investment shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation, but less any amount repaid or recovered on account of capital or principal.

8.8 Transactions with Affiliates. Except as set forth in Schedule 8.8, enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliates of the Credit Parties except: (a) transactions with Affiliates that is the Borrower or Guarantors; (b) transactions otherwise permitted under this Agreement; (c) transactions in the ordinary course of a Credit Party's business and upon fair and reasonable terms no less favorable to such Credit Party than it would obtain in a comparable arms length transaction from unrelated third parties; (d) bona fide equity financings; or (e) the issuance of Equity Interests of the Borrower to any Person in connection with any Permitted Acquisition or other Investment permitted hereunder.

8.9 Sale-Leaseback Transactions. Enter into any arrangement with any Person providing for the leasing by a Credit Party of real or personal property which has been or is to be sold or transferred by such Credit Party to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Credit Party, as the case may be, provided that if, at the time that a Credit Party acquires fixed or capital assets, such Credit Party intends to sell to and then lease such assets from another Person pursuant to a financing arrangement that would be permitted under Section 8.1(c), such transaction will not constitute a violation of this Section 8.9 so long as such transaction is consummated within sixty (60) days following the acquisition of such assets.

8.10 Limitations on Other Restrictions. Except for this Agreement, any other Loan Document or the Escalate Subordinated Debt Documents, enter into any agreement, document or instrument which would (i) restrict the ability of any Subsidiary of Borrower to pay or make dividends or distributions in cash or kind to Borrower or any Guarantor, to make loans, advances or other payments of whatever nature to any Credit Party, or to make transfers or distributions of all or any part of its assets to any Credit Party; or (ii) restrict or prevent any Credit Party from granting the Agent, for the benefit of the Lenders, Liens upon,

security interests in and pledges of their respective assets, except to the extent such restrictions exist in documents creating Liens permitted by Section 9.2(b) hereunder.

8.11 Prepayment of Debt. Make any prepayment (whether optional or mandatory), repurchase, redemption, defeasance or any other payment in respect of any Subordinated Debt, provided, however, that the applicable Credit Party may make payments in respect of the Escalate Subordinated Debt, but only to the extent permitted under the Escalate Subordinated Debt Documents and the Escalate Subordination Agreement.

8.12 Amendment of Subordinated Debt Documents. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) the Subordinated Debt Documents except as permitted in the applicable Subordinated Debt Documents and Subordination Agreements, or if no such restrictions exist in the applicable Subordinated Debt Documents or Subordination Agreements, without the prior written consent of the Agent and the Majority Lenders.

8.13 Modification of Certain Agreements. Make, permit or consent to any amendment or other modification to the constitutional documents of any Credit Party or any Material Contract except to the extent that any such amendment or modification (i) does not violate the terms and conditions of this Agreement or any of the other Loan Documents, (ii) does not materially adversely affect the interest of the Lenders as creditors and/or secured parties under any Loan Document and (iii) could not reasonably be expected to have a Material Adverse Effect.

8.14 Management Fees. Pay or otherwise advance, directly or indirectly, any management, consulting or other fees to an Affiliate, other than the payment of any Management Fees pursuant to the terms of the Management Agreement, in aggregate amount not to exceed 2% per annum of all equity capital invested by Accretive, LLC and its Affiliates (plus (i) reasonable out-of-pocket costs and expenses incurred and (ii) any accrued but unpaid Management Fees from a prior period) during any trailing four-quarter period, so long as such payments are not prohibited by the terms of the Management Fee Subordination Agreement.

8.15 Fiscal Year. Permit the Fiscal Year of any Credit Party to end on a day other than February 28 or 29.

9. DEFAULTS.

9.1 Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) non-payment when due of (i) the principal or interest on the Indebtedness under the Revolving Credit (including the Swing Line), or (ii) any Reimbursement Obligation, or (iii) any Fees;

(b) non-payment of any other amounts due and owing by Borrower under this Agreement or by any Credit Party under any of the other Loan Documents to which it is a party, other than as set forth in subsection (a) above, within three (3) Business Days after the same is due and payable;

(c) default in the observance or performance of any of the conditions, covenants or agreements of the Borrower set forth in Sections 7.1, 7.2, 7.4(a) and (e), 7.5, 7.6, 7.7, 7.9, 7.13, 7.14, 7.15, 7.16, 7.17 or Article 8 in its entirety, provided that an Event of Default arising from a breach of Sections 7.1 or 7.2 shall be deemed to have been cured upon delivery of the required item; and provided further that any Event of Default arising solely due to a breach of Section 7.7(a) shall be deemed cured upon the earlier of (x) the

giving of the notice required by Section 7.7(a) and (y) the date upon which the Default or Event of Default giving rise to the notice obligation is cured or waived;

(d) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the other Loan Documents by any Credit Party and continuance thereof for a period of thirty (30) consecutive days;

(e) any representation or warranty made by any Credit Party herein or in any certificate, instrument or other document submitted pursuant hereto proves untrue or misleading in any material adverse respect when made;

(f) (i) default by any Credit Party in the payment of any indebtedness for borrowed money, whether under a direct obligation or guaranty (other than Indebtedness hereunder) of any Credit Party in excess of Five Hundred Thousand Dollars ($500,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate when due and continuance thereof beyond any applicable period of cure and or (ii) failure to comply with the terms of any other obligation of any Credit Party with respect to any indebtedness for borrowed money (other than Indebtedness hereunder) in excess of Five Hundred Thousand Dollars ($500,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate, which continues beyond any applicable period of cure and which would permit the holder or holders thereto to accelerate such other indebtedness for borrowed money, or require the prepayment, repurchase, redemption or defeasance of such indebtedness;

(g) the rendering of any judgment(s) (not covered by adequate insurance from a solvent carrier which is defending such action without reservation of rights) for the payment of money in excess of the sum of Five Hundred Thousand Dollars ($500,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate against any Credit Party, and such judgments shall remain unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of thirty (30) consecutive days from the date of its entry;

(h) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount that could reasonably be expected to have a Material Adverse Effect;

(i) except as expressly permitted under this Agreement, any Credit Party shall be dissolved (other than a dissolution of a Subsidiary of Borrower which is not a Guarantor or Borrower) or liquidated (or any judgment, order or decree therefor shall be entered) except as otherwise permitted herein; or if a creditors' committee shall have been appointed for the business of any Credit Party; or if any Credit Party shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt and if not an adjudication based on a filing by a Credit Party, it shall not have been dismissed within sixty (60) days, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for

which adequate reserves are made in such party's financial statements); or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of a Credit Party) and shall not have been removed within sixty (60) days; or if an order shall be entered approving any petition for reorganization of any Credit Party and shall not have been reversed or dismissed within sixty (60) days;

(j) a Change of Control;

(k) the validity, binding effect or enforceability of any subordination provisions relating to any Subordinated Debt shall be contested by any Person party thereto (other than any Lender, the Agent, Issuing Lender or Swing Line Lender), or such subordination provisions shall fail to be enforceable by the Agent and the Lenders in accordance with the terms thereof, or the Indebtedness shall for any reason not have the priority contemplated by this Agreement or such subordination provisions;

(l) any Loan Document shall at any time for any reason cease to be in full force and effect (other than in accordance with the terms thereof or the terms of any other Loan Document), as applicable, or the validity, binding effect or enforceability thereof shall be contested by any party thereto (other than any Lender, the Agent, Issuing Lender or Swing Line Lender), or any Person shall deny that it has any or further liability or obligation under any Loan Document, or any such Loan Document shall be terminated (other than in accordance with the terms thereof or the terms of any other Loan Document), invalidated, revoked or set aside or in any way cease to give or provide to the Lenders and the Agent the benefits purported to be created thereby, or any Loan Document purporting to grant a Lien to secure any Indebtedness shall, at any time after the delivery of such Loan Document, fail to create a valid and enforceable Lien on any Collateral purported to be covered thereby or such Lien shall fail to cease to be a perfected Lien with the priority required in the relevant Loan Document;

(m) Comcast Corporation, or any of its Subsidiaries or Affiliates, cancels or fails to renew, or provides Borrower with written notice of its intention to cancel or renew, any contract other than (i) a contract with an annual value of less than ten percent (10%) of Borrower's total annual revenue, or (ii) any contract entered into after the Effective Date for ancillary services provided by Borrower outside of core services; provided that if Comcast Corporation, or any of its Subsidiaries or Affiliates, has entered into and continues to actively engage in bona fide good faith negotiations to renew such contract, such failure shall not be considered an Event of Default hereunder for a period of sixty (60) days from the date such contract was cancelled, not renewed, or Borrower received notice of such cancellation or non-renewal;

(n) any default or event of default under the Escalate Subordinated Debt Documents; or

(o) if there occurs any circumstance or circumstances that could reasonably be expected to have a Material Adverse Effect.

9.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (a) the Agent may, and shall, upon being directed to do so by the Majority Lenders, declare the Revolving Credit Aggregate Commitment terminated; (b) the Agent may, and shall, upon being directed to do so by the Majority Lenders, declare the entire unpaid principal Indebtedness, including the Notes, immediately due and payable, without presentment, notice or demand, all of which are hereby expressly waived by the Borrower; (c) upon the occurrence of any Event of Default specified in Section 9.1(i) and notwithstanding the lack of any declaration by the Agent under preceding clauses (a) or (b), the entire unpaid principal Indebtedness shall become automatically and immediately due and payable, and the Revolving Credit Aggregate Commitment shall be automatically and immediately terminated; (d) the Agent shall, upon being directed to do so by the Majority Lenders, demand immediate delivery of cash collateral, and the Borrower agrees to deliver such cash collateral upon demand, in an amount equal to 105% of the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, for deposit into an account controlled by the Agent; (e) the Agent may, and shall, upon being directed to do so by the Majority Lenders, notify the Borrower or any Credit Party that interest shall be payable on demand on all Indebtedness (other than Revolving Credit Advances and Swing Line Advances with respect to which Section 2.6 hereof shall govern) owing from time to time to the Agent or any Lender, at a per annum rate equal to the then applicable Base Rate plus two percent (2%); and (f) the Agent may, and shall, upon being

directed to do so by the Majority Lenders or the Lenders, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the other Loan Documents or law.

9.3 Rights Cumulative. No delay or failure of the Agent and/or Lenders in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of the Agent and Lenders under this Agreement are cumulative and not exclusive of any right or remedies which Lenders would otherwise have.

9.4 Waiver by the Borrower of Certain Laws. To the extent permitted by applicable law, the Borrower hereby agrees to waive, and does hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisement, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, or any security interest or mortgage contemplated by or granted under or in connection with this Agreement. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

9.5 Waiver of Defaults. No Event of Default shall be waived by the Lenders except in a writing signed by an officer of the Agent in accordance with Section 13.10 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of their rights by the Agent or the Lenders. No waiver of any Event of Default shall extend to any other or further Event of Default. No forbearance on the part of the Agent or the Lenders in enforcing any of their rights shall constitute a waiver of any of their rights. The Borrower expressly agrees that this Section may not be waived or modified by the Lenders or the Agent by course of performance, estoppel or otherwise.

9.6 Set Off. Upon the occurrence and during the continuance of any Event of Default, each Lender may at any time and from time to time, without notice to the Borrower but subject to the provisions of Section 10.3 hereof (any requirement for such notice being expressly waived by the Borrower), setoff and apply against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, whether owing to such Lender, any Affiliate of such Lender or any other Lender or the Agent, any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower and any property of the Borrower from time to time in possession of such Lender, irrespective of whether or not such deposits held or indebtedness owing by such Lender may be contingent and unmatured and regardless of whether any Collateral then held by the Agent or any Lender is adequate to cover the Indebtedness. Promptly following any such setoff, such Lender shall give written notice to the Agent and the Borrower of the occurrence thereof; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 10.4 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held for the benefit of the Agent, the Issuing Lender and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Indebtedness owing to such Defaulting Lender as to which it exercised such right of setoff. The Borrower hereby grants to the Lenders and the Agent a lien on and security interest in all such deposits, indebtedness and property as collateral security for the payment and performance of all of the obligations of the Borrower under this Agreement. The rights of each Lender under this Section 9.6 are in addition to the other rights and remedies (including, without limitation, other rights of setoff) which such Lender may have.

9.7 [Reserved].

10. PAYMENTS, RECOVERIES AND COLLECTIONS.

10.1 Payment Procedure.

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise provided herein, all payments made by the Borrower of principal, interest or fees hereunder shall be made without setoff or counterclaim on the date specified for payment under this Agreement and must be received by the Agent not later than 1:00 p.m. (Detroit time) (or such later time on such date as agreed to by Agent) on the date such payment is required or intended to be made in Dollars in immediately available funds to the Agent at the Agent's office located at 411 West Lafayette, 7th Floor, MC 3289, Detroit, Michigan 48226-3289, for the ratable benefit of the Revolving Credit Lenders in the case of payments in respect of the Revolving Credit and any Letter of Credit Obligations. Any payment received by the Agent after 1:00 p.m. (Detroit time) (or such later time on such date as agreed to by Agent) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Upon receipt of each such payment, the Agent shall make prompt payment to each applicable Lender, or, in respect of Eurodollar-based Advances, such Lender's Eurodollar Lending Office, in like funds and currencies, of all amounts received by it for the account of such Lender.

(b) Unless the Agent shall have been notified in writing by the Borrower at least two (2) Business Days prior to the date on which any payment to be made by the Borrower is due that the Borrower does not intend to remit such payment, the Agent may, in its sole discretion and without obligation to do so, assume that the Borrower has remitted such payment when so due and the Agent may, in reliance upon such assumption, make available to each Revolving Credit Lender on such payment date an amount equal to such Lender's share of such assumed payment. If the Borrower has not in fact remitted such payment to the Agent, each Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available or transferred to such Lender, together with the interest thereon, in respect of each day from and including the date such amount was made available by the Agent to such Lender to the date such amount is repaid to the Agent at a rate per annum equal to the Federal Funds Effective Rate for the first two (2) Business Days that such amount remains unpaid, and thereafter at a rate of interest then applicable to such Revolving Credit Advances.

(c) Subject to the definition of "Interest Period" in Section 1 of this Agreement, whenever any payment to be made hereunder shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment.

10.2 Application of Proceeds of Collateral. Notwithstanding anything to the contrary in this Agreement, in the case of any Event of Default under Section 9.1(i), immediately following the occurrence thereof, and in the case of any other Event of Default: (a) upon the termination of the Revolving Credit Aggregate Commitment, (b) the acceleration of any Indebtedness arising under this Agreement, (c) at the Agent's option, or (d) upon the request of the Majority Lenders after the commencement of any remedies hereunder, the Agent shall apply the proceeds of any Collateral, together with any offsets, voluntary payments by any Credit Party or others and any other sums received or collected in respect of the Indebtedness first, to pay all incurred and unpaid fees and expenses of the Agent under the Loan Documents and any protective advances made by the Agent with respect to the Collateral under or pursuant to the terms of any Loan Document, next, to pay any fees and expenses owed to the Issuing Lender hereunder, next, to pay principal and interest due under the Revolving Credit (including the Swing Line and any Reimbursement Obligations) and to cash collateralize all outstanding Letters of Credit in an amount equal to 105% of the maximum amount that may be available to be drawn at any time prior to the stated expiry of all outstanding Letters of Credit, on a pro rata basis, next to pay any obligations owing by any Credit

Party under any Hedging Agreements on a pro rata basis, next, to pay any other Indebtedness on a pro rata basis, and then, if there is any excess, to the Credit Parties, as the case may be.

10.3 Pro-rata Recovery. If any Lender shall obtain any payment or other recovery (whether voluntary, involuntary, by application of setoff or otherwise) on account of principal of, or interest on, any of the Advances made by it, or the participations in Letter of Credit Obligations or Swing Line Advances held by it in excess of its pro rata share of payments then or thereafter obtained by all Lenders upon principal of and interest on all such Indebtedness, such Lender shall purchase from the other Lenders such participations in the Revolving Credit and/or the Letter of Credit Obligation held by them as shall be necessary to cause such purchasing Lender to share the excess payment or other recovery ratably in accordance with the applicable Percentages of the Lenders; provided, however, that if all or any portion of the excess payment or other recovery is thereafter recovered from such purchasing holder, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

10.4 Treatment of a Defaulting Lender; Reallocation of Defaulting Lender's Fronting Exposure.

(a) The obligation of any Lender to make any Advance hereunder shall not be affected by the failure of any other Lender to make any Advance under this Agreement, and no Lender shall have any liability to the Borrower or any of its Subsidiaries, the Agent, any other Lender, or any other Person for another Lender's failure to make any loan or Advance hereunder.

(b) If any Lender shall become a Defaulting Lender, then such Defaulting Lender's right to vote in respect of any amendment, consent or waiver of the terms of this Agreement or such other Loan Documents, or to direct or approve any action or inaction by the Agent shall be subject to the restrictions set forth in Section 13.10.

(c) Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 9 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 9.6 shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or Swing Line Lender hereunder; third, to cash collateralize the Issuing Lenders' Fronting Exposure with respect to such Defaulting Lender in accordance with clause (g) below; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; fifth, if so determined by the Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement and (y) cash collateralize the Issuing Lenders' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with clause (g) below; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lenders or Swing Line Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or Letter of Credit Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.2 were satisfied or waived, such

payment shall be applied solely to pay the Advances of, and Letter of Credit Obligations to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of, or Letter of Credit Obligations owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swing Line Advances are held by the Lenders pro rata in accordance with their respective Revolving Credit Percentages without giving effect to Section clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this clause (c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(d) Each Defaulting Lender shall be entitled to receive a Revolving Credit Facility Fee for any period during which that Lender is a Defaulting Lender only to extent allocable to the sum of (1) the outstanding principal amount of the Revolving Credit Advances funded by it, and (2) its Revolving Credit Percentage of the stated amount of Letters of Credit for which it has provided cash collateral pursuant to clause (g) below.

(e) Each Defaulting Lender shall be entitled to receive the Letter of Credit Fees described in Section 3.4(a) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Credit Percentage of the stated amount of Letters of Credit for which it has provided cash collateral in accordance with clause (g) below. With respect to any Revolving Credit Facility Fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letter of Credit Obligations or Swing Line Advances that has been reallocated to such Non-Defaulting Lender pursuant to clause f below, (y) pay to each Issuing Lender and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Lender's and Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(f) If any Lender shall become a Defaulting Lender, then, for so long as such Lender remains a Defaulting Lender, any Fronting Exposure shall be reallocated by the Agent at the request of the Swing Line Lender and/or the Issuing Lender among the Non-Defaulting Lenders in accordance with their respective Percentages of the Revolving Credit, but only to the extent that the sum of the aggregate principal amount of all Revolving Credit Advances made by each Non-Defaulting Lender, plus such Non-Defaulting Lender's Percentage of the aggregate outstanding principal amount of Swing Line Advances and Letter of Credit Obligations prior to giving effect to such reallocation plus such Non-Defaulting Lender's Percentage of the Fronting Exposure to be reallocated does not exceed such Non- Defaulting Lender's Percentage of the Revolving Credit Aggregate Commitment, and only so long as no Default or Event of Default has occurred and is continuing on the date of such reallocation.

(g) At any time that there shall exist a Defaulting Lender, within one (1) Business Day following the written request of the Agent, the Swing Line Lender or the Issuing Lender (with a copy to the Agent), the Borrower shall cash collateralize the Swing Line Lender's and Issuing Lender's Fronting Exposure, as applicable, with respect to such Defaulting Lender (determined after giving effect to any cash collateral provided by such Defaulting Lender) in an amount not less than an amount determined by the Agent, the Swing Line Lender and the Issuing Lender in their sole discretion, by depositing such amounts into an account controlled by the Agent.

11. YIELD PROTECTION; INCREASED COSTS; MARGIN ADJUSTMENTS; TAXES.

11.1 Reimbursement of Prepayment Costs. If (i) the Borrower makes any payment of principal with respect to any Eurodollar-based Advance or Quoted Rate Advance on any day other than the last day of the Interest Period applicable thereto (whether voluntarily, pursuant to any mandatory provisions hereof, by acceleration, or otherwise); (ii) the Borrower converts or refunds (or attempts to convert or refund) any such Advance on any day other than the last day of the Interest Period applicable thereto (except as described in Section 2.5(e)); (iii) the Borrower fails to borrow, refund or convert any Eurodollar-based Advance or Quoted Rate Advance after notice has been given by the Borrower to the Agent in accordance with the terms hereof requesting such Advance; or (iv) or if Borrower fails to make any payment of principal in respect of a Eurodollar-based Advance or Quoted Rate Advance when due, the Borrower shall reimburse the Agent for itself and/or on behalf of any Lender, as the case may be, within ten (10) Business Days of written demand therefor for any resulting loss, cost or expense incurred (excluding the loss of any Applicable Margin) by the Agent and Lenders, as the case may be, as a result thereof, including, without limitation, any such loss, cost or expense incurred in obtaining, liquidating, employing or redeploying deposits from third parties, whether or not the Agent and Lenders, as the case may be, shall have funded or committed to fund such Advance. The amount payable hereunder by the Borrower to the Agent for itself and/or on behalf of any Lender, as the case may be, shall be deemed to equal an amount equal to the excess, if any, of (a) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, refunded or converted, for the period from the date of such prepayment or of such failure to borrow, refund or convert, through the last day of the relevant Interest Period, at the applicable rate of interest for said Advance(s) provided under this Agreement, over (b) the amount of interest (as reasonably determined by the Agent and Lenders, as the case may be) which would have accrued to the Agent and Lenders, as the case may be, on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. Calculation of any amounts payable to any Lender under this paragraph shall be made as though such Lender shall have actually funded or committed to fund the relevant Advance through the purchase of an underlying deposit in an amount equal to the amount of such Advance and having a maturity comparable to the relevant Interest Period; provided, however, that any Lender may fund any Eurodollar-based Advance or Quoted Rate Advance, as the case may be, in any manner it deems fit and the foregoing assumptions shall be utilized only for the purpose of the calculation of amounts payable under this paragraph. Upon the written request of the Borrower, the Agent and Lenders shall deliver to the Borrower a certificate setting forth the basis for determining such losses, costs and expenses, which certificate shall be conclusively presumed correct, absent manifest error.

11.2 Eurodollar Lending Office. For any Eurodollar-based Advance, if the Agent or a Lender, as applicable, shall designate a Eurodollar Lending Office which maintains books separate from those of the rest of the Agent or such Lender, the Agent or such Lender, as the case may be, shall have the option of maintaining and carrying the relevant Advance on the books of such Eurodollar Lending Office.

11.3 Circumstances Affecting LIBOR Rate Availability.

(a) If the Agent or the Majority Lenders (after consultation with the Agent) shall determine in good faith that, by reason of circumstances affecting the foreign exchange and interbank markets generally, deposits in eurodollars in the applicable amounts are not being offered to the Agent or such Lenders at the applicable LIBOR Rate, then the Agent shall forthwith give notice thereof to the Borrower. Thereafter, until the Agent notifies the Borrower that such circumstances no longer exist, (i) the obligation of Lenders to make Advances which bear interest at or by reference to the LIBOR Rate, and the right of the Borrower to convert an Advance to or refund an Advance as an Advance which bears interest at or by reference to the LIBOR Rate shall be suspended, (ii) effective upon the last day of each Eurodollar-Interest Period related to any existing Eurodollar-based Advance, each such Eurodollar-based Advance shall automatically be converted into an Advance which bears interest at or by reference to the Base Rate (without regard to the satisfaction of any conditions to conversion contained elsewhere herein), and (iii) effective immediately following such notice, each Advance which bears interest at or by reference to the Daily Adjusting LIBOR

Rate shall automatically be converted into an Advance which bears interest at or by reference to the Base Rate (without regard to the satisfaction of any conditions to conversion contained elsewhere herein).

(b) If at any time the Agent or the Majority Lenders (after consultation with the Agent) shall determine (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in the first sentence of Section 11.3(a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in the first sentence of Section 11.3(a) have not arisen but the supervisor for the administrator of the LIBOR Rate or a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which the LIBOR Rate shall no longer be used for determining interest rates for loans, then the Agent and Borrower shall endeavor to establish an alternate rate of interest to the LIBOR Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Margin unless agreed to by all Lenders in accordance with Section 13.10); provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 13.10, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Agent shall not have received, within ten (10) Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Majority Lenders of each Class stating that such Majority Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 11.3(b), only to the extent the LIBOR Rate for the applicable currency and such Interest Period is not available or published at such time on a current basis), (x) any Request for Advance that requests the conversion of any related Advance to, or continuation of any related Advance as, a Eurodollar-based Advance shall be ineffective and (y) if any Request for Advance requests a Eurodollar-based Advance or the use of the Eurodollar-based Rate, such Advance shall be made or carried as a Base Rate Advance.

11.4 Laws Affecting LIBOR Rate Availability. If, after the date of this Agreement, the adoption or introduction of, or any change in, any applicable law, rule or regulation or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Eurodollar Lending Offices) with any request or directive (whether or not having the force of law) of any such authority, shall make it unlawful or impossible for any of the Lenders (or any of their respective Eurodollar Lending Offices) to honor its obligations hereunder to make or maintain any Advance which bears interest at or by reference to the LIBOR Rate, such Lender shall forthwith give notice thereof to the Borrower and to the Agent. Thereafter, (a) the obligations of the applicable Lenders to make Advances which bear interest at or by reference to the LIBOR Rate and the right of the Borrower to convert an Advance into or refund an Advance as an Advance which bears interest at or by reference to the LIBOR Rate shall be suspended and thereafter only the Base Rate shall be available, and (b) if any of the Lenders may not lawfully continue to maintain an Advance which bears interest at or by reference to the LIBOR Rate, the applicable Advance shall immediately be converted to an Advance which bears interest at or by reference to the Base Rate.

11.5 Increased Cost of Advances Carried at the LIBOR Rate. If any Change in Law shall:

(a) subject any Lender to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(b) impose, modify or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, liquidity, or similar requirement against assets of, deposits with or for the account of, or credit extended by, any of the Lenders (or any of their respective Eurodollar Lending Offices) or shall impose on any of the Lenders (or any of their respective Eurodollar Lending Offices) or the foreign exchange and interbank markets any other condition affecting any Advance;

and the result of any of the foregoing matters is to increase the costs to any of the Lenders of maintaining any part of the Indebtedness hereunder as an Advance which bears interest at or by reference to the LIBOR Rate or to reduce the amount of any sum received or receivable by any of the Lenders under this Agreement in respect of an Advance which bears interest at or by reference to the LIBOR Rate, then such Lender shall promptly notify the Agent, and the Agent shall promptly notify the Borrower of such fact and demand compensation therefor and, within ten (10) Business Days after such notice, the Borrower agrees to pay to such Lender or Lenders such additional amount or amounts as will compensate such Lender or Lenders for such increased cost or reduction, provided that each Lender agrees to take any reasonable action, to the extent such action could be taken without cost or administrative or other burden or restriction to such Lender, to mitigate or eliminate such cost or reduction, within a reasonable time after becoming aware of the foregoing matters. The Agent will promptly notify the Borrower of any event of which it has knowledge which will entitle Lenders to compensation pursuant to this Section, or which will cause the Borrower to incur additional liability under Section 11.1 hereof, provided that the Agent shall incur no liability whatsoever to the Lenders or the Borrower in the event it fails to do so. A certificate of the Agent (or such Lender, if applicable) setting forth the basis for determining such additional amount or amounts necessary to compensate such Lender or Lenders shall accompany such demand and shall be conclusively presumed to be correct absent manifest error.

11.6 Capital Adequacy and Other Increased Costs. If any Change in Law affects or would affect the capital or liquidity requirements of a Lender or the Agent (or any corporation controlling such Lender or the Agent) and such Lender or the Agent, as the case may be, determines that the amount of required capital is increased by, or based upon the existence of such Lender's or the Agent's obligations or Advances hereunder, the effect of such Change in Law is to result in such an increase, and such increase has the effect of reducing the rate of return on such Lender's or the Agent's (or such controlling corporation's) capital as a consequence of such obligations or Advances hereunder to a level below that which such Lender or the Agent (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender or the Agent to be material, then the Agent or such Lender shall notify the Borrower, and thereafter the Borrower shall pay to such Lender or the Agent, as the case may be, within ten (10) Business Days of written demand therefor from such Lender or the Agent, additional amounts sufficient to compensate such Lender or the Agent (or such controlling corporation) for any such reduction which such Lender or the Agent determines to be allocable to the existence of such Lender's or the Agent's obligations or Advances hereunder, including without limitation any obligations in respect of Letters of Credit. A statement setting forth the amount of such compensation, the methodology for the calculation and the calculation thereof which shall also be prepared in good faith and in reasonable detail by such Lender or the Agent, as the case may be, shall be submitted by such Lender or by the Agent to the Borrower, reasonably promptly after becoming aware of any event described in this Section 11.6(a) and shall be conclusively presumed to be correct, absent manifest error.

11.7 Right of Lenders to Fund through Branches and Affiliates. Each Lender (including without limitation the Swing Line Lender) may, if it so elects, fulfill its commitment as to any Advance hereunder by designating a branch or Affiliate of such Lender to make such Advance; provided that (a) such Lender shall remain solely responsible for the performances of its obligations hereunder and (b) no such designation shall result in any material increased costs to the Borrower.

11.8 [Reserved].

11.9 Delay in Requests. Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to the foregoing provisions of this Section 11.9 shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to Sections 11.4, 11.5, 11.6 or 3.4(c), for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrower of the Change in Law (provided that this provision will not apply to any Change in Law of the type referred to in clauses (x), (y) or (z) of the definition thereof) giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

11.10 Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent, timely reimburse it for the payment of, any Other Taxes.

(c) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 11.10, the Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(d) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 11.10, (including by payment of additional amounts pursuant to this Section 11.10), it shall pay to the indemnifying party an amount equal to such refund or indemnification (but only to the extent of additional amounts or indemnification paid under this Section 11.10 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (d) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (d), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (d) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted or withheld and the additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax

returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(e) The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent) or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(f) Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent the Borrower has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.8 hereof relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest effort. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this clause (f).

(g) For purposes of this Section 11.10, the term "Lender" includes any Issuing Lender and the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 11.10 and Section 13.13 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of a Lender, the termination of Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

12. AGENT.

12.1 Appointment of the Agent. Each Lender and the holder of each Note (if issued) irrevocably appoints and authorizes the Agent to act on behalf of such Lender or holder under this Agreement and the other Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto, including without limitation the power to execute or authorize the execution of financing or similar statements or notices, and other documents. In performing its functions and duties under this Agreement, the Agent shall act solely as agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for any Credit Party.

12.2 Deposit Account with the Agent or any Lender. Borrower authorizes the Agent, in the Agent's or sole discretion, upon notice to the Borrower to charge its general deposit account(s), if any, maintained with the Agent for the amount of any principal, interest, or other amounts or costs due under this Agreement when the same become due and payable under the terms of this Agreement or the Notes.

12.3 Scope of the Agent's Duties. The Agent shall have no duties or responsibilities except those expressly set forth herein, and shall not, by reason of this Agreement or otherwise, have a fiduciary

relationship with any Lender (and no implied covenants or other obligations shall be read into this Agreement against the Agent). None of the Agent, its Affiliates nor any of their respective directors, officers, employees or agents shall be liable to any Lender for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith with the consent or at the request of the Majority Lenders (or all of the Lenders for those acts requiring consent of all of the Lenders) (except for its or their own willful misconduct or gross negligence), nor be responsible for or have any duties to ascertain, inquire into or verify (a) any recitals or warranties made by the Credit Parties or any Affiliate of the Credit Parties, or any officer thereof contained herein or therein, (b) the effectiveness, enforceability, validity or due execution of this Agreement or any document executed pursuant hereto or any security thereunder, (c) the performance by the Credit Parties of their respective obligations hereunder or thereunder, or (d) the satisfaction of any condition hereunder or thereunder, including without limitation in connection with the making of any Advance or the issuance of any Letter of Credit. The Agent and its Affiliates shall be entitled to rely upon any certificate, notice, document or other communication (including any cable, telegraph, telex, facsimile transmission or oral communication) believed by it to be genuine and correct and to have been sent or given by or on behalf of a proper person. The Agent may treat the payee of any Note as the holder thereof. The Agent may employ agents and may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable to the Lenders (except as to money or property received by them or their authorized agents), for the negligence or misconduct of any such agent selected by it with reasonable care or for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

12.4 Successor Agent. The Agent may resign as such at any time upon at least thirty (30) days prior notice to the Borrower and each of the Lenders. If the Agent at any time shall resign or if the office of the Agent shall become vacant for any other reason, Majority Lenders shall, by written instrument, appoint successor agent(s) ("Successor Agent") satisfactory to such Majority Lenders and, so long as no Default or Event of Default has occurred and is continuing, to the Borrower (which approval shall not be unreasonably withheld or delayed); provided, however that any such successor Agent shall be a bank or a trust company or other financial institution which maintains an office in the United States, or a commercial bank organized under the laws of the United States or any state thereof, or any Affiliate of such bank or trust company or other financial institution which is engaged in the banking business, and shall have a combined capital and surplus of at least $500,000,000. Such Successor Agent shall thereupon become the Agent hereunder, as applicable, and the Agent shall deliver or cause to be delivered to any successor agent such documents of transfer and assignment as such Successor Agent may reasonably request. If a Successor Agent is not so appointed or does not accept such appointment before the resigning Agent's resignation becomes effective, the resigning Agent may appoint a temporary successor to act until such appointment by the Majority Lenders and, if applicable, the Borrower, is made and accepted, or if no such temporary successor is appointed as provided above by the resigning the Agent, the Majority Lenders shall thereafter perform all of the duties of the resigning the Agent hereunder until such appointment by the Majority Lenders and, if applicable, the Borrower, is made and accepted. Such Successor Agent shall succeed to all of the rights and obligations of the resigning Agent as if originally named. The resigning Agent shall duly assign, transfer and deliver to such Successor Agent all moneys at the time held by the resigning Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed hereunder. Upon such succession of any such Successor Agent, the resigning Agent shall be discharged from its duties and obligations, in its capacity as the Agent hereunder, except for its gross negligence or willful misconduct arising prior to its resignation hereunder, and the provisions of this Article 12 shall continue in effect for the benefit of the resigning Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

12.5 Credit Decisions. Each Lender acknowledges that it has, independently of the Agent and each other Lender and based on the financial statements of the Borrower and such other documents,

information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Lender also acknowledges that it will, independently of the Agent and each other Lender and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement, any Loan Document or any other document executed pursuant hereto.

12.6 Authority of the Agent to Enforce This Agreement. Each Lender, subject to the terms and conditions of this Agreement, grants the Agent full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of any Indebtedness outstanding under this Agreement or any other Loan Document and to file such proofs of debt or other documents as may be necessary to have the claims of the Lenders allowed in any proceeding relative to any Credit Party, or their respective creditors or affecting their respective properties, and to take such other actions which the Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents.

12.7 Indemnification of the Agent. The Lenders agree to indemnify the Agent and its Affiliates (to the extent not reimbursed by the Borrower, but without limiting any obligation of the Borrower to make such reimbursement), ratably according to their respective Weighted Percentages, from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever (including, without limitation, reasonable fees and expenses of house and outside counsel) which may be imposed on, incurred by, or asserted against the Agent and its Affiliates in any way relating to or arising out of this Agreement, any of the other Loan Documents or the transactions contemplated hereby or any action taken or omitted by the Agent and its Affiliates under this Agreement or any of the Loan Documents; provided, however, that no Lender shall be liable for any portion of such claims, damages, losses, liabilities, costs or expenses resulting from the Agent's or its Affiliate's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Agent and its Affiliates promptly upon demand for its ratable share of any reasonable out-of-pocket expenses (including, without limitation, reasonable fees and expenses of house and outside counsel) incurred by the Agent and its Affiliates in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any of the other Loan Documents, to the extent that the Agent and its Affiliates are not reimbursed for such expenses by the Borrower, but without limiting the obligation of the Borrower to make such reimbursement. Each Lender agrees to reimburse the Agent and its Affiliates promptly upon demand for its ratable share of any amounts owing to the Agent and its Affiliates by the Lenders pursuant to this Section, provided that, if the Agent or its Affiliates are subsequently reimbursed by the Borrower for such amounts, they shall refund to the Lenders on a pro rata basis the amount of any excess reimbursement. If the indemnity furnished to the Agent and its Affiliates under this Section shall become impaired as determined in the Agent's reasonable judgment or the Agent shall elect in its sole discretion to have such indemnity confirmed by the Lenders (as to specific matters or otherwise), the Agent shall give notice thereof to each Lender and, until such additional indemnity is provided or such existing indemnity is confirmed, the Agent may cease, or not commence, to take any action. Any amounts paid by the Lenders hereunder to the Agent or its Affiliates shall be deemed to constitute part of the Indebtedness hereunder.

12.8 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have received a written notice from a Lender or Borrower specifying such Default or Event of Default and stating that such notice is a "notice of default". Upon receiving such a notice, the Agent shall promptly notify each Lender of such Default or Event of Default and provide each Lender with a copy of such notice and shall endeavor to

provide such notice to the Lenders within three (3) Business Days (but without any liability whatsoever in the event of its failure to do so). The Agent shall also furnish the Lenders, promptly upon receipt, with copies of all other notices or other information required to be provided by the Borrower hereunder.

12.9 The Agent's Authorization; Action by Lenders. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Lenders to give any approval or consent, or to make any request, or to take any other action on behalf of the Lenders (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Lenders or the Lenders, as applicable hereunder. Action that may be taken by the Majority Lenders, any other specified Percentage of the Lenders or all of the Lenders, as the case may be (as provided for hereunder) may be taken (i) pursuant to a vote of the requisite percentages of the Lenders as required hereunder at a meeting (which may be held by telephone conference call), provided that the Agent exercises good faith, diligent efforts to give all of the Lenders reasonable advance notice of the meeting, or (ii) pursuant to the written consent of the requisite percentages of the Lenders as required hereunder, provided that all of the Lenders are given reasonable advance notice of the requests for such consent.

12.10 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, the Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Lenders or all of the Lenders, as the case may be (as provided for hereunder), shall direct; provided, however, that the Agent shall not be required to act or omit to act if, in the reasonable judgment of the Agent, such action or omission may expose the Agent to personal liability for which the Agent has not been satisfactorily indemnified hereunder or is contrary to this Agreement, any of the Loan Documents or applicable law. Except as expressly provided above or elsewhere in this Agreement or the other Loan Documents, no Lender (other than the Agent, acting in its capacity as agent) shall be entitled to take any enforcement action of any kind under this Agreement or any of the other Loan Documents.

12.11 Collateral Matters.

(a) The Agent is authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action with respect to any Collateral or the Collateral Documents which may be necessary to perfect and maintain a perfected security interest in and Liens upon the Collateral granted pursuant to the Loan Documents.

(b) The Lenders irrevocably authorize the Agent, in its reasonable discretion, to the full extent set forth in Section 13.10(d) hereof, (1) to release or terminate any Lien granted to or held by the Agent upon any Collateral (a) upon the Payment in Full of all Indebtedness; (b) constituting property (including, without limitation, Equity Interests in any Person) sold or to be sold or disposed of as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction and including the property of any Subsidiary that is disposed of as permitted hereby) permitted in accordance with the terms of this Agreement; (c) constituting property in which a Credit Party owned no interest at the time the Lien was granted or at any time thereafter; or (d) if approved, authorized or ratified in writing by the Majority Lenders, or all the Lenders, as the case may be, as provided in Section 13.10; (2) to subordinate the Lien granted to or held by the Agent on any Collateral to any other holder of a Lien on such Collateral which is permitted by Section 8.2(b) hereof; and (3) if all of the Equity Interests held by the Credit Parties in any Person are sold or otherwise transferred to any transferee other than Borrower or a Subsidiary of Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement, to release such Person from all of its obligations under the Loan Documents (including, without limitation, under any Guaranty). Upon

request by the Agent at any time, the Lenders will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 12.11(b).

12.12 The Agents in their Individual Capacities. Comerica Bank and its Affiliates, successors and assigns shall each have the same rights and powers hereunder as any other Lender and may exercise or refrain from exercising the same as though such Lender were not the Agent. Comerica Bank and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, and generally engage in any kind of banking, trust, financial advisory or other business with the Credit Parties as if such Lender were not acting as the Agent hereunder, and may accept fees and other consideration therefor without having to account for the same to the Lenders.

12.13 The Agent's Fees. Until the Payment in Full of all Indebtedness, the Borrower shall pay to the Agent, as applicable, any agency or other fee(s) set forth (or to be set forth from time to time) in the applicable Fee Letter on the terms set forth therein. The agency fees referred to in this Section 12.13 shall not be refundable under any circumstances.

12.14 Documentation Agent or other Titles. Any Lender identified on the facing page or signature page of this Agreement or in any amendment hereto or as designated with consent of the Agent in any assignment agreement as Lead Arranger, Documentation Agent, Syndications Agent or any similar titles, shall not have any right, power, obligation, liability, responsibility or duty under this Agreement as a result of such title other than those applicable to all Lenders as such. Without limiting the foregoing, the Lenders so identified shall not have or be deemed to have any fiduciary relationship with any Lender as a result of such title. Each Lender acknowledges that it has not relied, and will not rely, on the Lender so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

12.15 Subordination Agreements. Each Lender hereby irrevocably appoints, designates and authorizes Agent to enter into any subordination or intercreditor agreement pertaining to any Subordinated Debt, on its behalf and to take such action on its behalf under the provisions of any such agreement (subject to the last sentence of this Section 12.15). Each Lender further agrees to be bound by the terms and conditions of each subordination or intercreditor agreement pertaining to any Subordinated Debt. Each Lender hereby authorizes Agent to issue blockages notices in connection with any Subordinated Debt at the direction of Majority Lenders (it being agreed and understood that Agent will not act unilaterally to issue such blockage notices).

12.16 Indebtedness in respect of Lender Products and Hedging Agreements. Except as otherwise expressly set forth herein, no Lender that obtains the benefits of the provisions of Section 10.2, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article 12 to the contrary, the Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Indebtedness arising under Lender Products and Hedging Agreements unless the Agent has received written notice of such Indebtedness, together with such supporting documentation as the Agent may request, from the applicable Lender.

12.17 No Reliance on the Agent's Customer Identification Program.

(a) Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Agent to carry out such Lender's, Affiliate's, participant's or

assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with Borrower or any of its Subsidiaries, any of their respective Affiliates or agents, the Loan Documents or the transactions hereunder: (i) any identify verification procedures, (ii) any record keeping, (iii) any comparisons with government lists, (iv) any customer notices or (v) any other procedures required under the CIP Regulations or such other laws.

(b) Each Lender or assignee or participant of a Lender that is not organized under the laws of the United States or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA Patriot Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA Patriot Act and the applicable regulations: (x) within 10 days after the Effective Date, and (y) at such other times as are required under the USA Patriot Act.

12.18 Flood Laws. Comerica Bank has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the Flood Laws. Comerica Bank, as administrative agent or collateral agent on a syndicated facility, will post on the applicable electronic platform (or otherwise distribute to each Lender in the syndicate) documents that it receives in connection with the Flood Laws. However, Comerica Bank reminds each Lender and each participant in the facility that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or participant in the facility) is responsible for assuring its own compliance with the flood insurance requirements.

12.19 Lenders' ERISA Representations.

Each Lender as of the Effective Date represents and warrants as of the Effective Date to the Agent and its Affiliates, and not, for the avoidance of doubt, for the benefit of Borrower or any other Credit Party, that such Lender is not and will not be (i) an employee benefit plan subject to Title I of ERISA, (ii) a plan or account subject to Section 4975 of the Code, (iii) an entity deemed to hold "plan assets" of any such plans or accounts for the purposes of ERISA or the Code, or (iv) a "governmental plan" within the meaning of ERISA. For the avoidance of doubt, a Lender may act as a service provider to or with respect to an ERISA plan and/or a plan or account subject to Section 4975 of the Code; provided, however, that such Lender shall not exercise any discretion or authority to utilize the assets of such plans or accounts to fund any loans or other credit extended hereunder.

13. MISCELLANEOUS.

13.1 Accounting Principles; Divisions.

(a) Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done, unless otherwise specified herein, in accordance with GAAP. Notwithstanding anything to the contrary contained in the definitions of Capital Expenditures or Capitalized Leases, in the event of the recent change in GAAP requiring all leases to be capitalized, only those leases (assuming for purposes of this paragraph that they were in existence on the Effective Date) that would constitute Capitalized Leases on December 31, 2018 shall be considered Capitalized Leases (and all other such leases shall constitute operating leases) and all calculations and deliverables under this

Agreement or the other Loan Documents shall be made in accordance therewith (other than the financial statements delivered pursuant to this Agreement); provided that all such financial statements delivered to Agent and Lenders in accordance with the terms of this Agreement after the date of such change in GAAP shall contain a schedule showing the adjustments necessary to reconcile such financial statements with GAAP as in effect immediately prior to such change.

(b) For all purposes under the Loan Documents, in connection with any Division, (a) if any asset, right, obligation or liability of any Dividing Person becomes the asset, right, obligation or liability of a Division Successor, then it shall be deemed to have been transferred from the Dividing Person to the Division Successor, and (b) any Division Successor shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

13.2 Consent to Jurisdiction. **THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE BORROWER, THE AGENT AND THE LENDERS WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 13.2.**

13.3 Governing Law. **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD FOR PRINCIPLES OF CONFLICTS OF LAWS.**

13.4 Interest. In the event the obligation of the Borrower to pay interest on the principal balance of the Notes or on any other amounts outstanding hereunder or under the other Loan Documents is or becomes in excess of the maximum interest rate which the Borrower is permitted by law to contract or agree to pay, giving due consideration to the execution date of this Agreement, then, in that event, the rate of interest applicable thereto with respect to such Lender's applicable Percentages shall be deemed to be immediately reduced to such maximum rate and all previous payments in excess of the maximum rate shall be deemed to have been payments in reduction of principal and not of interest.

13.5 Closing Costs and Other Costs; Indemnification.

(a) The Borrower shall pay or reimburse the Agent and its Affiliates for payment of, on demand, all reasonable and documented costs and expenses, including, by way of description and not limitation, reasonable and documented in-house and outside attorney fees and advances, appraisal and accounting fees, lien search fees, and required travel costs, incurred by the Agent and its Affiliates in connection with the commitment, consummation and closing of the loans contemplated hereby, or in connection with the administration or enforcement of this Agreement or the other Loan Documents

(including the obtaining of legal advice regarding the rights and responsibilities of the parties hereto) or any refinancing or restructuring of the loans or Advances provided under this Agreement or the other Loan Documents, or any amendment or modification thereof requested by the Borrower. Furthermore, all reasonable and invoiced costs and expenses, including without limitation reasonable and invoiced attorney fees, incurred by the Agent and its Affiliates and, after the occurrence and during the continuance of an Event of Default, by the Lenders in revising, preserving, protecting, exercising or enforcing any of its or any of the Lenders' rights against the Borrower or any other Credit Party, or otherwise incurred by the Agent and its Affiliates and the Lenders in connection with any Event of Default or the enforcement of the loans (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges in any court or bankruptcy proceedings or arising out of any claim or action by any person against the Agent, its Affiliates, or any Lender which would not have been asserted were it not for the Agent's or such Affiliate's or Lender's relationship with the Borrower hereunder or otherwise, shall also be paid by the Borrower. All of said amounts required to be paid by the Borrower hereunder and not paid forthwith upon demand, as aforesaid, shall bear interest, at the option of the Agent with notice to the Borrower, from the date incurred to the date payment is received by the Agent, at the Base Rate, plus two percent (2%).

(b) The Borrower agrees to indemnify and hold the Agent and each of the Lenders (and their respective Affiliates) harmless from all loss, cost, damage, liability or expenses, including reasonable and documented in- house and outside attorneys' fees and disbursements (but without duplication of such fees and disbursements for the same services), incurred by the Agent and each of the Lenders by reason of an Event of Default, or enforcing the obligations of any Credit Party under this Agreement or any of the other Loan Documents, as applicable, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement or any of the Loan Documents, excluding, however, any loss, cost, damage, liability or expenses to the extent arising as a result of the gross negligence or willful misconduct of the party seeking to be indemnified under this Section 13.5(b).

(c) The Borrower agrees to defend, indemnify and hold harmless the Agent and each Lender (and their respective Affiliates), and their respective employees, agents, officers and directors from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature (including without limitation, reasonable and documented attorneys and consultants fees, investigation and laboratory fees, environmental studies required by the Agent or any Lender in connection with the violation of Hazardous Material Laws), court costs and litigation expenses, arising out of or related to (i) the presence, use, disposal, release or threatened release of any Hazardous Materials on, from or affecting any premises owned or occupied by any Credit Party in violation of or the non-compliance with applicable Hazardous Material Laws, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit or other proceeding brought or threatened, settlement reached or governmental order or decree relating to such Hazardous Materials, and/or (iv) complying or coming into compliance with all Hazardous Material Laws (including the cost of any remediation or monitoring required in connection therewith) or any other Requirement of Law; provided, however, that the Borrower shall have no obligations under this Section 13.5(c) with respect to claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses to the extent arising as a result of the gross negligence or willful misconduct of the Agent or such Lender, as the case may be. The obligations of the Borrower under this Section 13.5(c) shall be in addition to any and all other obligations and liabilities the Borrower may have to the Agent or any of the Lenders at common law or pursuant to any other agreement.

13.6 Notices.

(a) Except as expressly provided otherwise in this Agreement (and except as provided in clause (b) below), all notices and other communications provided to any party hereto under this Agreement or any

other Loan Document shall be in writing and shall be given by personal delivery, by mail, by reputable overnight courier or by facsimile and addressed or delivered to it at its address set forth on Annex III or at such other address as may be designated by such party in a notice to the other parties that complies as to delivery with the terms of this Section 13.6 or posted to an E-System set up by or at the direction of the Agent (as set forth below). Any notice, if personally delivered or if mailed and properly addressed with postage prepaid and sent by registered or certified mail, shall be deemed given when received or when delivery is refused; any notice, if given to a reputable overnight courier and properly addressed, shall be deemed given two (2) Business Days after the date on which it was sent, unless it is actually received sooner by the named addressee; and any notice, if transmitted by facsimile, shall be deemed given when received. The Agent may, but, except as specifically provided herein, shall not be required to, take any action on the basis of any notice given to it by telephone, but the giver of any such notice shall promptly confirm such notice in writing or by facsimile, and such notice will not be deemed to have been received until such confirmation is deemed received in accordance with the provisions of this Section set forth above. If such telephonic notice conflicts with any such confirmation, the terms of such telephonic notice shall control. Any notice given by the Agent or any Lender to Borrower shall be deemed to be a notice to all of the Credit Parties.

(b) Notices and other communications provided to the Agent and the Lenders party hereto under this Agreement or any other Loan Document may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Agent. The Agent or the Borrower may, in their respective discretion, agree to accept notices and other communications to it hereunder by electronic communications (including email and any E-System) pursuant to procedures approved by it. Unless otherwise agreed to in a writing by and among the parties to a particular communication, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, return email, or other written acknowledgment) and (ii) notices and other communications posted to any E-System shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or other communication is available and identifying the website address therefore.

13.7 Further Action. The Borrower, from time to time, upon written request of the Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may reasonably be required to carry out the intent and purpose of this Agreement or the Loan Documents, and to provide for Advances under and payment of the Notes, according to the intent and purpose herein and therein expressed.

13.8 Successors and Assigns; Participations; Assignments.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Lenders and their respective successors and assigns.

(b) The foregoing shall not authorize any assignment by the Borrower of its rights or duties hereunder, and, except as otherwise provided herein, no such assignment shall be made (or be effective) without the prior written approval of the Lenders.

(c) No Lenders may at any time assign or grant participations in such Lender's rights and obligations hereunder and under the other Loan Documents except (i) by way of assignment to any Eligible Assignee in accordance with clause (d) of this Section, (ii) by way of a participation in accordance with the provisions of clause (e) of this Section 13.8 or (iii) by way of a pledge or assignment of a security interest subject to the restrictions of clause (g) of this Section 13.8 (and any other attempted assignment or transfer by any Lender shall be deemed to be null and void).

(d) Each assignment by a Lender of all or any portion of its rights and obligations hereunder and under the other Loan Documents, shall be subject to the following terms and conditions:

(i) each such assignment shall be made on a pro rata basis, and shall be in a minimum amount of the lesser of (x) Five Million Dollars ($5,000,000) or such lesser amount as the Agent and the Borrower shall agree and (y) the entire remaining amount of assigning Lender's aggregate interest in the Revolving Credit (and participations in any outstanding Letters of Credit); provided however that, after giving effect to such assignment, in no event shall the entire remaining amount (if any) of assigning Lender's aggregate interest in the Revolving Credit (and participations in any outstanding Letters of Credit) be less than $5,000,000;

(ii) the parties to any assignment shall execute and deliver to the Agent an Assignment Agreement substantially (as determined by the Agent) in the form attached hereto as Exhibit I (with appropriate insertions acceptable to the Agent), together with a processing and recordation fee in the amount, if any, required as set forth in the Assignment Agreement; and

(iii) each such assignment shall be consented to by the Borrower (such consent not to be unreasonably withheld or delayed); provided that no consent of the Borrower shall be required for an assignment to a Lender or an Affiliate of a Lender or, if an Event of Default has occurred and is continuing, any other assignee.

Until the Assignment Agreement becomes effective in accordance with its terms and is recorded in the Register maintained by the Agent under clause (h) of this Section 13.8, and the Agent has confirmed that the assignment satisfies the requirements of this Section 13.8, the Borrower and the Agent shall be entitled to continue to deal solely and directly with the assigning Lender in connection with the interest so assigned. From and after the effective date of each Assignment Agreement that satisfies the requirements of this Section 13.8, the assignee thereunder shall be deemed to be a party to this Agreement, such assignee shall have the rights and obligations of a Lender under this Agreement and the other Loan Documents (including without limitation the right to receive fees payable hereunder in respect of the period following such assignment) and the assigning Lender shall relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents.

Upon request, the Borrower shall execute and deliver to the Agent, new Note(s) payable to the order of the assignee in an amount equal to the amount assigned to the assigning Lender pursuant to such Assignment Agreement, and with respect to the portion of the Indebtedness retained by the assigning Lender, to the extent applicable, new Note(s) payable to the order of the assigning Lender in an amount equal to the amount retained by such Lender hereunder. The Agent, the Lenders and the Borrower acknowledge and agree that any such new Note(s) shall be given in renewal and replacement of the Notes issued to the assigning lender prior to such assignment and shall not effect or constitute a novation or discharge of the Indebtedness evidenced by such prior Note, and each such new Note may contain a provision confirming such agreement.

(e) The Borrower and the Agent acknowledge that each of the Lenders may at any time and from time to time, subject to the terms and conditions hereof, grant participations in such Lender's rights and obligations hereunder (on a pro rata basis only) and under the other Loan Documents to any Person (other than a natural person or to Borrower or any of Borrower's Affiliates or Subsidiaries); provided that any participation permitted hereunder shall comply with all applicable laws and shall be subject to a participation agreement that incorporates the following restrictions:

(i) such Lender shall remain the holder of its Notes hereunder (if such Notes are issued), notwithstanding any such participation;

(ii) a participant shall not reassign or transfer, or grant any sub-participations in its participation interest hereunder or any part thereof;

(iii) such Lender shall retain the sole right and responsibility to enforce the obligations of the Credit Parties relating to the Notes and the other Loan Documents, including, without limitation, the right to proceed against any Guarantors, or cause the Agent to do so (subject to the terms and conditions hereof), and the right to approve any amendment, modification or waiver of any provision of this Agreement without the consent of the participant (unless such participant is an Affiliate of such Lender), except for those matters requiring the consent of each of the Lenders under Section 13.10(b) (provided that a participant may exercise approval rights over such matters only on an indirect basis, acting through such Lender and the Credit Parties, the Agent and the other Lenders may continue to deal directly with such Lender in connection with such Lender's rights and duties hereunder). Notwithstanding the foregoing, however, in the case of any participation granted by any Lender hereunder, the participant shall not have any rights under this Agreement or any of the other Loan Documents against the Agent, any other Lender or any Credit Party; provided, however that the participant may have rights against such Lender in respect of such participation as may be set forth in the applicable participation agreement and all amounts payable by the Credit Parties hereunder shall be determined as if such Lender had not sold such participation. Each such participant shall be entitled to the benefits of Article 11 of this Agreement to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (d) of this Section, provided that no participant shall be entitled to receive any greater amount pursuant to such the provisions of Article 11 than the issuing Lender would have been entitled to receive in respect of the amount of the participation transferred by such issuing Lender to such participant had no such transfer occurred and each such participant shall also be entitled to the benefits of Section 9.6 hereof as though it were a Lender, provided that such participant agrees to be subject to Section 10.3 hereof as though it were a Lender; and

(iv) each participant shall provide the relevant tax form required under Section 13.13.

(f) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Advances or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

(h) The Borrower hereby designates the Agent, and Agent agrees to serve, as the Borrower's non-fiduciary agent solely for purposes of this Section 13.8(h) to maintain at its principal office in the

United States a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders, the Percentages of such Lenders and the principal amount of each type of Advance owing to each such Lender from time to time. The entries in the Register shall be conclusive evidence, absent manifest error, and the Borrower, the Agent, and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Advances recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender (but only with respect to any entry relating to such Lender's Percentages and the principal amounts owing to such Lender) upon reasonable notice to the Agent and a copy of such information shall be provided to any such party on their prior written request. The Agent shall give prompt written notice to the Borrower of the making of any entry in the Register or any change in such entry.

(i) The Borrower authorizes each Lender to disclose to any prospective assignee or participant which has satisfied the requirements hereunder, any and all financial information in such Lender's possession concerning the Credit Parties which has been delivered to such Lender pursuant to this Agreement, provided that each such prospective assignee or participant shall execute a confidentiality agreement consistent with the terms of Section 13.11 hereof or shall otherwise agree to be bound by the terms thereof.

(j) Nothing in this Agreement, the Notes or the other Loan Documents, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees and participants permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement, the Notes or the other Loan Documents.

13.9 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument.

13.10 Amendment and Waiver.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and the Majority Lenders (or by the Agent at the written request of the Majority Lenders) or, if this Agreement expressly so requires with respect to the subject matter thereof, by all Lenders (and, with respect to any amendments to this Agreement or the other Loan Documents, by any Credit Party or the Guarantors that are signatories thereto), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. All references in this Agreement to "Lenders" or "the Lenders" shall refer to all Lenders, unless expressly stated to refer to Majority Lenders (or the like).

(b) Notwithstanding anything to the contrary herein,

(i) no amendment, waiver or consent shall increase the stated amount of or extend any Lender's commitment hereunder without such Lender's consent;

(ii) no amendment, waiver or consent shall, unless in writing and signed by the Lender or Lenders holding Indebtedness directly affected thereby, do any of the following:

(A) reduce the principal of, or interest on, any outstanding Indebtedness or any Fees or other amounts payable hereunder,

(B) postpone any date fixed for any payment of principal of, or interest on, any outstanding Indebtedness or any Fees or other amounts payable hereunder (except with respect to the payments required under Section 2.10(b)),

(C) change any of the provisions of this Section 13.10 or the definitions of "Majority Lenders", or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder; provided that changes to the definition of "Majority Lenders" may be made with the consent of only the Majority Lenders to include the Lenders holding any additional credit facilities that are added to this Agreement with the approval of the appropriate Lenders, and

(D) any modifications to the definitions of "Borrowing Base", "Eligible Monthly Recurring Revenue", "Eligible Recurring Revenue Contracts", "Recurring Revenue", "Operational Performance Guarantees" and "PMPM Performance Cap";

(iii) no amendment, waiver or consent shall, unless in writing and signed by all Lenders, do any of the following:

(A) except as expressly permitted hereunder or under the Collateral Documents, release all or substantially all of the Collateral (provided that neither the Agent nor any Lender shall be prohibited thereby from proposing or participating in a consensual or nonconsensual debtor-in-possession or similar financing), or release any material guaranty provided by any Person in favor of the Agent and the Lenders, provided however that the Agent shall be entitled, without notice to or any further action or consent of the Lenders, to release any Collateral which any Credit Party is permitted to sell, assign or otherwise transfer in compliance with this Agreement or the other Loan Documents or release any guaranty to the extent expressly permitted in this Agreement or any of the other Loan Documents (whether in connection with the sale, transfer or other disposition of the applicable Guarantor or otherwise),

(B) increase the maximum duration of Interest Periods permitted hereunder; or

(C) modify Sections 10.2 or 10.3 hereof;

(iv) any amendment, waiver or consent that will (A) reduce the principal of, or interest on, the Swing Line Note, (B) postpone any date fixed for any payment of principal of, or interest on, the Swing Line Note or (C) otherwise affect the rights and duties of the Swing Line Lender under this Agreement or any other Loan Document, shall require the written concurrence of the Swing Line Lender;

(v) any amendment, waiver or consent that will affect the rights or duties of Issuing Lender under this Agreement or any of the other Loan Documents, shall require the written concurrence of the Issuing Lender; and

(vi) any amendment, waiver, or consent that will affect the rights or duties of the Agent under this Agreement or any other Loan Document, shall require the written concurrence of the Agent.

(c) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove of any amendment, consent, waiver or any other modification to any Loan Document (and all amendments, consents, waivers and other modifications may be effected without the consent of the Defaulting Lenders), except that the foregoing shall not permit, in each case without such Defaulting Lender's consent, (i) an increase in such Defaulting Lender's stated commitment amounts, (ii) the waiver, forgiveness or reduction of the principal amount of any Indebtedness owing to such Defaulting Lender (unless all other Lenders affected thereby are treated similarly), (iii) the extension of the final maturity date(s) of such Defaulting Lenders' portion of any of the Indebtedness or the extension of any commitment to extend credit of such Defaulting Lender, or (iv) any other modification which requires the consent of all Lenders or the Lender(s) affected thereby which affects such Defaulting Lender more adversely than the other affected Lenders (other than a modification which results in a reduction of such Defaulting Lender's Percentage of any Commitments or repayment of any amounts owing to such Defaulting Lender on a non pro-rata basis).

(d) The Agent shall, upon the written request of the Borrower, execute and deliver to the Credit Parties such documents as may be necessary to evidence (1) the release of any Lien granted to or held by the Agent upon any Collateral: (a) upon Payment in Full of all Indebtedness; (b) which constitutes property (including, without limitation, Equity Interests in any Person) sold or to be sold or disposed of as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction and including the property of any Subsidiary that is disposed of as permitted hereby) permitted in accordance with the terms of this Agreement; (c) which constitutes property in which a Credit Party owned no interest at the time the Lien was granted or at any time thereafter; or (d) if approved, authorized or ratified in writing by the Majority Lenders, or all the Lenders, as the case may be, as provided in this Section 13.10; or (2) the release of any Person from its obligations under the Loan Documents (including without limitation the Guaranty) if all of the Equity Interests of such Person that were held by a Credit Party are sold or otherwise transferred to any transferee other than Borrower or a Subsidiary of Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement; provided that (i) the Agent shall not be required to execute any such release or subordination agreement under clauses (1) or (2) above on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty or such release shall not in any manner discharge, affect or impair the Indebtedness or any Liens upon any Collateral retained by any Credit Party, including (without limitation) the proceeds of the sale or other disposition, all of which shall constitute and remain part of the Collateral.

(e) Notwithstanding anything to the contrary herein the Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

(f) Notwithstanding the foregoing, no amendment and restatement of this Agreement which is in all other respects approved by the Lenders in accordance with this Section 13.10 shall require the consent or approval of any Lender (i) which immediately after giving effect to such amendment and restatement, shall have no commitment or other obligation to maintain or extend credit under this Agreement (as so amended and restated), including, without limitation, any obligation to participate in any Letter of Credit and (ii) which, substantially contemporaneously with the effectiveness of such amendment and restatement, shall have received payment in full of all Indebtedness owing to such Lender under the Loan Documents (other than any Indebtedness owing to such Lender in connection with Lender Products or under any Hedging Agreements). From and after the effectiveness of any such amendment and restatement, any such Lender shall be deemed to no longer be a "Lender" hereunder or a party hereto, except that any such Lender shall retain the benefits of indemnification provisions hereof which, by the terms hereof would survive the termination of this Agreement.

(g) Each of the parties hereto acknowledges and agrees that notwithstanding anything to the contrary set forth herein, no MIRE Event may be closed (x) until the date that is (i) if there are no Mortgaged Properties in a Flood Hazard Zone, ten (10) Business Days or (ii) if there are any Mortgaged Properties in a "special flood hazard area", thirty (30) days, in each case, after the Agent or Borrower have delivered to the Lenders the following documents in respect of such real property: (A) a completed flood hazard determination from a third party vendor; (B) if such real property is located in a "special flood hazard area", (1) a notification to the applicable Credit Parties of that fact and, if applicable, notification to the applicable Credit Parties that flood insurance coverage is not available and (2) evidence of the receipt by the applicable Credit Parties of such notice; and (3) if required by applicable Flood Laws, evidence of required flood insurance with respect to which flood insurance has been made available under applicable Flood Laws; provided that, subject to clause (y) below, any such MIRE Event may be closed prior to the expiration of such period if the Agent shall have received confirmation from each Lender that such Lender has completed any necessary flood insurance due diligence to its reasonable satisfaction or (y) if any part of such property is located in a Flood Hazard Zone and flood insurance coverage is not available.

13.11 Confidentiality. Each of the Agent, the Lenders, the Swing Line Lender and the Issuing Lender agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its respective Subsidiaries or the Revolving Credit or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Revolving Credit; (h) with the consent of the Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Agent, any Lender, Swing Line Lender, Issuing Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower who did not acquire such information as a result of a breach of this Section. In addition, the Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from any Credit Party relating to any Credit Party or any of their respective businesses, other than any such information that is available to the Agent, any Lender, Swing Line Lender or Issuing Lender on a nonconfidential basis prior to disclosure by any Credit Party; provided that, in the case of information received from any Credit Party after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

13.12 Substitution or Removal of Lenders.

(a) With respect to any Lender (i) whose obligation to make Eurodollar-based Advances has been suspended pursuant to Section 11.3 or 11.4, (ii) that has demanded compensation under Sections 3.4(c), 11.5 or 11.6, (iii) that has become a Defaulting Lender or (iv) that has failed to consent to a requested amendment, waiver or modification to any Loan Document as to which the Majority Lenders have already consented (in each case, an "Affected Lender"), then the Agent or the Borrower may, at the Borrower's sole expense, require the Affected Lender to sell and assign all of its interests, rights and obligations under this Agreement, including, without limitation, its Commitments, to an assignee (which may be one or more of the Lenders) (such assignee shall be referred to herein as the "Purchasing Lender" or "Purchasing Lenders") within two (2) Business Days after receiving notice from the Borrower requiring it to do so, for an aggregate price equal to the sum of the portion of all Advances made by it, interest and fees accrued for its account through but excluding the date of such payment, and all other amounts payable to it hereunder, from the Purchasing Lender(s) (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including without limitation, if demanded by the Affected Lender, the amount of any compensation then due to the Affected Lender under Sections 3.4(c), 11.1, 11.5 and 11.6 to but excluding said date), payable (in immediately available funds) in cash. The Affected Lender, as assignor, such Purchasing Lender, as assignee, the Borrower and the Agent, shall enter into an Assignment Agreement pursuant to Section 13.8 hereof, whereupon such Purchasing Lender shall be a Lender party to this Agreement, shall be deemed to be an assignee hereunder and shall have all the rights and obligations of a Lender with a Revolving Credit Percentage equal to its ratable share of the then applicable Revolving Credit Aggregate Commitment of the Affected Lender, provided, however, that if the Affected Lender does not execute such Assignment Agreement within (2) Business Days of receipt thereof, the Agent may execute the Assignment Agreement as the Affected Lender's attorney-in-fact. Each of the Lenders hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of such Lender or in its own name to execute and deliver the Assignment Agreement while such Lender is an Affected Lender hereunder (such power of attorney to be deemed coupled with an interest and irrevocable). In connection with any assignment pursuant to this Section 13.12, the Borrower or the Purchasing Lender shall pay to the Agent the administrative fee for processing such assignment referred to in Section 13.8.

(b) If any Lender is an Affected Lender of the type described in Section 13.12(a)(iii) and (iv) (any such Lender, a "Non-Compliant Lender"), the Borrower may, with the prior written consent of the Agent, and notwithstanding Section 10.3 of this Agreement or any other provisions requiring pro rata payments to the Lenders, elect to reduce any Commitments by an amount equal to the Non-Compliant Lender's Percentage of the Commitment of such Non-Compliant Lender and repay such Non-Compliant Lender an amount equal the principal amount of all Advances owing to it, all interest and fees accrued for its account through but excluding the date of such repayment, and all other amounts payable to it hereunder (including without limitation, if demanded by the Non-Compliant Lender, the amount of any compensation then due to the Non-Compliant Lender under Sections 3.4(c), 11.1, 11.5 and 11.6 to but excluding said date), payable (in immediately available funds) in cash, so long as, after giving effect to the termination of Commitments and the repayments described in this clause (b), any Fronting Exposure of such Non-Compliant Lender shall be reallocated among the Lenders that are not Non-Compliant Lenders in accordance with their respective Revolving Credit Percentages, but only to the extent that the sum of the aggregate principal amount of all Revolving Credit Advances made by each such Lender, plus such Lender's Percentage of the aggregate outstanding principal amount of Swing Line Advances and Letter of Credit Obligations prior to giving effect to such reallocation plus such Lender's Percentage of the Fronting Exposure to be reallocated does not exceed such Lender's Percentage of the Revolving Credit Aggregate Commitment, and with respect to any portion of the Fronting Exposure that may not be reallocated, the Borrower shall deliver to the Agent, for the benefit of the Issuing Lender and/or Swing Line Lender, as

applicable, cash collateral or other security satisfactory to the Agent, with respect any such remaining Fronting Exposure.

13.13 Withholding Taxes.

(a) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (a)(ii)(A), (a)(ii)(B) and (a)(ii)(D) of this Section 13.13) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed copies of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit L-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a

"U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W 8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit L-2 or Exhibit L-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit L-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender or Agent under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or Agent were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender or Agent shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender or Agent has complied with such Lender's or Agent's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), FATCA shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(E) to the extent legally permissible, on or prior to the date on which the Agent becomes a party to this Agreement, and at the other time or times reasonably requested by the Borrower, the Agent shall deliver to Borrower an IRS Form W-9 properly executed by the Agent. The Agent represents and warrants that it is a U.S. Person and will remain a U.S. Person during the term of this Agreement.

(b) Promptly upon notice from the Agent of any determination by the IRS that any payments previously made to such Lender hereunder were subject to United States income Tax withholding when made (or subject to withholding at a higher rate than that applied to such payments), such Lender shall pay to the Agent the excess of the aggregate amount required to be withheld from such payments over the aggregate amount (if any) actually withheld by the Agent, provided that, following any such payment, such Lender shall retain all of its rights and remedies against the Borrower with respect thereto.

For purposes of this Section 13.13, the term "Lender" includes any Issuing Lender and the term "applicable law" includes FATCA.

13.14 WAIVER OF JURY TRIAL/ JUDICIAL REFERENCE. **JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW, THE BORROWER, THE LENDERS AND THE AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. THE BORROWER, THE LENDERS AND THE AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

(a) Judicial Reference.

(i) In the event the jury trial waiver set forth above is not enforceable, the parties elect to proceed under this judicial reference provision.

(ii) With the exception of the items specified in clause (iii), below, any controversy, dispute or claim (each, a "Claim") between the parties arising out of or relating to this Agreement, the Notes or the other Loan Documents, any other will be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in this Agreement, the Notes or the other Loan Documents, venue for the reference proceeding will be in the state or federal court in the county or district where the real property involved in the action, if any, is located or in the state or federal court in the county or district where venue is otherwise appropriate under applicable law (the "Court").

(iii) The matters that shall not be subject to a reference are the following: (a) foreclosure of any security interests in real or personal property, (b) exercise of self-help remedies (including, without limitation, set-off), (c) appointment of a receiver and (d) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This reference provision does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (a) and (b) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (c) and (d). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this reference provision as provided herein.

(iv) The referee shall be a retired judge or justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP § 170.6, each party shall have one peremptory challenge to the referee selected by the Presiding Judge of the Court (or his or her representative).

(v) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (a) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (b) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (c) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(vi) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(vii) Except as expressly set forth herein, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(viii) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP § 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(ix) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(x) THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING

HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS AGREEMENT, THE NOTES OR THE OTHER LOAN DOCUMENTS.]

13.15 USA Patriot Act Notice. Pursuant to Section 326 of the USA Patriot Act, the Agent and the Lenders hereby notify the Credit Parties that if they or any of their Subsidiaries open an account, including any loan, deposit account, treasury management account, or other extension of credit with the Agent or any Lender, the Agent or the applicable Lender will request the applicable Person's name, tax identification number, business address and other information necessary to identify such Person (and may request such Person's organizational documents or other identifying documents) to the extent necessary for the Agent and the applicable Lender to comply with the USA Patriot Act.

13.16 Complete Agreement; Conflicts. This Agreement, the Notes (if issued), any Requests for Revolving Credit Advance, and Requests for Swing Line Advance, and the Loan Documents contain the entire agreement of the parties hereto, superseding all prior agreements, discussions and understandings relating to the subject matter hereof, and none of the parties shall be bound by anything not expressed in writing. In the event of any conflict between the terms of this Agreement and the other Loan Documents, this Agreement shall govern.

13.17 Severability. In case any one or more of the obligations of the Credit Parties under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Credit Parties shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Credit Parties under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

13.18 Table of Contents and Headings; Section References. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof and references herein to "sections," "subsections," "clauses," "paragraphs," "subparagraphs," "exhibits" and "schedules" shall be to sections, subsections, clauses, paragraphs, subparagraphs, exhibits and schedules, respectively, of this Agreement unless otherwise specifically provided herein or unless the context otherwise clearly indicates.

13.19 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

13.20 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default.

13.21 Electronic Transmissions.

(a) Each of the Agent, the Credit Parties, the Lenders, and each of their Affiliates is authorized (but not required) to transmit, post or otherwise make or communicate, in its sole discretion, Electronic

Transmissions in connection with any Loan Document and the transactions contemplated therein. The Borrower and each other Credit Party hereby acknowledges and agrees that the use of Electronic Transmissions is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing the transmission of Electronic Transmissions.

(b) All uses of an E-System shall be governed by and subject to, in addition to Section 13.6 and this Section 13.22, separate terms and conditions posted or referenced in such E-System and related contractual obligations executed by the Agent, the Credit Parties and the Lenders in connection with the use of such E-System.

(c) All E-Systems and Electronic Transmissions shall be provided "as is" and "as available". None of the Agent or any of its Affiliates, nor Borrower or any of its respective Affiliates warrants the accuracy, adequacy or completeness of any E-Systems or Electronic Transmission, and each disclaims all liability for errors or omissions therein. No warranty of any kind is made by the Agent or any of its Affiliates, or Borrower or any of its respective Affiliates in connection with any E-Systems or Electronic Transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. The Agent, the Borrower and its Subsidiaries, and the Lenders agree that the Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System. The Agent and the Lenders agree that the Borrower has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System.

13.22 Advertisements. The Agent and the Lenders may disclose the names of the Credit Parties and the existence of the Indebtedness in general advertisements and trade publications.

13.23 Reliance on and Survival of Provisions. All terms, covenants, agreements, representations and warranties of the Credit Parties to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of any Credit Party in connection with this Agreement or any of the Loan Documents shall be deemed to have been relied upon by the Lenders, notwithstanding any investigation heretofore or hereafter made by any Lender or on such Lender's behalf, and those covenants and agreements of the Borrower and the Lenders, as applicable, set forth in Sections 3.9, 3.10, 11.10, 12.7 and 13.5 hereof (together with any other indemnities of any Credit Party or Lender contained elsewhere in this Agreement or in any of the other Loan Documents) shall survive the Payment in Full of the Indebtedness and the termination of this Agreement and the other Loan Documents, including any commitment to extend credit thereunder.

13.24 [Reserved].

13.25 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Signatures Follow On Succeeding Page]

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK,
as Administrative Agent

By: /s/ Walter Weston
Name; Walter Weston
Title: Senior Vice President

COMERICA BANK,
as a Lender, as Issuing Lender
and as Swing Line Lender

By: /s/ Walter Weston
Name; Walter Weston
Title Senior Vice President

ACCOLADE, INC., as Borrower

By:
Name: Rajeev Singh
Title: Chief Executive Officer

WITNESS the due execution hereof as of the day and year first above written.

COMERICA BANK,
as Administrative Agent

By: _____
Name; Walter Weston
Title: Senior Vice President

COMERICA BANK,
as a Lender, as Issuing Lender
and as Swing Line Lender

By: _____
Name; Walter Weston
Title: Senior Vice President

ACCOLADE, INC., as Borrower

By: /s/ Stephen Barnes
Name: Stephen Barnes
Title: Secretary

WESTERN ALLIANCE BANK,
as a Lender, Joint Lead Arranger and Joint Bookrunner

By: /s/ Whitley Mayberry

Its: Whitley Mayberry

Relationship Manager

EXHIBIT A

FORM OF REQUEST FOR REVOLVING CREDIT ADVANCE

No. Dated: , 20

TO: Comerica Bank ("Agent")

RE: Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Pursuant to the terms and conditions of the Credit Agreement, Borrower hereby requests an Advance from Lenders, as described herein:

(A) Date of Advance:

(B) o (check if applicable)

This Advance is or includes a whole or partial refunding/conversion of:

Advance No(s).

(C) Type of Advance (check only one):

o Base Rate Advance

o Eurodollar-based Advance

(D) Amount of Advance:

$

(E) Interest Period (applicable to Eurodollar-based Advances)

months

(F) Disbursement Instructions

o Comerica Bank Account No.

Borrower certifies to the matters specified in Section 2.3(f) of the Credit Agreement.

Capitalized terms used herein, except as defined to the contrary, have the meanings given them in the Credit Agreement.

ACCOLADE, INC.

By: _____

Its: _____

Agent Approval: _____

EXHIBIT B

FORM OF REVOLVING CREDIT NOTE

$, 2019

On or before the Revolving Credit Maturity Date, FOR VALUE RECEIVED, Accolade, Inc., a Delaware corporation ("Borrower") promises to pay to the order of ("Payee") at Detroit, Michigan, care of Agent, in lawful money of the United States of America, so much of the sum of Dollars ($), as may from time to time have been advanced by Payee and then be outstanding hereunder pursuant to the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Borrower. Each of the Revolving Credit Advances made hereunder shall bear interest at the Applicable Interest Rate from time to time applicable thereto under the Credit Agreement or as otherwise determined thereunder, and interest shall be computed, assessed and payable on the unpaid principal amount of each Revolving Credit Advance made by the Payee from the date of such Revolving Credit Advance until paid at the rate and at the times set forth in the Credit Agreement.

This Note is a note under which Revolving Credit Advances (including refundings and conversions), repayments and readvances may be made from time to time, but only in accordance with the terms and conditions of the Credit Agreement. This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Credit Agreement, to which reference is hereby made. Capitalized terms used herein, except as defined to the contrary, shall have the meanings given them in the Credit Agreement.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of California.

The Borrower hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agree that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

*** * ***

[SIGNATURES FOLLOW ON SUCCEEDING PAGE]

Nothing herein shall limit any right granted Payee by any other instrument or by law.

ACCOLADE, INC.

By: _____

Its: _____

EXHIBIT C

FORM OF SWING LINE NOTE

$2,000,000.00 , 2019

On or before the Revolving Credit Maturity Date, FOR VALUE RECEIVED, Accolade, Inc., a Delaware corporation ("Borrower") promises to pay to the order of Comerica Bank ("Swing Line Lender") at Detroit, Michigan, in lawful money of the United States of America, so much of the sum of Two Million Dollars ($2,000,000.00), as may from time to time have been advanced to the Borrower by the Swing Line Lender and then be outstanding hereunder pursuant to the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Borrower, together with interest thereon as hereinafter set forth.

Each of the Swing Line Advances made hereunder shall bear interest at the Applicable Interest Rate from time to time applicable thereto under the Credit Agreement or as otherwise determined thereunder, and interest shall be computed, assessed and payable on the unpaid principal amount of each Swing Line Advance made by the Swing Line Lender from the date of such Swing Line Advance until paid at the rates and at the times set forth in the Credit Agreement.

This Note is a Swing Line Note under which Swing Line Advances (including refundings and conversions), repayments and readvances may be made from time to time by the Swing Line Lender, but only in accordance with the terms and conditions of the Credit Agreement (including any applicable sublimits). This Note evidences borrowings under, is subject to, is secured in accordance with, and may be accelerated or matured under, the terms of the Credit Agreement to which reference is hereby made. Capitalized terms used herein, except as defined to the contrary, shall have the meanings given them in the Credit Agreement.

This Note shall be interpreted and the rights of the parties hereunder shall be determined under the laws of, and enforceable in, the State of California.

The Borrower hereby waives presentment for payment, demand, protest and notice of dishonor and nonpayment of this Note and agree that no obligation hereunder shall be discharged by reason of any extension, indulgence, release, or forbearance granted by any holder of this Note to any party now or hereafter liable hereon or any present or subsequent owner of any property, real or personal, which is now or hereafter security for this Note.

*** * ***

[SIGNATURES FOLLOW ON SUCCEEDING PAGE]

Nothing herein shall limit any right granted Swing Line Lender by any other instrument or by law.

ACCOLADE, INC.

By: _____

Its: _____

EXHIBIT D

FORM OF REQUEST FOR SWING LINE ADVANCE

No. Dated:

TO: Comerica Bank ("Swing Line Lender")

RE: Credit a Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Pursuant to the terms and conditions of the Credit Agreement, Borrower hereby requests an Advance from the Swing Line Lender, as described herein:

(A) Date of Advance:

(B) o (check if applicable)

This Advance is or includes a whole or partial refunding/conversion of:

Advance No(s).

(C) Type of Advance (check only one):—

o Base Rate Advance
o Quoted Rate Advance

(D) Amount of Advance:

$

(E) Interest Period (applicable to Quoted Rate Advances)

months

(F) Disbursement Instructions

o Comerica Bank Account No.

Borrower certifies to the matters specified in Section 2.5(c)(vi) of the Credit Agreement.

Capitalized terms used herein, except as defined to the contrary, have the meanings given them in the Credit Agreement.

ACCOLADE, INC.

By: _____

Its: _____

EXHIBIT E

FORM OF NOTICE OF ISSUANCE OF LETTER OF CREDIT

TO: Lenders

RE: Issuance of Letter of Credit pursuant to Article 3 of the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

On , 20 ,(1) Agent, in accordance with Article 3 of the Credit Agreement, issued its Letter of Credit number , in favor of (2) for the account of ACCOLADE, INC. The face amount of such Letter of Credit is $. The amount of each Lender's participation in such Letter of Credit is as follows:(3)

[Lender]	$
[Lender]	$
[Lender]	$
[Lender]	$

This notification is delivered this day of , 20 , pursuant to Section 3.3 of the Credit Agreement. Except as otherwise defined, capitalized terms used herein have the meanings given them in the Credit Agreement.

Signed:

COMERICA BANK, as Agent

By: _____

Its: _____

(1) Date of Issuance
(2) Beneficiary
(3) Amounts based on Percentages

[This form of Letter of Credit Notice (including footnotes) is subject in all respects to the terms and conditions of the Credit Agreement which shall govern in the event of any inconsistencies or omissions.]

EXHIBIT F — Form of New Lender Addendum

NEW LENDER ADDENDUM

THIS NEW LENDER ADDENDUM, dated , by the undersigned (the "New Lender") is an addendum to the Credit Agreement dated as of July 19, 2019 (as amended, restated, supplemented, renewed or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used without separate definition shall have the meanings given to them in the Credit Agreement), among Accolade, Inc. ("Borrower"), each of the financial institutions parties thereto (collectively, the "Lenders") and Comerica Bank, as Agent for the Lenders (the "Agent").

WITNESSETH:

WHEREAS, the Credit Agreement provides in Section 2.12 thereof that a financial institution, although not originally a party thereto, may become a party to the Credit Agreement with the consent of the Borrower and the Agent by executing and delivering to the Agent a New Lender Addendum to the Credit Agreement in substantially the form of this New Lender Addendum; and

WHEREAS, the undersigned New Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, the New Lender hereby agrees as follows:

The New Lender hereby confirms that it has received a copy of the Credit Agreement and the exhibits and schedules referred to therein, and all other Loan Documents which it considers necessary, together with copies of the other documents which were required to be delivered under the Credit Agreement as a condition to the making of the loans thereunder. The New Lender acknowledges and agrees that it: (a) has made and will continue to make such inquiries and has taken and will take such care on its own behalf as would have been the case had its commitment been granted and its loans been made directly by such New Lender to the Borrower without the intervention of the Agent or any other Lender; and (b) has made and will continue to make, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The New Lender further acknowledges and agrees that the Agent has not made any representations or warranties about the creditworthiness of the Borrower or any other party to the Credit Agreement or any other of the Loan Documents, or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement, or any other of the Loan Documents.

New Lender represents and warrants that it is an Eligible Assignee to which assignments are permitted pursuant to Sections 13.8(c) and (d) of the Credit Agreement.

Except as otherwise provided in the Credit Agreement, effective as of the Effective Date (as defined below):

(a) the New Lender (i) shall be deemed automatically to have become a party to the Credit Agreement and the other Loan Documents, and to have all the rights and obligations of a party to the Credit Agreement and the other Loan Documents, as if it were an original signatory; and (ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement and the other Loan Documents as if it were an original signatory thereto; and

(b) the New Lender shall be a Revolving Credit Lender and its Percentage of the Revolving Credit shall be as set forth in the attached revised Schedule 1.1 (Percentages); provided any fees paid prior to the Effective Date shall not be recalculated, redistributed or reallocated by Borrower, Agent or the Lenders.

As used herein, the term "Effective Date" means the date on which all of the following have occurred or have been completed, as reasonably determined by the Agent:

(1) the Borrower shall have paid to the Agent, all fees and other amounts, if any, accrued to the Effective Date for which reimbursement is then owing under the Credit Agreement;

(2) New Lender shall have remitted to the Agent funds in an amount equal to its Percentage of the Revolving Credit outstanding as of the Effective Date; and

(3) the Borrower shall have executed and delivered to the Agent for the New Lender, if so requested by the New Lender pursuant to the terms of the Credit Agreement, a new Revolving Credit Note payable to such New Lender in the face amount of such New Lender's Percentage of the Revolving Credit (after giving effect to this New Lender Addendum, and any other New Lender Addendum executed concurrently herewith).

The Agent shall notify the New Lender, along with Borrower and each Lender, of the Effective Date.

IN WITNESS WHEREOF, the undersigned has caused this New Lender Addendum to be executed and delivered by a duly authorized officer on the date first above written.

[Name of New Lender]

By: _____

Its: _____

Accepted this day of , 20 .

ACCOLADE, INC.

By: _____
Name: _____
Title: _____

Accepted this day of , 20 .

COMERICA BANK, as Agent

By: _____

Its: _____

EXHIBIT G

FORM OF SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "**Agreement**") dated as of July 18, 2019 is entered into by and among the Borrower (as defined below), such other entities which from time to time become parties hereto (collectively, including the Borrower, the "**Debtors**" and each individually a "**Debtor**") and Comerica Bank ("**Comerica**"), as Administrative Agent for and on behalf of the Lenders (as defined below) (in such capacity, the "**Agent**"). The addresses for the Debtors and the Agent, as of the date hereof, are set forth on the signature pages attached hereto.

RECITALS:

A. Accolade, Inc. (the "**Borrower**") has entered into that certain Credit Agreement, dated as of July 18, 2019 (as amended, supplemented, amended and restated or otherwise modified from time to time the "**Credit Agreement**"), with each of the financial institutions party thereto (collectively, including their respective successors and assigns, the "**Lenders**") and the Agent pursuant to which the Lenders have agreed, subject to the satisfaction of certain terms and conditions, to extend or to continue to extend financial accommodations to the Borrower, as provided therein.

B. Pursuant to the Credit Agreement, the Lenders have required that each of the Debtors grant (or cause to be granted) certain Liens to the Agent, for the benefit of the Lenders, all to secure the obligations of the Borrower or any Debtor under the Credit Agreement or any related Loan Document (including any Guaranty).

C. The Debtors have directly and indirectly benefited and will directly and indirectly benefit from the transactions evidenced by and contemplated in the Credit Agreement and the other Loan Documents.

D. The Agent is acting as Agent for the Lenders pursuant to the terms and conditions of **Section 12** of the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
Definitions

Section 1.1 **Definitions**. As used in this Agreement, capitalized terms not otherwise defined herein have the meanings provided for such terms in the Credit Agreement. References to "Sections," "subsections," "Exhibits" and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction which may be applicable to the grant and perfection of the Liens held by the Agent for the benefit of the Lenders pursuant to this Agreement.

The following terms have the meanings indicated below, all such definitions to be equally applicable to the singular and plural forms of the terms defined:

"**Account**" means any "account," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all rights of such Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of such Debtor, (c) all rights of such Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned or granted to or held by such Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, and (f) all rights of such Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale.

"**Chattel Paper**" means any "chattel paper," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and shall include both electronic Chattel Paper and tangible Chattel Paper.

"**Collateral**" has the meaning specified in **Section 2.1** of this Agreement.

"**Collateral Compliance Report**" shall mean a report in the form attached hereto as ***Exhibit C***.

"**Computer Records**" means any computer records now owned or hereafter acquired by any Debtor.

"**Copyright Collateral**" shall mean all Copyrights and Copyright Licenses of the Debtors.

"**Copyright Licenses**" shall mean all license agreements with any other Person in connection with any of the Copyrights or such other Person's copyrights, whether a Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on ***Schedule 1.1*** hereto and made a part hereof, subject, in each case, to the terms of such license agreements and the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter covered by such licenses.

"**Copyrights**" shall mean all copyrights and mask works, whether or not registered, and all applications for registration of all copyrights and mask works, including, but not limited to all copyrights and mask works, and all applications for registration of all copyrights and mask works identified on ***Schedule 1.1*** attached hereto and made a part hereof, and including without limitation (a) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (b) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Copyright Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof); and (c) all rights corresponding thereto and all modifications, adaptations, translations, enhancements and derivative works, renewals thereof, and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto.

"**Deposit Account**" shall mean a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property, investment accounts or accounts evidenced by an instrument.

"**Document**" means any "document," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by a Debtor.

"**Equipment**" means any "equipment," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor and, in any event, shall include, without limitation, all machinery, equipment, furniture, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and Vehicles now owned or hereafter acquired by such Debtor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"**General Intangibles**" means any "general intangibles," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all of such Debtor's Intellectual Property Collateral; (b) all of such Debtor's books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of such Debtor to retrieve data and other information from third parties; (c) all of such Debtor's contract rights, commercial tort claims, partnership interests, membership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of such Debtor to payment under chattel paper, documents, instruments and similar agreements; (e) letters of credit, letters of credit rights supporting obligations and rights to payment for money or funds advanced or sold of such Debtor; (f) all tax refunds and tax refund claims of such Debtor; (g) all choses in action and causes of action of such Debtor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of such Debtor; (h) all rights and claims of such Debtor under warranties and indemnities, (i) all health care receivables; and (j) all rights of such Debtor under any insurance, surety or similar contract or arrangement.

"**Governmental Authority**" shall mean any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"**Instrument**" shall mean any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor, and, in any event, shall include all promissory notes (including without limitation, any Intercompany Notes held by such Debtor), drafts, bills of exchange and trade acceptances, whether now owned or hereafter acquired.

"**Insurance Proceeds**" shall have the meaning set forth in **Section 4.4** of this Agreement.

"**Intellectual Property Collateral**" shall mean Patents, Patent Licenses, Copyrights, Copyright Licenses, Trademarks, Trademark Licenses, trade secrets, registrations, goodwill, franchises, permits, proprietary information, customer lists, designs, inventions and all other intellectual property and proprietary rights, including without limitation those described on ***Schedule 1.1*** attached hereto and incorporated herein by reference.

"**Inventory**" means any "inventory," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all goods and other Personal property of such Debtor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, supplies and materials of such Debtor; (c) all wrapping, packaging, advertising and shipping materials of such Debtor; (d) all goods that have been returned to, repossessed by or stopped in transit by such Debtor; and (e) all Documents evidencing any of the foregoing.

"**Investment Property**" means any "investment property" as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and in any event, shall include without limitation all shares of stock and other equity, partnership or membership interests constituting securities, of the Domestic Subsidiaries of such Debtor from time to time owned or acquired by such Debtor in any manner (including, without limitation, the Pledged Shares), and the certificates and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such shares, but excluding any shares of stock or other equity, partnership or membership interests in any Foreign Subsidiaries of such Debtor.

"**Patent Collateral**" shall mean all Patents and Patent Licenses of the Debtors.

"**Patent Licenses**" shall mean all license agreements with any other Person in connection with any of the Patents or such other Person's patents, whether a Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on ***Schedule 1.1*** hereto and made a part hereof, subject, in each case, to the terms of such license agreements and the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter covered by such licenses.

"**Patents**" shall mean all letters patent, patent applications and patentable inventions, including, without limitation, all patents and patent applications identified on ***Schedule 1.1*** attached hereto and made a part hereof, and including without limitation, (a) all inventions and improvements described and claimed therein, and patentable inventions, (b) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (c) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Patent Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (d) all rights corresponding thereto and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto.

"**Pledged Shares**" means the shares of capital stock or other equity, partnership or membership interests described on ***Schedule 1.2*** attached hereto and incorporated herein by reference, and all other shares of capital stock or other equity, partnership or membership interests (other than in an entity which is a Foreign Subsidiary) acquired by any Debtor after the date hereof.

"**Proceeds**" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to a Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to a Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting, or purporting to act, for or on behalf of any Governmental Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"**Records**" are defined in **Section 3.2** of this Agreement.

"**Securities Accounts**" means all of Debtor's present and future rights, title and interest in, to and under Debtor's securities account(s) maintained with Comerica Bank, including without limitation account number(s) P1R212938, and all Debtor's investment property contained therein, including without limitation all securities and securities entitlements, financial assets, instruments or other property contained in such securities account(s), and all other investment property, financial assets, instruments or other property at any time held or maintained in the securities account(s), together with all investment property, financial assets, instruments or other property at any time substituted therefor or for any part thereof, and all interest, dividends, increases, profits, new investment property, financial assets, instruments or other property and or other increments, distributions or rights of any kind received on account of any of the foregoing, and all other income received in connection therewith and all products or proceeds thereof (whether cash or non-cash proceeds).

"**Software**" means all (i) computer programs and supporting information provided in connection with a transaction relating to the program, and (ii) computer programs embedded in goods and any supporting information provided in connection with a transaction relating to the program whether or not the program is associated with the goods in such a manner that it customarily is considered part of the goods, and whether or not, by becoming the owner of the goods, a Person acquires a right to use the program in connection with the goods, and whether or not the program is embedded in goods that consist solely of the medium in which the program is embedded.

"**Trademark Collateral**" shall mean all Trademarks and Trademark Licenses of the Debtors.

"**Trademark Licenses**" shall mean all license agreements with any other Person in connection with any of the Trademarks or such other Person's names or trademarks, whether a Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on ***Schedule 1.1*** hereto and made a part hereof, subject,

in each case, to the terms of such license agreements, and the right to prepare for sale, and to sell and advertise for sale, all inventory now or hereafter covered by such licenses.

"**Trademarks**" shall mean all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations (except for "intent to use" applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), and any renewals thereof, including, without limitation, each registration and application identified on ***Schedule 1.1*** attached hereto and made a part hereof, and including without limitation (a) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (b) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Trademark Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof) and (c) all rights corresponding thereto and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin.

"**UCC**" means the Uniform Commercial Code as in effect in the State of California; provided, that if, by applicable law, the perfection or effect of perfection or non-perfection of the security interest created hereunder in any Collateral is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

"Vehicles" means all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing.

ARTICLE 2
Security Interest

Section 2.1 **Grant of Security Interest**. As collateral security for the prompt payment and performance in full when due of the Indebtedness (whether at stated maturity, by acceleration or otherwise), each Debtor hereby pledges, assigns, transfers and conveys to the Agent as collateral, and grants the Agent a continuing Lien on and security interest in, all of such Debtor's right, title and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the "**Collateral**"):

(a) all Accounts;

(b) all Chattel Paper;

(c) all General Intangibles;

(d) all Equipment;

(e) all Inventory;

(f) all Documents;

(g) all Instruments;

(h) all Deposit Accounts and any other cash collateral, deposit or investment accounts, including all cash collateral, deposit or investment accounts established or maintained pursuant to the terms of this Agreement or the other Loan Documents;

(i) the Securities Accounts;

(j) all Computer Records and Software, whether relating to the foregoing Collateral or otherwise, but in the case of such Software, subject to the rights of any non-affiliated licensee of software;

(k) all Investment Property;

(l) all Intellectual Property Collateral; and

(m) the Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (l) and all Liens, security, rights, remedies and claims of such Debtor with respect thereto (provided that the grant of a security interest in Proceeds set forth is in this subsection (m) shall not be deemed to give the applicable Debtor any right to dispose of any of the Collateral, except as may otherwise be permitted pursuant to the terms of the Credit Agreement);

provided, however, that "Collateral" shall not include (collectively, "**Excluded Assets**") (i) any license or contract rights to the extent, and for so long as, (x) the granting of a security interest therein is prohibited under applicable law or (y) that such licenses or rights are nonassignable by their terms (but only to the extent the prohibition is enforceable and not rendered ineffective under principles of equity or applicable law, including, without limitation, Sections 9-406(d) and 9-408(d) of the UCC, and the consent of the licensor or other party has not been obtained); (ii) any permit, license or contractual obligation entered into by the Borrower (A) that prohibits or requires the consent of any Person which has not been obtained as a condition to the creation by the Borrower of a Lien on any right, title or interest in such permit, license or contractual obligation or (B) to the extent that any legal requirement applicable thereto (including, without limitation, rules and regulations of any Governmental Authority or agency) prohibits the creation of a Lien thereon, but only, with respect to the prohibition in clause (A) and clause (B), to the extent, and for as long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC or any other principles of equity or requirement of law, (iii) property owned by the Borrower to the extent that, and for so long as, such property is subject to a purchase money Lien or to a Capitalized Lease permitted under the Loan Documents if the contractual obligation pursuant to which such Lien is granted (or in the document providing for such Capitalized Lease) prohibits or requires the consent not obtained of any Person as a condition to the creation of any other Lien on such property, to the extent such prohibition is enforceable and not rendered ineffective under principles of equity or the UCC or

similar applicable law, (iv) property owned by the Borrower to the extent the pledge thereof is prohibited by applicable requirements of law, but only to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by principles of equity, the UCC, the Bankruptcy Code or any other applicable law, (v) governmental licenses or state or local franchises, charters and authorizations and any other property and assets to the extent that Agent may not validly possess a security interest therein under applicable laws (including, without limitation, rules and regulations of any Governmental Authority or agency) or the pledge or creation of a security interest in which would require governmental consent, approval, license or authorization (in each case, not obtained), other than to the extent such prohibition or limitation is unenforceable or rendered ineffective under the UCC or other applicable law, and (vi) any Excluded Account, *provided, however, that* (a) Excluded Assets shall not include any Proceeds of property described in clauses (i) through (vi) above and (b) Agent's security interest shall attach immediately to any portion of the property described above that does not result in the applicable consequences specified above.

Section 2.2 **Debtors Remain Liable**. Notwithstanding anything to the contrary contained herein, (a) the Debtors shall remain liable under the contracts, agreements, documents and instruments included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Agent or any Lender of any of their respective rights or remedies hereunder shall not release the Debtors from any of their duties or obligations under the contracts, agreements, documents and instruments included in the Collateral, and (c) neither the Agent nor any of the Lenders shall have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral by reason of this Agreement, and none of them shall be obligated to perform any of the obligations or duties of the Debtors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

ARTICLE 3
Representations and Warranties

To induce the Agent to enter into this Agreement and the Agent and the Lenders to enter into the Credit Agreement, each Debtor represents and warrants to the Agent and to each Lender as follows, each such representation and warranty being a continuing representation and warranty, surviving until termination of this Agreement in accordance with the provisions of **Section 7.12** of this Agreement:

Section 3.1 **Title**. Such Debtor is, and with respect to Collateral acquired after the date hereof such Debtor will be, the legal and beneficial owner of the Collateral free and clear of any Lien or other encumbrance, except for Liens permitted by Section 8.2 of the Credit Agreement, provided that, other than the Lien established under this Agreement and under the Escalate Subordinated Debt Documents, no Lien on any Pledged Shares shall constitute a Lien permitted by the Credit Agreement or the Escalate Subordinated Debt Documents.

Section 3.2 **Change in Form or Jurisdiction; Successor by Merger; Location of Books and Records**. As of the date hereof, each Debtor (a) is duly organized and validly existing as a corporation (or other business organization) under the laws of its jurisdiction of

organization; (b) is formed in the jurisdiction of organization and has the registration number and tax identification number set forth on ***Schedule 3.2*** attached hereto; (c) has not changed its respective corporate form or its jurisdiction of organization at any time during the five years immediately prior to the date hereof, except as set forth on such ***Schedule 3.2***; (d) except as set forth on such ***Schedule 3.2*** attached hereto, no Debtor has, at any time during the five years immediately prior to the date hereof, become the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise of any other Person, and (e) keeps true and accurate books and records regarding the Collateral (the "**Records**") in the office indicated on such ***Schedule 3.2***.

Section 3.3 **Representations and Warranties Regarding Certain Types of Collateral**.

(a) **Location of Inventory and Equipment.** As of the date hereof, (i) all Inventory (except Inventory in transit) and Equipment (except trailers, rolling stock, vessels, aircraft and Vehicles) of each Debtor are located at the places specified on ***Schedule 3.3(a)*** attached hereto, (ii) the name and address of the landlord leasing any location to any Debtor is identified on such ***Schedule 3.3(a)***, and (iii) the name of and address of each bailee or warehouseman which holds any Collateral and the location of such Collateral is identified on such ***Schedule 3.3(a)***.

(b) **Account Information.** As of the date hereof, all Deposit Accounts, cash collateral account or investment accounts of each Debtor (except for those Deposit Accounts located with the Agent) are located at the banks specified on ***Schedule 3.3(b)*** attached hereto which Schedule sets forth the true and correct name of each bank where such accounts are located, such bank's address, the type of account and the account number.

(c) **Documents.** As of the date hereof, except as set forth on ***Schedule 3.3(c)***, none of the Inventory or Equipment of such Debtor (other than trailers, rolling stock, vessels, aircraft and Vehicles) is evidenced by a Document (including, without limitation, a negotiable document of title).

(d) **Intellectual Property.** Set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is a true and correct list of the registered Patents, Patent Licenses, registered Trademarks, Trademark Licenses, registered Copyrights and Copyright Licenses owned by the Debtors (including, in the case of the Patents, Trademarks and Copyrights, the applicable name, date of registration (or of application if registration not completed) and application or registration number).

Section 3.4 **Pledged Shares.Duly Authorized and Validly Issued**. The Pledged Shares that are shares of a corporation have been duly authorized and validly issued and are fully paid and nonassessable, and the Pledged Shares that are membership interests or partnership units (if any) have been validly granted, under the laws of the jurisdiction of organization of the issuers thereof, and, to the extent applicable, are fully paid and nonassessable. No such membership or partnership interests constitute "securities" within the meaning of Article 8 of the

UCC, and each Debtor covenants and agrees not to allow any such membership or partnership interest to become "securities" for purposes of Article 8 of the UCC.

(b) **Valid Title; No Liens; No Restrictions.** Each Debtor is the legal and beneficial owner of the Pledged Shares, free and clear of any Lien (other than the Liens created by this Agreement or by the Escalate Subordinated Debt Documents), and such Debtor has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any of its rights or interest in or to the Pledged Shares. None of the Pledged Shares are subject to any contractual or other restrictions upon the pledge or other transfer of such Pledged Shares, other than those imposed by securities laws generally, by this Agreement or by the Escalate Subordinated Debt Documents. No issuer of Pledged Shares is party to any agreement granting "control" (as defined in Section 8-106 of the UCC) of such Debtor's Pledged Shares to any third party other than this Agreement and the Escalate Subordinated Debt Documents. All such Pledged Shares are held by each Debtor directly and not through any securities intermediary.

(c) **Description of Pledged Shares; Ownership.** The Pledged Shares constitute the percentage of the issued and outstanding shares of stock, partnership units or membership interests of the issuers thereof indicated on ***Schedule 1.2*** (as the same may be amended from time to time) and such Schedule contains a description of all shares of capital stock, membership interests and other equity interests of or in any Subsidiaries owned by such Debtor.

Section 3.5 **Intellectual Property.**

(a) **Filings and Recordation.** Each Debtor has made all necessary filings and recordations to protect and maintain its interest in the Trademarks, Patents and Copyrights set forth on ***Schedule 1.1*** (as the same may be amended from time to time), including, without limitation, all necessary filings and recordings, and payments of all maintenance fees, in the United States Patent and Trademark Office and United States Copyright Office to the extent such Trademarks, Patents and Copyrights are material to such Debtor's business. Also set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is a complete and accurate list of all of the material Trademark Licenses, Patent Licenses and Copyright Licenses owned by the Debtors as of the date hereof.

(b) **Trademarks and Trademark Licenses Valid.** (i) Each Trademark of the Debtors set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is subsisting and has not been adjudged invalid, unregisterable or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid, registrable and enforceable, (ii) each of the Trademark Licenses set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid and enforceable, and (iii) the Debtors have notified the Agent in writing of all uses of any material item of Trademark Collateral of which any Debtor is aware which could reasonably be

expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Collateral.

(c) **Patents and Patent Licenses Valid.** (i) Each Patent of the Debtors set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is subsisting and has not been adjudged invalid, unpatentable or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid, patentable and enforceable except as otherwise set forth on ***Schedule 1.1*** (as the same may be amended from time to time), (ii) each of the Patent Licenses set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid and enforceable, and (iii) the Debtors have notified the Agent in writing of all uses of any item of Patent Collateral material to any Debtor's business of which any Debtor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable.

(d) **Copyright and Copyright Licenses Valid.** (i) Each Copyright of the Debtors set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is subsisting and has not been adjudged invalid, uncopyrightable or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid, copyrightable and enforceable, (ii) each of the Copyright Licenses set forth on ***Schedule 1.1*** (as the same may be amended from time to time) is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid and enforceable, and (iii) the Debtors have notified the Agent in writing of all uses of any item of Copyright Collateral material to any Debtor's business of which any Debtor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable.

(e) **No Assignment.** The Debtors have not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the Intellectual Property Collateral, except (i) with respect to non-exclusive licenses granted in the ordinary course of business or (ii) as permitted by this Agreement, the other Loan Documents, and the Escalate Subordinated Debt Documents. No Debtor has granted any license, shop right, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Intellectual Property Collateral, except as set forth on ***Schedule 1.1*** or as otherwise disclosed to the Agent in writing.

(f) **Products Marked.** Each Debtor has marked its products with the trademark registration symbol, copyright notices, the numbers of all appropriate patents, the common law trademark symbol or the designation "patent pending," as the case may be, to the extent that Debtor, in good faith, believes is reasonably and commercially necessary.

(g) **Other Rights.** Except for the Trademark Licenses, Patent Licenses and Copyright Licenses listed on ***Schedule 1.1*** hereto under which a Debtor is a

licensee, no Debtor has knowledge of the existence of any right or any claim (other than as provided by this Agreement) that is likely to be made under or against any item of Intellectual Property Collateral contained on ***Schedule 1.1*** to the extent such claim could reasonably be expected to have a Material Adverse Effect.

(h) **No Claims.** Except as set forth on ***Schedule 1.1*** or as otherwise disclosed to the Agent in writing, no claim has been made and is continuing or, to any Debtor's knowledge, threatened that the use by any Debtor of any item of Intellectual Property Collateral is invalid or unenforceable or that the use by any Debtor of any Intellectual Property Collateral does or may violate the rights of any Person. To the Debtors' knowledge, there is no infringement or unauthorized use of any item of Intellectual Property Collateral contained on ***Schedule 1.1*** or as otherwise disclosed to the Agent in writing.

(i) **No Consent.** No consent of any party (other than such Debtor) to any Patent License, Copyright License or Trademark License constituting Intellectual Property Collateral is required, or purports to be required, to be obtained by or on behalf of such Debtor in connection with the execution, delivery and performance of this Agreement that has not been obtained. Each Patent License, Copyright License and Trademark License constituting Intellectual Property Collateral is in full force and effect and constitutes a valid and legally enforceable obligation of the applicable Debtor and (to the knowledge of the Debtors) each other party thereto except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of any of the Patent Licenses, Copyright Licenses or Trademark Licenses by any party thereto other than those which have been duly obtained, made or performed and are in full force and effect. Neither the Debtors nor (to the knowledge of any Debtor) any other party to any Patent License, Copyright License or Trademark License constituting Collateral is in default in the performance or observance of any of the terms thereof, except for such defaults as would not reasonably be expected, in the aggregate, to have a material adverse effect on the value of the Intellectual Property Collateral. To the knowledge of such Debtor, the right, title and interest of the applicable Debtor in, to and under each Patent License, Copyright License and Trademark License constituting Intellectual Property Collateral is not subject to any defense, offset, counterclaim or claim.

Section 3.6 **Priority**. No financing statement, security agreement or other Lien instrument covering all or any part of the Collateral is on file in any public office with respect to any outstanding obligation of such Debtor except (i) as may have been filed in favor of the Agent pursuant to this Agreement and the other Loan Documents and (ii) financing statements filed to perfect Liens permitted by Section 8.2 of the Credit Agreement (which shall not, in any

event, grant a Lien over the Pledged Shares, except for the Liens granted under the Escalate Subordinated Debt Documents).

Section 3.7 **Perfection**. Upon (a) the filing of Uniform Commercial Code financing statements in the jurisdictions listed on ***Schedule 3.7*** attached hereto, and (b) the recording of this Agreement in the United States Patent and Trademark Office and the United States Copyright Office, the security interest in favor of the Agent created herein will constitute a valid and perfected Lien upon and security interest in the Collateral which may be created and perfected either under the UCC by filing financing statements or by a filing with the United States Patent and Trademark Office and the United States Copyright Office.

ARTICLE 4
Covenants

Each Debtor covenants and agrees with the Agent, until termination of this Agreement in accordance with the provisions of **Section 7.12** hereof, as follows:

Section 4.1 **Covenants Regarding Certain Kinds of Collateral**

(a) **Promissory Notes and Tangible Chattel Paper.** If Debtors, now or at any time hereafter, collectively hold or acquire any promissory notes or tangible Chattel Paper for which the principal amount thereof or the obligations evidenced thereunder are, in the aggregate, in excess of $500,000, the applicable Debtors shall promptly notify the Agent in writing thereof and, at the request of the Agent, forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time reasonably specify, and cause all such Chattel Paper to bear a legend reasonably acceptable to the Agent indicating that the Agent has a security interest in such Chattel Paper.

(b) **Electronic Chattel Paper and Transferable Records**. If Debtors, now or at any time hereafter, collectively hold or acquire an interest in any electronic Chattel Paper or any "transferable record," as that term is defined in the federal Electronic Signatures in Global and National Commerce Act, or in the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, worth, in the aggregate, in excess of $500,000, the applicable Debtors shall promptly notify the Agent thereof and, at the request and option of the Agent, shall take such action as the Agent may reasonably request to vest in the Agent control, under Section 9-105 of the UCC, of such electronic chattel paper or control under the federal Electronic Signatures in Global and National Commerce Act, or the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

(c) **Letter-of-Credit Rights**. If Debtors, now or at any time hereafter, collectively are or become beneficiaries under letters of credit, with an aggregate face amount in excess of $500,000, the applicable Debtors shall promptly notify the Agent thereof and, at the request of the Agent, the applicable Debtors shall, pursuant to an agreement in form and substance reasonably satisfactory to the Agent either arrange (i) for the issuer and any confirmer of such letters of credit to consent to an assignment to the Agent of the proceeds of the letters of credit or (ii) for the Agent to become the transferee beneficiary of the letters of credit, together with, in

each case, any such other actions as reasonably requested by the Agent to perfect its first priority Lien in such letter of credit rights. The applicable Debtor shall retain the proceeds of the applicable letters of credit until an Event of Default has occurred and is continuing whereupon the proceeds are to be delivered to the Agent and applied as set forth in the Credit Agreement.

(d) **Commercial Tort Claims**. If Debtors, now or at any time hereafter, collectively hold or acquire any commercial tort claims, which, the reasonably estimated value of which are in aggregate excess of $500,000, the applicable Debtors shall immediately notify the Agent in a writing signed by such Debtors of the particulars thereof and, at the request of the Agent, grant to the Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Agent.

(e) **Pledged Shares.** All certificates or instruments representing or evidencing the Pledged Shares or any Debtor's rights therein shall be delivered to the Agent promptly upon Debtor gaining any rights therein, in suitable form for transfer by delivery or accompanied by duly executed stock powers or instruments of transfer or assignments in blank, all in form and substance reasonably acceptable to the Agent.

(f) **Equipment and Inventory Location.** Each Debtor shall keep the Equipment (other than Vehicles) and Inventory (other than Inventory in transit) in excess of $500,000 which is in such Debtor's possession or in the possession of any bailee or warehouseman at any of the locations specified on ***Schedule 3.3(a)*** attached hereto or as otherwise disclosed in writing to the Agent from time to time, subject to compliance with the other provisions of this Agreement.

(ii) **Maintenance.** Each Debtor shall maintain the Equipment and Inventory in such condition as may be specified by the terms of the Credit Agreement.

(g) **Intellectual Property.**

(i) **Trademarks.** Each Debtor agrees to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (x) defend, enforce, preserve the validity and ownership of, and maintain each Trademark registration and each Trademark License identified on ***Schedule 1.1*** hereto, and (y) pursue each trademark application now or hereafter identified on ***Schedule 1.1*** hereto, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of applications for renewal, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, and the participation in opposition, cancellation, infringement and misappropriation proceedings, except, in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Each Debtor agrees to take corresponding steps with respect to each

new or acquired Trademark registration, Trademark application or any rights obtained under any Trademark License, in each case, which it is now or later becomes entitled, except in each case in which such Debtor has determined, using its commercially reasonable judgment, that any of the foregoing is not of material economic value to it. Any expenses incurred in connection with such activities shall be borne by the Debtors.

(ii) **Patents.** Each Debtor to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (x) defend, enforce, preserve the validity and ownership of, and maintain each Patent and each Patent License identified on ***Schedule 1.1*** hereto, and (y) pursue each patent application, now or hereafter identified on ***Schedule 1.1*** hereto, including, without limitation, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, infringement and misappropriation proceedings, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Each Debtor agrees to take corresponding steps with respect to each new or acquired Patent, patent application, or any rights obtained under any Patent License, in each case, which it is now or later becomes entitled, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Any expenses incurred in connection with such activities shall be borne by the Debtors.

(iii) **Copyrights.** Each Debtor agrees to take all necessary steps, including, without limitation, in the United States Copyright Office or in any court, to (x) defend, enforce, and preserve the validity and ownership of each Copyright and each Copyright License identified on ***Schedule 1.1*** hereto, and (y) pursue each Copyright and mask work application, now or hereafter identified on ***Schedule 1.1*** hereto, including, without limitation, the payment of applicable fees, and the participation in infringement and misappropriation proceedings, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Each Debtor agrees to take corresponding steps with respect to each new or acquired Copyright, Copyright and mask work application, or any rights obtained under any Copyright License, in each case, which it is now or later becomes entitled, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Any expenses incurred in connection with such activities shall be borne by the Debtors.

(iv) **No Abandonment.** The Debtors shall not abandon any Trademark, Patent, Copyright or any pending Trademark, Copyright, mask work or

Patent application, without the written consent of the Agent, which consent shall not be unreasonably delayed withheld or denied, unless the Debtors shall have previously determined, using their commercially reasonable judgment, that such use or the pursuit or maintenance of such Trademark registration, Patent, Copyright registration or pending Trademark, Copyright, mask work or Patent application is not of material economic value to it, in which case, the Debtors shall give notice of any such abandonment to the Agent promptly in writing after the determination to abandon such Intellectual Property Collateral is made.

(v) **No Infringement.** In the event that a Debtor becomes aware that any item of the Intellectual Property Collateral which such Debtor has determined, using its commercially reasonable judgment, to be material to its business is infringed or misappropriated by a third party, such Debtor shall promptly notify the Agent promptly and in writing, in reasonable detail, and shall take such actions as such Debtor or the Agent deems reasonably appropriate under the circumstances to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne by the Debtors. Each Debtor will advise the Agent promptly and in writing, in reasonable detail, of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding any material item of the Intellectual Property Collateral.

(h) **Accounts and Contracts.** Each Debtor shall, in accordance with its usual business practices in effect from time to time, endeavor to collect or cause to be collected from each account debtor under its Accounts, as and when due, any and all amounts owing under such Accounts. So long as no Event of Default has occurred and is continuing and except as otherwise provided in **Section 6.3**, each Debtor shall have the right to collect and receive payments on its Accounts, and to use and expend the same in its operations in each case in compliance with the terms of the Credit Agreement.

(i) **Vehicles; Aircraft and Vessels.** Notwithstanding any other provision of this Agreement, no Debtor shall be required to make any filings as may be necessary to perfect the Agent's Lien on its Vehicles, aircraft and vessels.

(j) **Life Insurance Policies.** If any Debtor, now or any time hereafter, is the beneficiary of a "key man life insurance policy", it shall promptly notify the Agent thereof, provide the Agent with a true and correct list of the Persons insured, the name and address of the insurance company providing the coverage, the amount of such insurance and the policy number, and, unless otherwise waived by the Agent in writing, take such actions as Agent may deem necessary

or the Agent shall deem reasonably desirable to collaterally assign policy to the Agent for the benefit of the Lenders.

(k) **Deposit Accounts.** Each Debtor agrees to promptly notify the Agent in writing of all Deposit Accounts, cash collateral accounts or investments accounts opened after the date hereof (except with Agent), and such Debtor shall execute and deliver an account control agreement in form and substance reasonably satisfactory to the Agent and take such other commercially reasonable actions as may be necessary to enable the Agent to have a perfected, first priority Lien over each of the Deposit Accounts, cash collateral accounts or investment accounts disclosed on ***Schedule 3.3(b)*** and over each of the additional accounts disclosed pursuant to this **Section 4.1(k)**; provided that none of the foregoing actions shall be required with respect to Excluded Accounts.

Section 4.2 **Encumbrances**. Each Debtor shall not create, permit or suffer to exist, and shall defend the Collateral against any Lien (other than the Liens permitted by Section 8.2 of the Credit Agreement, provided that no Lien, other than the Lien created hereunder and the Liens created under the Escalate Subordinated Debt Documents, shall exist over the Pledged Shares) or any restriction upon the pledge or other transfer thereof (other than as specifically permitted in the Credit Agreement or the Escalate Subordination Agreement), and shall defend such Debtor's title to and other rights in the Collateral and the Agent's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of all Persons. Except to the extent permitted by the Credit Agreement or the Escalate Subordination Agreement or in connection with any release of Collateral under **Section 7.13** hereof (but only to the extent of any Collateral so released), such Debtor shall do nothing to impair the rights of the Agent in the Collateral.

Section 4.3 **Disposition of Collateral**. Except as otherwise permitted under the Credit Agreement, no Debtor shall enter into or consummate any transfer or other disposition of Collateral.

Section 4.4 **Insurance**. The Collateral pledged by such Debtor or the Debtors will be insured (to the extent such Collateral is insurable) with insurance coverage in such amounts and of such types as are required by the terms of the Credit Agreement. In the case of all such insurance policies, each such Debtor shall designate the Agent, as mortgagee or lender loss payee and such policies shall provide that any loss be payable to the Agent, as mortgagee or lender loss payee, as its interests may appear. Further, upon the request of the Agent, each such Debtor shall deliver certificates evidencing such policies, including all endorsements thereon and those required hereunder, to the Agent; and each such Debtor assigns to the Agent, as additional security hereunder, all its rights to receive proceeds of insurance with respect to the Collateral. All such insurance shall, by its terms, provide that the applicable carrier shall, prior to any cancellation before the expiration date thereof, mail thirty (30) days' prior written notice to the Agent of such cancellation. Each Debtor further shall provide the Agent upon request with evidence reasonably satisfactory to the Agent that each such Debtor is at all times in compliance with this paragraph. Upon the occurrence and during the continuance of an Event of Default, the Agent may, at its option, act as each such Debtor's attorney-in-fact in obtaining,

adjusting, settling and compromising such insurance and endorsing any drafts. Upon such Debtor's failure to insure the Collateral as required in this covenant, the Agent may, at its option, procure such insurance and its costs therefor shall be charged to such Debtor, payable on demand, with interest at the highest rate set forth in the Credit Agreement and added to the Indebtedness secured hereby. The disposition of proceeds payable to such Debtor of any insurance on the Collateral (the "**Insurance Proceeds**") shall be governed by the following:

(a) provided that no Event of Default has occurred and is continuing hereunder, (i) if the amount of Insurance Proceeds in respect of any loss or casualty does not exceed Five Hundred Thousand Dollars ($500,000), such Debtor shall be entitled, in the event of such loss or casualty, to receive all such Insurance Proceeds and to apply the same toward the replacement of the Collateral affected thereby or to the purchase of other assets to be used in such Debtor's business (provided that such assets shall be subjected to a first priority Lien in favor of the Agent and such repurchase of assets shall occur within 180 days of such Debtor receiving the Insurance Proceeds); and (ii) if the amount of Insurance Proceeds in respect of any loss or casualty exceeds Five Hundred Thousand Dollars ($500,000), such Insurance Proceeds shall be paid to and received by the Agent, for release to such Debtor for the replacement of the Collateral affected thereby or to the purchase of other assets to be used in such Debtor's business (provided that such assets shall be subjected to a first priority Lien in favor of the Agent); or, upon written request of such Debtor (accompanied by reasonable supporting documentation), for such other use or purpose as approved by the Agent in its reasonable discretion, it being understood and agreed in connection with any release of funds under this subparagraph (ii), that the Agent may impose reasonable and customary conditions on the disbursement of such Insurance Proceeds; and

(b) if an Event of Default has occurred or is continuing and is not waived as provided in the Credit Agreement, all Insurance Proceeds in respect of any loss or casualty shall be paid to and received by the Agent, to be applied by the Agent against the Indebtedness in the manner specified in the Credit Agreement and/or to be held by the Agent as cash collateral for the Indebtedness, as the Agent may direct in its sole discretion.

Section 4.5 **Corporate Changes; Books and Records; Inspection Rights**. (a) Each Debtor shall not change its respective name, identity, corporate structure or jurisdiction of organization, or identification number in any manner that might make any financing statement filed in connection with this Agreement seriously misleading within the meaning of Section 9-506 of the UCC unless such Debtor shall have given the Agent fifteen (15) days prior written notice with respect to any change in such Debtor's corporate structure, jurisdiction of organization, name or identity and shall have taken all action deemed reasonably necessary by the Agent under the circumstances to protect its Liens and the perfection and priority thereof, (b) each Debtor shall keep the Records at the location specified on ***Schedule 3.2*** as the location of such books and records or as otherwise specified in writing to the Agent and (c) the Debtors shall permit the Agent, the Lenders, and their respective agents and representatives to conduct inspections, discussion and audits of the Collateral in accordance with the terms of the Credit Agreement.

Section 4.6 **Notification of Lien; Continuing Disclosure**. (a) Each Debtor shall promptly notify the Agent in writing of any Lien, encumbrance or claim (other than a Lien permitted by Section 8.2 of the Credit Agreement, to the extent not otherwise subject to any notice requirements under the Credit Agreement) that has attached to or been made or asserted against any of the Collateral promptly after becoming aware of the existence of such Lien, encumbrance or claim; and (b) concurrently with delivery of quarterly financial statements required by Section 7.1(b) of the Credit Agreement, Debtors shall execute and deliver to the Agent a Collateral Compliance Report in the form attached hereto as ***Exhibit C***.

Section 4.7 **Covenants Regarding Pledged Shares**

(a) **Voting Rights and Distributions**.

(i) So long as no Event of Default shall have occurred and be continuing (both before and after giving effect to any of the actions or other matters described in clauses (A) or (B) of this subparagraph):

(A) Each Debtor shall be entitled to exercise any and all voting and other consensual rights (including, without limitation, the right to give consents, waivers and ratifications) pertaining to any of the Pledged Shares or any part thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken without the prior written consent of the Agent which would violate any provision of this Agreement or the Credit Agreement; and

(B) Except as otherwise provided by the Credit Agreement, such Debtor shall be entitled to receive and retain any and all dividends, distributions and interest paid in respect to any of the Pledged Shares.

(ii) Upon the occurrence and during the continuance of an Event of Default:

(A) The Agent may, without notice to such Debtor, transfer or register in the name of the Agent or any of its nominees, for the equal and ratable benefit of the Lenders, any or all of the Pledged Shares and the Proceeds thereof (in cash or otherwise) held by the Agent hereunder, and the Agent or its nominee may thereafter, after delivery of notice to such Debtor, exercise all voting and corporate rights at any meeting of any corporation issuing any of the Pledged Shares and any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Shares as if the Agent were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Shares upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation issuing any of such Pledged

Shares or upon the exercise by any such issuer or the Agent of any right, privilege or option pertaining to any of the Pledged Shares, and in connection therewith, to deposit and deliver any and all of the Pledged Shares with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Agent may determine, all without liability except to account for property actually received by it, but the Agent shall have no duty to exercise any of the aforesaid rights, privileges or options, and the Agent shall not be responsible for any failure to do so or delay in so doing.

(B) All rights of such Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to **Section 4.7(a)(i)(A)** and to receive the dividends, interest and other distributions which it would otherwise be authorized to receive and retain pursuant to **Section 4.7(a)(i)(B)** shall be suspended until such Event of Default shall no longer exist, and all such rights shall, until such Event of Default shall no longer exist, thereupon become vested in the Agent which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive, hold and dispose of as Pledged Shares such dividends, interest and other distributions.

(C) All dividends, interest and other distributions which are received by such Debtor contrary to the provisions of this **Section 4.7(a)(ii)** shall be received in trust for the benefit of the Agent, shall be segregated from other funds of such Debtor and shall be forthwith paid over to the Agent as Collateral in the same form as so received (with any necessary endorsement).

(D) Each Debtor shall execute and deliver (or cause to be executed and delivered) to the Agent all such proxies and other instruments as the Agent may reasonably request for the purpose of enabling the Agent to exercise the voting and other rights which it is entitled to exercise pursuant to this **Section 4.7(a)(ii)** and to receive the dividends, interest and other distributions which it is entitled to receive and retain pursuant to this **Section 4.7(a)(ii)**. The foregoing shall not in any way limit the Agent's power and authority granted pursuant to the other provisions of this Agreement.

(b) Possession; Reasonable Care. Regardless of whether a Default or an Event of Default has occurred or is continuing, the Agent shall have the right to hold in its possession all Pledged Shares pledged, assigned or transferred hereunder and from time to time constituting a portion of the Collateral. The Agent may appoint one or more agents (which in no case shall be a Debtor or an affiliate of a Debtor) to hold physical custody, for the account of the Agent, of any or all of the Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded

treatment substantially equal to that which the Agent accords its own property, it being understood that the Agent shall not have any responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Agent has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral, except, subject to the terms hereof, upon the written instructions of the Lenders. Following the occurrence and continuance of an Event of Default, the Agent shall be entitled to take ownership of the Collateral in accordance with the UCC.

Section 4.8 **New Subsidiaries; Additional Collateral**

(a) With respect to each Person which becomes a Subsidiary of a Debtor subsequent to the date hereof, execute and deliver such joinders or security agreements or other pledge documents as are required by the Credit Agreement, within the time periods set forth therein.

(b) Each Debtor agrees that, (i) except with the written consent of the Agent, it will not permit any Domestic Subsidiary (whether now existing or formed after the date hereof) to issue to such Debtor or any of such Debtor's other Subsidiaries any shares of stock, membership interests, partnership units, notes or other securities or instruments (including without limitation the Pledged Shares) in addition to or in substitution for any of the Collateral, unless, concurrently with each issuance thereof, any and all such shares of stock, membership interests, partnership units, notes or instruments are encumbered in favor of the Agent under this Agreement or otherwise (it being understood and agreed that all such shares of stock, membership interests, partnership units, notes or instruments issued to such Debtor shall, without further action by such Debtor or the Agent, be automatically encumbered by this Agreement as Pledged Shares) and (ii) it will promptly following the issuance thereof deliver to the Agent (A) an amendment, duly executed by such Debtor, in substantially the form of ***Exhibit A*** hereto in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to Debtor or (B) if reasonably required by the Lenders, a new stock pledge, duly executed by the applicable Debtor, in substantially the form of this Agreement (a "**New Pledge**"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to any Debtor granting to the Agent, for the benefit of the Lenders, a first priority security interest, pledge and Lien thereon, together in each case with all certificates, notes or other instruments representing or evidencing the same, together with such other documentation as the Agent may reasonably request. Such Debtor hereby (x) authorizes the Agent to attach each such amendment to this Agreement, (y) agrees that all such shares of stock, membership interests, partnership units, notes or instruments listed in any such amendment delivered to the Agent shall for all purposes hereunder constitute Pledged Shares, and (z) is deemed to have made, upon the delivery of each such amendment, the representations and warranties contained in **Section 3.4** of this Agreement with respect to the Collateral covered thereby.

(c) With respect to any Intellectual Property Collateral owned, licensed or otherwise acquired by any Debtor after the date hereof, and with respect to any Patent, Trademark or Copyright which is not registered or filed with the U.S. Patent and Trademark Office and/or the U.S. Copyright Office at the time such Collateral is pledged by a Debtor to the Agent pursuant to this Security Agreement, and which is subsequently registered or filed by such Debtor in the appropriate office, such Debtor shall promptly after the acquisition or registration thereof execute or cause to be executed and delivered to the Agent, (i) an amendment, duly executed by such Debtor, in substantially the form of ***Exhibit A*** hereto, in respect of such additional or newly registered collateral or (ii) at the Agent's option, a new security agreement, duly executed by the applicable Debtor, in substantially the form of this Agreement, in respect of such additional or newly registered collateral, granting to the Agent, for the benefit of the Lenders, a first priority security interest, pledge and Lien thereon (subject only to the Liens permitted by Section 8.2 of the Credit Agreement), together in each case with all certificates, notes or other instruments representing or evidencing the same, and shall, upon the Agent's request, execute or cause to be executed any financing statement or other document (including without limitation, filings required by the U.S. Patent and Trademark Office and/or the U.S. Copyright Office in connection with any such additional or newly registered collateral) granting or otherwise evidencing a Lien over such new Intellectual Property Collateral. Each Debtor hereby (x) authorizes the Agent to attach each amendment to this Agreement, (y) agrees that all such additional collateral listed in any amendment delivered to the Agent shall for all purposes hereunder constitute Collateral, and (z) is deemed to have made, upon the delivery of each such Amendment, the representations and warranties contained in **Section 3.3(d)** and **Section 3.5** of this Agreement with respect to the Collateral covered thereby.

Section 4.9 **Further Assurances** (a) At any time and from time to time, upon the request of the Agent, and at the sole expense of the Debtors, each Debtor shall promptly execute and deliver all such further agreements, documents and instruments and take such further action as the Agent may reasonably deem necessary or appropriate to (i) preserve, ensure the priority, effectiveness and validity of and perfect the Agent's security interest in and pledge and collateral assignment of the Collateral (including causing the Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition of the Agent's ability to enforce its security interest in such Collateral), unless such actions are specifically waived under the terms of this Agreement and the other Loan Documents, (ii) carry out the provisions and purposes of this Agreement and (iii) to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Except as otherwise expressly permitted by the terms of the Credit Agreement relating to disposition of assets and except for Lines permitted by Section 8.2 of the Credit Agreement (except for Pledged Shares, over which the only Lien shall be that Lien established under this Agreement and the Liens established under the Escalate Subordinated Debt Documents), each Debtor agrees to maintain and preserve the Agent's security interest in and pledge and collateral assignment of the Collateral hereunder and the priority thereof.

(b) Each Debtor hereby irrevocably authorizes the Agent at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements and amendments thereto that (i) indicate any or all of the Collateral upon which the Debtors have granted a Lien, and (ii) provide any other information required by Part 5 of Article 9 of the UCC, including organizational information and in the case of a fixture filing or a filing for Collateral consisting of as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Each Debtor agrees to furnish any such information required by the preceding paragraph to the Agent promptly upon request.

ARTICLE 5
Rights of the Agent

Section 5.1 **Power of Attorney**. Each Debtor hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of such Debtor or in its own name, to take, after the occurrence and during the continuance of an Event of Default, any and all actions, and to execute any and all documents and instruments which the Agent at any time and from time to time deems reasonably necessary, to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, such Debtor hereby gives the Agent the power and right on behalf of such Debtor and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default, without notice to or the consent of such Debtor:

(a) to demand, sue for, collect or receive, in the name of such Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title or any other instruments for the payment of money under the Collateral or any policy of insurance;

(b) to pay or discharge taxes, Liens (other than Liens permitted by Section 8.2 of the Credit Agreement) or other encumbrances levied or placed on or threatened against the Collateral;

(c) (i) to direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Agent or as the Agent shall direct; (ii) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (iii) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications and notices in connection with accounts and other documents relating to the Collateral; (iv) to commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (v) to defend any suit, action or proceeding brought against such Debtor with respect to any Collateral; (vi) to settle, compromise or adjust any suit,

action or proceeding described above and, in connection therewith, to give such discharges or releases as the Agent may deem appropriate; (vii) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms as the Agent may determine; (viii) to add or release any guarantor, indorser, surety or other party to any of the Collateral; (ix) to renew, extend or otherwise change the terms and conditions of any of the Collateral; (x) to make, settle, compromise or adjust any claim under or pertaining to any of the Collateral (including claims under any policy of insurance); (xi) subject to any pre-existing rights or licenses, to assign any Patent, Copyright or Trademark constituting Intellectual Property Collateral (along with the goodwill of the business to which any such Patent, Copyright or Trademark pertains), for such term or terms, on such conditions and in such manner, as the Agent shall in its sole discretion determine, and (xii) to sell, transfer, pledge, convey, make any agreement with respect to, or otherwise deal with, any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Agent's option and such Debtor's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve, maintain, or realize upon the Collateral and the Agent's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. The Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. This power of attorney is conferred on the Agent solely to protect, preserve, maintain and realize upon its security interest in the Collateral. The Agent shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any Lien given to secure the Collateral.

Section 5.2 **Setoff**. In addition to and not in limitation of any rights of any Lenders under applicable law, the Agent and each Lender shall, upon the occurrence and continuance of an Event of Default, without notice or demand of any kind, have the right to appropriate and apply to the payment of the Indebtedness owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Debtors then or thereafter on deposit with such Lenders; provided, however, that any such amount so applied by any Lender on any of the Indebtedness owing to it shall be subject to the provisions of the Credit Agreement.

Section 5.3 **Assignment by the Agent**. The Agent may at any time assign or otherwise transfer all or any portion of its rights and obligations as Agent under this Agreement and the other Loan Documents (including, without limitation, the Indebtedness) to any other Person, to the extent permitted by, and upon the conditions contained in, the Credit Agreement and such Person shall thereupon become vested with all the benefits and obligations thereof granted to the Agent herein or otherwise.

Section 5.4 **Performance by the Agent**. If any Debtor shall fail to perform any covenant or agreement contained in this Agreement, the Agent may (but shall not be obligated to) perform or attempt to perform such covenant or agreement on behalf of the Debtors, in which case Agent shall exercise good faith and make diligent efforts to give Debtors prompt prior written notice of such performance or attempted performance. In such event, the Debtors shall, at the request of the Agent, promptly pay any reasonable amount expended by the Agent in connection with such performance or attempted performance to the Agent, together with interest thereon at the interest rate set forth in the Credit Agreement, from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that the Agent shall not have any liability or responsibility for the performance (or non-performance) of any obligation of the Debtors under this Agreement.

Section 5.5 **Certain Costs and Expenses**. The Debtors shall pay or reimburse the Agent promptly after demand for all reasonable and documented costs and expenses (including reasonable and documented attorney's and paralegal fees) incurred by it in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of any of the Indebtedness (including in connection with any "workout" or restructuring regarding the Indebtedness, and including in any insolvency proceeding or appellate proceeding). The agreements in this **Section 5.5** shall survive the Payment in Full of the Indebtedness. Notwithstanding the foregoing, the reimbursement of any fees and expenses incurred by the Lenders shall be governed by the terms and conditions of the applicable Credit Agreement.

Section 5.6 **Indemnification**. The Debtors shall indemnify, defend and hold the Agent, and each Lender and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "**Indemnified Person**") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable and documented attorneys' and paralegals' fees) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Indebtedness and the termination, resignation or replacement of the Agent or replacement of any Lender) be imposed on, incurred by or asserted against any such Indemnified Person in any way relating to or arising out of this Agreement or any other Loan Document or any document relating to or arising out of or referred to in this Agreement or any other Loan Document, or the transactions contemplated hereby, or any action taken or omitted by any such Indemnified Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any bankruptcy proceeding or appellate proceeding) related to or arising out of this Agreement or the Indebtedness or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "**Indemnified Liabilities**"); provided, that the Debtors shall have no obligation under this **Section 5.6** to any Indemnified Person with respect to Indemnified Liabilities to the extent resulting from the gross negligence, bad faith or willful misconduct of such Indemnified Person. The agreements in this **Section 5.6** shall survive Payment in Full of the Indebtedness.

ARTICLE 6
Default

Section 6.1 **Rights and Remedies**. If an Event of Default shall have occurred and be continuing, the Agent shall have the following rights and remedies subject to the direction and/or consent of the Lenders as required under the Credit Agreement:

(a) The Agent may exercise any of the rights and remedies set forth in this Agreement (including, without limitation, **Article 5** hereof), in the Credit Agreement, or in any other Loan Document, or by applicable law.

(b) In addition to all other rights and remedies granted to the Agent in this Agreement, the Credit Agreement or by applicable law, the Agent shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and the Agent may also, without previous demand or notice except as specified below or in the Credit Agreement, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Without limiting the generality of the foregoing, the Agent may (i) without demand or notice to the Debtors (except as required under the Credit Agreement or applicable law), collect, receive or take possession of the Collateral or any part thereof, and for that purpose the Agent (and/or its Agents, servicers or other independent contractors) may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (ii) sell, lease or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. The Agent and, subject to the terms of the Credit Agreement, each of the Lenders shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) and become a purchaser of the Collateral or any part thereof free of any right of redemption on the part of the Debtors, which right of redemption is hereby expressly waived and released by the Debtors to the extent permitted by applicable law. The Agent may require the Debtors to assemble the Collateral and make it available to the Agent at any place designated by the Agent to allow the Agent to take possession or dispose of such Collateral. The Debtors agree that the Agent shall not be obligated to give more than five (5) days prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The foregoing shall not require notice if none is required by applicable law. The Agent shall not be obligated to make any sale of Collateral if, in the exercise of its reasonable discretion, it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given.

The Agent may, without notice or publication (except as required by applicable law), adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Debtors shall be liable for all reasonable expenses of retaking, holding, preparing for sale or the like, and all reasonable attorneys' fees, legal expenses and other costs and expenses incurred by the Agent in connection with the collection of the Indebtedness and the enforcement of the Agent's rights under this Agreement and the Credit Agreement. The Debtors shall, to the extent permitted by applicable law, remain liable for any deficiency if the proceeds of any such sale or other disposition of the Collateral (conducted in conformity with this clause (ii) and applicable law) applied to the Indebtedness are insufficient to pay the Indebtedness in full. The Agent shall apply the proceeds from the sale of the Collateral hereunder against the Indebtedness in such order and manner as provided in the Credit Agreement.

(c) The Agent may cause any or all of the Collateral held by it to be transferred into the name of the Agent or the name or names of the Agent's nominee or nominees.

(d) The Agent may exercise any and all rights and remedies of the Debtors under or in respect of the Collateral, including, without limitation, any and all rights of the Debtors to demand or otherwise require payment of any amount under, or performance of any provision of any of the Collateral and any and all voting rights and corporate powers in respect of the Collateral.

(e) On any sale of the Collateral, the Agent is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of the Agent's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

(f) The Agent may direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Agent or as the Agent shall direct.

(g) In the event of any sale, assignment or other disposition of the Intellectual Property Collateral, the goodwill of the business connected with and symbolized by any Collateral subject to such disposition shall be included, and the Debtors shall supply to the Agent or its designee the Debtors' know-how and expertise related to the Intellectual Property Collateral subject to such disposition, and the Debtors' notebooks, studies, reports, records, documents and things embodying the same or relating to the inventions, processes or ideas covered by and to the manufacture of any products under or in connection with the Intellectual Property Collateral subject to such disposition.

(h) For purposes of enabling the Agent to exercise its rights and remedies under this **Section 6.1** and enabling the Agent and its successors and assigns to enjoy the full

benefits of the Collateral, the Debtors hereby grant to the Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Debtors) to use, assign, license or sublicense any of the Intellectual Property Collateral, Computer Records or Software (including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and all computer programs used for the completion or printout thereof), exercisable upon the occurrence and during the continuance of a Default or an Event of Default (and thereafter if Agent succeeds to any of the Collateral pursuant to an enforcement proceeding or voluntary arrangement with Debtor), except as may be prohibited by any licensing agreement relating to such Computer Records or Software. This license shall also inure to the benefit of all successors, assigns, transferees of and purchasers from the Agent.

Section 6.2 Private Sales.

(a) In view of the fact that applicable securities laws may impose certain restrictions on the method by which a sale of the Pledged Shares may be effected after an Event of Default, Debtors agree that upon the occurrence and during the continuance of an Event of Default, the Agent may from time to time attempt to sell all or any part of the Pledged Shares by a private sale in the nature of a private placement, restricting the bidders and prospective purchasers to those who will represent and agree that they are "accredited investors" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), and are purchasing for investment only and not for distribution. In so doing, the Agent may solicit offers for the Pledged Shares, or any part thereof, from a limited number of investors who might be interested in purchasing the Pledged Shares. Without limiting the methods or manner of disposition which could be determined to be commercially reasonable, if the Agent hires a firm of regional or national reputation that is engaged in the business of rendering investment banking and brokerage services to solicit such offers and facilitate the sale of the Pledged Shares, then the Agent's acceptance of the highest offer (including its own offer, or the offer of any of the Lenders at any such sale) obtained through such efforts of such firm shall be deemed to be a commercially reasonable method of disposition of such Pledged Shares. The Agent shall not be under any obligation to delay a sale of any of the Pledged Shares for the period of time necessary to permit the issuer of such securities to register such securities under the laws of any jurisdiction outside the United States, under the Securities Act or under any applicable state securities laws, even if such issuer would agree to do so.

(b) The Debtors further agree to do or cause to be done, to the extent that the Debtors may do so under applicable law, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Debtors' expense.

Section 6.3 **Establishment of Cash Collateral Account; and Lock Box.**

(a) Notwithstanding anything to the contrary in this Agreement, in the case of any Event of Default under Section 9.1 of the Credit Agreement, immediately following the occurrence thereof, and in the case of any other Event of Default, upon the termination of any commitments to extend credit under the Credit Agreement, the acceleration of any Indebtedness arising under the Credit Agreement and/or the exercise of any other remedy in each case by the requisite Lenders under Section 9.2 of the Credit Agreement, there shall be established by each Debtor with the Agent, for the benefit of the Lenders in the name of the Agent, a segregated non-interest bearing cash collateral account (the "**Cash Collateral Account**") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Agent and the Lenders; provided, however, that the Cash Collateral Account may be an interest-bearing account with a commercial bank (including Comerica or any other Lender which is a commercial bank) if determined by the Agent, in its reasonable discretion, to be practicable, invested by the Agent in its sole discretion, but without any liability for losses or the failure to achieve any particular rate of return. Furthermore, in connection with the establishment of a Cash Collateral Account under the first sentence of this **Section 6.3** (and on the terms and within the time periods provided thereunder), (i) each Debtor agrees to establish and maintain (and the Agent, acting at the request of the Lenders, may establish and maintain) at Debtor's sole expense a United States Post Office lock box (the "**Lock Box**"), to which the Agent shall have exclusive access and control. Each Debtor expressly authorizes the Agent, from time to time, to remove the contents from the Lock Box for disposition in accordance with this Agreement; and (ii) each Debtor shall notify all account debtors that all payments made to Debtor (a) other than by electronic funds transfer, shall be remitted, for the credit of Debtor, to the Lock Box, and Debtor shall include a like statement on all invoices, and (b) by electronic funds transfer, shall be remitted to the Cash Collateral Account, and Debtor shall include a like statement on all invoices. Each Debtor agrees to execute all documents and authorizations as reasonably required by the Agent to establish and maintain the Lock Box and the Cash Collateral Account. It is acknowledged by the parties hereto that any lockbox presently maintained or subsequently established by a Debtor with the Agent may be used, subject to the terms hereof, to satisfy the requirements set forth in the first sentence of this **Section 6.3**.

(b) Notwithstanding anything to the contrary in this Agreement, in the case of any Event of Default under Section 9.1(i) of the Credit Agreement, immediately following the occurrence thereof, and in the case of any other Event of Default, upon the termination of any commitments to extend credit under the Credit Agreement, the acceleration of any Indebtedness arising under the Credit Agreement and/or the exercise of any other remedy in each case by the requisite Lenders under Section 9.2 of the Credit Agreement, any and all cash (including amounts received by electronic funds transfer), checks, drafts and other instruments for the payment of money received by each Debtor at any time, in full

or partial payment of any of the Collateral consisting of Accounts or Inventory, shall forthwith upon receipt be transmitted and delivered to the Agent, properly endorsed, where required, so that such items may be collected by the Agent. Any such amounts and other items received by a Debtor shall not be commingled with any other of such Debtor's funds or property, but will be held separate and apart from such Debtor's own funds or property, and upon express trust for the benefit of the Agent until delivery is made to the Agent. All items or amounts which are remitted to a Lock Box or otherwise delivered by or for the benefit of a Debtor to the Agent on account of partial or full payment of, or any other amount payable with respect to, any of the Collateral shall, at the Agent's option, be applied to any of the Indebtedness, whether then due or not, in the order and manner set forth in the Credit Agreement. No Debtor shall have any right whatsoever to withdraw any funds so deposited. Each Debtor further grants to the Agent a first security interest in and Lien on all funds on deposit in such account. Each Debtor hereby irrevocably authorizes and directs the Agent to endorse all items received for deposit to the Cash Collateral Account, notwithstanding the inclusion on any such item of a restrictive notation, e.g., "paid in full", "balance of account", or other restriction.

Section 6.4 **Default Under Credit Agreement**. Subject to any applicable notice and cure provisions contained in the Credit Agreement, the occurrence of any Event of Default (as defined in the Credit Agreement), including without limitation, a breach of any of the provisions of this Agreement, shall be deemed to be an Event of Default under this Agreement. This **Section 6.4** shall not limit the Events of Default set forth in the Credit Agreement.

ARTICLE 7
Miscellaneous

Section 7.1 **No Waiver; Cumulative Remedies**. No failure on the part of the Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

Section 7.2 **Successors and Assigns**. Subject to the terms and conditions of the Credit Agreement, this Agreement shall be binding upon and inure to the benefit of the Debtors and the Agent and their respective heirs, successors and assigns, except that the Debtors may not assign any of their rights or obligations under this Agreement without the prior written consent of the Agent.

Section 7.3 **AMENDMENT; ENTIRE AGREEMENT**. THIS AGREEMENT AND THE CREDIT AGREEMENT REFERRED TO HEREIN EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT

MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

Section 7.4 **Notices**. All notices, requests, consents, approvals, waivers and other communications hereunder shall be in writing (including, by facsimile transmission) and mailed, faxed or delivered to the address or facsimile number specified for notices on signature pages hereto; or, as directed to the Debtors or the Agent, to such other address or number as shall be designated by such party in a written notice to the other. All such notices, requests and communications shall, when sent by overnight delivery, or faxed, be effective when delivered for overnight (next business day) delivery, or transmitted in legible form by facsimile machine (with electronic confirmation of receipt), respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail, or if otherwise delivered, upon delivery; except that notices to the Agent shall not be effective until actually received by the Agent.

Section 7.5 **GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.**

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD FOR PRINCIPLES OF CONFLICTS OF LAWS.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF CALIFORNIA, PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. DEBTORS AND AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 7.5.

Section 7.6 **Headings**. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 7.7 **Survival of Representations and Warranties**. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Agent shall affect the representations and warranties or the right of the Agent or the Lenders to rely upon them.

Section 7.8 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 7.9 **Waiver of Bond**. In the event the Agent seeks to take possession of any or all of the Collateral by judicial process, the Debtors hereby irrevocably waive any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

Section 7.10 **Severability**. Any provision of this Agreement which is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.11 **Construction**. Each Debtor and the Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtors and the Agent.

Section 7.12 **Termination; Reinstatement**. Upon the Payment in Full of the Indebtedness, the Agent shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to the Debtors (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Agent and has not previously been sold or otherwise applied pursuant to this Agreement; provided however that, the effectiveness of this Agreement shall continue or be reinstated, as the case may be, in the event: (a) that any payment received or credit given by the Agent or the Lenders, or any of them, is returned, disgorged, rescinded or required to be recontributed to any party as an avoidable preference, impermissible setoff, fraudulent conveyance, restoration of capital or otherwise under any applicable state, federal, or local law of any jurisdiction, including laws pertaining to bankruptcy or insolvency, and this Agreement shall thereafter be enforceable against the Debtors as if such returned, disgorged, recontributed or rescinded payment or credit has not been received or given by the Agent or the Lenders, and whether or not the Agent or any Lender relied upon such payment or credit or changed its position as a consequence thereof or (b) that any liability is imposed, or sought to be imposed against the Agent or the Lenders, or any of them, relating to the environmental condition of any of property mortgaged or pledged to the Agent on behalf of the Lenders by any Debtor, the Borrower or other party as collateral (in whole or part) for any indebtedness or obligation evidenced or secured by this Agreement, whether such condition is known or unknown, now

exists or subsequently arises (excluding only conditions which arise after acquisition by the Agent or any Lender of any such property, in lieu of foreclosure or otherwise, due to the wrongful act or omission of the Agent or such Lenders, or any person other than the Borrower, the Subsidiaries, or any Affiliates of the Borrower or the Subsidiaries), and this Agreement shall thereafter be enforceable against the Debtors to the extent of all such liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Agent or Lenders as the direct or indirect result of any such environmental condition but only for which the Borrower is obligated to the Agent and the Lenders pursuant to the Credit Agreement. For purposes of this Agreement "environmental condition" includes, without limitation, conditions existing with respect to the surface or ground water, drinking water supply, land surface or subsurface strata and the ambient air.

Section 7.13 **Release of Collateral**. The Agent shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release of the security interest and Liens established hereby on any Collateral (other than the Pledged Shares): (a) if the sale or other disposition of such Collateral is permitted under the terms of the Credit Agreement and, at the time of such proposed release, both before and after giving effect thereto, no Event of Default has occurred and is continuing, (b) if the sale or other disposition of such Collateral is not permitted under the terms of the Credit Agreement, provided that the requisite Lenders under such Credit Agreement shall have consented to such sale or disposition in accordance with the terms thereof, or (c) if such release has been approved by the requisite Lenders in accordance with Section 12.11(b) of the Credit Agreement.

Section 7.14 **WAIVER OF JURY TRIAL**. TO THE EXTENT PERMITTED BY LAW, DEBTORS AND AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. DEBTORS AND AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

In the event the jury trial waiver set forth above is not enforceable, the parties elect to proceed under this Judicial Reference Provision.

(a) With the exception of the items specified in clause (b), below, any controversy, dispute or claim (each, a "Claim") between the parties arising out of or relating to this Agreement or any other document, instrument or agreement between the undersigned parties (collectively in this Section, the "Loan Documents"), will be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in the Loan Documents, venue for the reference proceeding will be in the Superior Court in the County where the real property involved in the

action, if any, is located or in a County where venue is otherwise appropriate under applicable law (the "Court").

(b) The matters that shall not be subject to a reference are the following: (i) foreclosure of any security interests in real or personal property, (ii) exercise of selfhelp remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This Agreement does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (i) and (ii) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (iii) and (iv). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this Agreement.

(c) The referee shall be a retired Judge or Justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted.

(d) The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(e) The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

(f) Except as expressly set forth in this Agreement, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

(g) The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP § 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

(h) If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or Justice, in accordance with the California Arbitration Act §1280 through §1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

(i) THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

Section 7.15 **Consistent Application**. The rights and duties created by this Agreement shall, in all cases, be interpreted consistently with, and shall be in addition to (and not in lieu of), the rights and duties created by the Credit Agreement or the other Loan Documents. In the event that any provision of this Agreement shall be inconsistent with any provision of the Credit Agreement, such provision of the Credit Agreement shall govern.

Section 7.16 **Continuing Lien**. The security interest granted under this Security Agreement shall be a continuing security interest in every respect (whether or not the outstanding balance of the Indebtedness is from time to time temporarily reduced to zero) and the Agent's security interest in the Collateral as granted herein shall continue in full force and effect for the entire duration that the Credit Agreement remains in effect and until all of the Indebtedness are repaid and discharged in full, and no commitment (whether optional or obligatory) to extend any credit under the Credit Agreement remain outstanding.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

DEBTORS:

ACCOLADE, INC.

By: _____
Name: _____
Title _____

Address for Notices:
660 West Germantown Pike, Suite 500
Plymouth Meeting, Pennsylvania
Attention: Legal Department
Telephone: (267) 765-0804
E-mail: rich.eskew@accolade.com;
Rajeev.singh@accolade.com

AGENT:

COMERICA BANK, as Agent

By: _____
Name: _____
Title _____

Comerica Bank Center
Attn: Corporate Finance - MC 3289
411 W. Lafayette St.
Detroit, Michigan 48226

Telephone: (313) 222-4280
Facsimile: (313) 222-9434
E-mail: cjkistka@comerica.com

Schedule 1.1

Intellectual Property

See attached.

Schedule 1.2

Pledged Shares

None.

Schedule 3.2

Debtor Information

(b)

Debtor	Jurisdiction	Organizational ID Number	Tax ID Number
Accolade, Inc.	Delaware	4289840	01-0969591

(c)

None.

(d)

None.

Schedule 3.3(a)

Location of Inventory and Equipment

Debtor	Location	Landlord
Accolade, Inc.	660 West Germantown Pike, Suite 500, Plymouth Meeting, PA 19462	Brandywine Operating Partnership, L.P.
Accolade, Inc.	One Convention Place, 701 Pike Street, Seattle, WA 98101	SFERS Real Estate Corp. FF
Accolade, Inc.	8777 E. Hartford Drive, Suite 200, Scottsdale, AZ 85255	DTR12, L.L.C.

Schedule 3.3(b)

Accounts

Schedule 3.3(c)

Documents

None.

Schedule 3.7

Perfection

Debtor	Jurisdiction
Accolade, Inc.	Delaware

EXHIBIT A
TO
SECURITY AGREEMENT

FORM OF AMENDMENT

This Amendment, dated , 20 , is delivered pursuant to **Section 4.8(b)/(c)]** of the Security Agreement referred to below. The undersigned hereby agrees that this Amendment may be attached to the Security Agreement dated as of July 18, 2019, between the undersigned and Comerica Bank, as the Agent for the benefit of the Lenders referred to therein (the "**Security Agreement**"), and (a) [that the intellectual property listed on ***Schedule A***]/[that the shares of stock, membership interests, partnership units, notes or other instruments listed on ***Schedule A***] annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Indebtedness as provided in the Security Agreement and (b) that ***Schedule A*** shall be deemed to amend [***Schedule 1.2***/***Schedule 1.1***] by supplementing the information provided on such Schedule with the information set forth on ***Schedule A***.

Capitalized terms used herein but not defined herein shall have the meanings therefor provided in the Security Agreement.

_____

By: _____
Name: _____
Title _____

COMERICA BANK, as Agent

By: _____
Name: _____
Title _____

EXHIBIT B

JOINDER AGREEMENT
(Security Agreement)

THIS JOINDER AGREEMENT (the "**Joinder Agreement**") is dated as of , by , a ("**New Debtor**").

WHEREAS, pursuant to **Section 7.13** of that certain Credit Agreement dated as of July 18, 2019 (as amended or otherwise modified from time to time, the "**Credit Agreement**") by and among Accolade, Inc., a Delaware corporation (the "**Borrower**"), the financial institutions signatory thereto from time to time (the "**Lenders**") and Comerica Bank, as Agent for the Lenders (in such capacity, "**Agent**"), the New Debtor is required to execute and deliver a joinder agreement to the Security Agreement.

WHEREAS, in order to comply with the Credit Agreement, New Debtor executes and delivers this Joinder Agreement in accordance therewith.

NOW THEREFORE, as a further inducement to Lenders to continue to provide credit accommodations to the Borrower, New Debtor hereby covenants and agrees as follows:

A. All capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement unless expressly defined to the contrary.

B. New Debtor hereby enters into this Joinder Agreement in order to comply with **Section 7.13** of the Credit Agreement and does so in consideration of the Advances made or to be made from time to time under the Credit Agreement and the other Loan Documents.

C. Schedule [insert appropriate Schedule] attached to this Joinder Agreement is intended to supplement Schedule [insert appropriate Schedule] of the Security Agreement with the respective information applicable to New Debtor.

D. New Debtor shall be considered, and deemed to be, for all purposes of the Credit Agreement, the Security Agreement and the other Loan Documents, a Debtor under the Security Agreement as fully as though New Debtor had executed and delivered the Security Agreement at the time originally executed and delivered under the Credit Agreement and hereby ratifies and confirms its obligations under the Security Agreement, all in accordance with the terms thereof and shall be deemed to have made each representation and warranty set forth in the Security Agreement.

E. No Default or Event of Default (each such term being defined in the Credit Agreement) has occurred and is continuing under the Credit Agreement.

F. This Joinder Agreement shall be governed by the laws of the State of California and shall be binding upon New Debtor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned New Debtor has executed and delivered this Joinder Agreement as of , .

[NEW DEBTOR]

By: _____

Its: _____

Accepted:

COMERICA BANK, as Agent

By: _____

Its: _____

EXHIBIT C

FORM OF COLLATERAL COMPLIANCE CERTIFICATE

To: Comerica Bank as Agent (the "**Agent**") and the Lenders

Re: Security Agreement dated as of July 18, 2019 by and among Accolade, Inc. ([each a] "**Debtor**" [and collectively, the "**Debtors**"]) and Agent, (as the same may be amended, restated or otherwise modified from time to time, the "**Security Agreement**"; capitalized terms not otherwise defined herein shall have the meanings set forth in the Security Agreement).

Reference is made to **Section 4.6** of the Security Agreement. The undersigned hereby represents and warrants to Agent and the Lenders, in consideration of the loans extended to Borrower, as follows:

1. **Locations.** No Debtor has any leased or owned location, or any Collateral in excess of $500,000 located with a warehousemen or bailee, which has not been previously disclosed in writing to Agent, or is not set forth on ***Schedule 1*** attached hereto, which sets forth the information required by **Section 3.3(a)(ii)** and **Section 3.3(a)(iii)** of the Security Agreement, as applicable, for all previously undisclosed locations.

2. **Deposit Accounts.** No Debtor has any Deposit Accounts, cash collateral accounts or investment accounts (other than with Agent) which have not been previously disclosed in writing to Agent, or are not set forth on ***Schedule 2*** attached hereto, which sets forth the information required by **Section 3.3(b)** of the Security Agreement as to each previously undisclosed account.

3. **Intellectual Property.** No Debtor has any registered Patents, Patent Licenses, registered Trademarks, Trademark Licenses, registered Copyrights and Copyright Licenses which have not been previously disclosed in writing to Agent, or are not set forth on ***Schedule 3*** attached hereto, which sets forth the information required by **Section 3.3(d)** of the Security Agreement for such previously undisclosed Intellectual Property Collateral.

4. **Pledged Shares.** None of the Debtors, singly or collectively, hold any Pledged Shares which have not been previously disclosed to Agent in writing except as set forth on ***Schedule 4*** attached hereto, which sets forth the information required by **Section 3.4(c)** of the Security Agreement for such previously undisclosed Pledged Shares.

5. **Promissory Notes; Tangible Chattel Paper.** None of the Debtors, singly or collectively, have promissory notes or tangible Chattel Paper for which the principal amount or obligations evidenced thereunder are, in aggregate, in excess of $500,000 which promissory notes and/or Chattel Paper have not been previously disclosed to Agent in writing, assigned and delivered to Agent in accordance with **Section 4.1(a)** of the Security Agreement, except as set forth on ***Schedule 5*** attached hereto.

6. **Electronic Chattel Paper**. None of the Debtors, singly or collectively, have electronic Chattel Paper or any "transferable record" evidencing obligations, in the aggregate, in excess of $500,000, which have not previously been disclosed to Agent in writing, and over which Agent has not been granted control in accordance with **Section 4.1(b)** of the Security Agreement, except as set forth on ***Schedule 6*** attached hereto.

7. **Letters of Credit**. None of the Debtors, singly or collectively, are beneficiaries under letters of credit, with an aggregate face amount in excess of $500,000, which have not previously been disclosed to Agent in writing, and over which Agent has not been granted a Lien in compliance with the terms of **Section 4.1(c)** of the Security Agreement, except as set forth on ***Schedule 7*** attached hereto.

8. **Commercial Tort Claims**. None of the Debtors, singly or collectively, have any commercial tort claims which, in the aggregate, are reasonably estimated to have a value in excess of $500,000, which claims have not previously been disclosed to Agent in writing and over which Agent has not been granted a Lien in compliance with **Section 4.1(d)** of the Security Agreement, except as set forth on ***Schedule 8*** attached hereto.

9. **Life Insurance**. None of the Debtors are beneficiaries of any key man life insurance policies which have not been previously disclosed in writing to Agent, except as set forth on ***Schedule 9*** attached hereto.

IN WITNESS WHEREOF, the undersigned have executed this Collateral Compliance Report, as of this day of , .

[DEBTORS]

By: _____

Its: _____

EXHIBIT H

FORM OF BORROWING BASE CERTIFICATE

[Form to be provided by the Agent]

EXHIBIT I

FORM OF ASSIGNMENT AGREEMENT

Date:

To: Borrower and Comerica Bank ("Agent")

Re: Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Ladies and Gentlemen:

Reference is made to Section 13.8 of the Credit Agreement. Unless otherwise defined herein or the context otherwise requires, all initially capitalized terms used herein without definition shall have the meanings specified in the Credit Agreement.

This Agreement constitutes notice to each of you of the proposed assignment and delegation by [insert name of assignor] (the "Assignor") to [insert name of assignee] (the "Assignee"), and, subject to the terms and conditions of the Credit Agreement, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, effective on the "Effective Date" (as hereafter defined) that undivided interest in each of Assignor's rights and obligations under the Credit Agreement and the other Loan Documents in the amounts as set forth on the attached Schedule 1, such that, after giving effect to the foregoing assignment and assumption, and the concurrent assignment by Assignor to Assignee on the date hereof, the Assignee's interest in the Revolving Credit (and participations in any outstanding Letters of Credit and Swing Line Advances), shall be as set forth in the attached Schedule 2 with respect to the Assignee.

The Assignor hereby instructs the Agent to make all payments from and including the Effective Date hereof in respect of the interest assigned hereby, directly to the Assignee. The Assignor and the Assignee agree that all interest and fees accrued up to, but not including, the Effective Date of the assignment and delegation being made hereby are the property of the Assignor, and not the Assignee. The Assignee agrees that, upon receipt of any such interest or fees accrued up to the Effective Date, the Assignee will promptly remit the same to the Assignor.

The Assignee hereby confirms that it has received a copy of the Credit Agreement and the exhibits and schedules referred to therein, and all other Loan Documents which it considers necessary, together with copies of the other documents which were required to be delivered under the Credit Agreement as a condition to the making of the loans thereunder. The Assignee acknowledges and agrees that it: (a) has made and will continue to make such inquiries and has taken and will take such care on its own behalf as would have been the case had its Percentage been granted and its loans been made directly by such Assignee to the Borrower without the intervention of the Agent, the Assignor or any other Lender; and (b) has made and will continue to make, independently and without reliance upon the Agent, the Assignor or any other Lender, and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The Assignee further acknowledges and agrees that neither the Agent, nor the Assignor has made any representations or

warranties about the creditworthiness of the Borrower or any other party to the Credit Agreement or any other of the Loan Documents, or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement, or any other of the Loan Documents. This assignment shall be made without recourse to or warranty by the Assignor, except as set forth herein.

Assignee represents and warrants that it is a Person to which assignments are permitted pursuant to Section 13.8 of the Credit Agreement.

Except as otherwise provided in the Credit Agreement, effective as of the Effective Date:

(a) the Assignee: (i) shall be deemed automatically to have become a party to the Credit Agreement and the other Loan Documents, to have assumed all of the Assignor's obligations thereunder to the extent of the Assignee's Percentage referred to in the second paragraph of this Assignment Agreement, and to have all the rights and obligations of a party to the Credit Agreement and the other Loan Documents, as if it were an original signatory thereto to the extent specified in the second paragraph hereof; and (ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement and the other Loan Documents as if it were an original signatory thereto; and

(b) the Assignor's obligations under the Credit Agreement and the other Loan Documents shall be reduced by the Percentage referred to in the second paragraph of this Assignment Agreement.

As used herein, the term "Effective Date" means the date on which all of the following have occurred or have been completed, as reasonably determined by the Agent:

(1) the delivery to the Agent of an original of this Assignment Agreement executed by the Assignor and the Assignee;

(2) the payment to the Agent, of all accrued fees, expenses and other items for which reimbursement is then owing under the Credit Agreement;

(3) the payment to the Agent of the processing and recordation fee, if any, referred to in Section 13.8(d)(ii) of the Credit Agreement; and

(4) all other restrictions and items noted in Section 13.8 of the Credit Agreement have been completed.

The Agent shall notify the Assignor and the Assignee, along with Borrower, of the Effective Date.

The Assignee hereby advises each of you of the following administrative details with respect to the assigned loans:

(A) Address for Notices:

Institution Name:

Address:

Attention:

Telephone:

Facsimile:

(B) Payment Instructions:

(C) Proposed effective date of assignment.

The Assignee has delivered to the Agent (or is delivering to the Agent concurrently herewith) the tax forms referred to in Section 13.13 of the Credit Agreement to the extent required thereunder, and other forms reasonably requested by the Agent. The Assignor has delivered to the Agent (or shall promptly deliver to Agent following the execution hereof), the original of each Note held by the Assignor under the Credit Agreement.

The laws of the State of California shall govern the validity, interpretation and enforcement of this Agreement.

* * *

Signatures Follow on Succeeding Pages

Please evidence your consent to and acceptance of the proposed assignment and delegation set forth herein by signing and returning counterparts hereof to the Assignor and the Assignee.

[ASSIGNOR]

By: _____

Its: _____

[ASSIGNEE]

By: _____

Its: _____

ASSIGNMENT AGREEMENT ACCEPTED AND CONSENTED TO this day of , 20 BY:

COMERICA BANK, as Agent

By: _____

Its: _____

ACCOLADE, INC.*

By: _____

Its: _____

[*Borrower's consent will be required except as specified in Section 13.8(d)(ii) of the Credit Agreement.]

[This form of Assignment Agreement (including footnotes) is subject in all respects to the terms and conditions of the Credit Agreement which shall govern in the event of any inconsistencies or omissions.]

EXHIBIT J

FORM OF COVENANT COMPLIANCE REPORT

TO: Comerica Bank, as Agent

RE: Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

This Covenant Compliance Report ("Report") is furnished pursuant to Section 7.2(a) of the Credit Agreement and sets forth various information as of , 20 (the "Computation Date").

1. Liquidity (Section 7.9(a)). On the Computation Date, the Liquidity, which is required to be not less than $ was $, as computed in the supporting documents attached hereto as Schedule 1.

2. Covenant Revenue (Section 7.9(b)). On the Computation Date, the Borrower's Covenant Revenue, which is required to be at least $, was $, as computed in the supporting documents attached hereto as Schedule 2.

3. Annual Revenue Growth. On the Computation Date, Annual Revenue Growth was %, as evidenced in the supporting documentation attached as Schedule 3.

The undersigned Responsible Officer of the Borrower hereby certifies that:

A. To the best of my knowledge, all of the information set forth in this Report (and in any Schedule attached hereto) is true and correct in all material respects.

B. To the best of my knowledge, the representation and warranties of the Credit Parties contained in the Credit Agreement and in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and at the date hereof, except to the extent that such representations and warranties expressly relate to an earlier specific date, in which case such representations and warranties were true and correct in all material respects as of the date when made.

C. I have reviewed the Credit Agreement and this Report is based on an examination sufficient to assure that this Report is accurate.

D. To the best of my knowledge, except as stated in Schedule 4 hereto (which shall describe any existing Default or Event of Default and the notice and period of existence thereof and any action taken with respect thereto or contemplated to be taken by Borrower or any other Credit Party), no Default or Event of Default has occurred and is continuing on the date of this Report.

Capitalized terms used in this Report and in the Schedules hereto, unless specifically defined to the contrary, have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this Report to be executed and delivered this day of , .

ACCOLADE, INC.

By: _____

Its: _____

Schedule 1

LIQUIDITY CALCULATION

Schedule 2

COVENANT REVENUE CALCULATION

Schedule 3

ANNUAL REVENUE GROWTH CALCULATION

[Schedule 4

DEFUALT DISCLOSURE]

[If required]

EXHIBIT K

FORM OF SWING LINE PARTICIPATION CERTIFICATE

,

[Name of Lender**]**

Re: Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Ladies and Gentlemen:

Pursuant to subsection 2.5(e) of the Credit Agreement, the undersigned hereby acknowledges receipt from you of $ as payment for a participating interest in the following Swing Line Loan:

Date of Swing Line Loan:

Principal Amount of Swing Line Loan:

The participation evidenced by this certificate shall be subject to the terms and conditions of the Credit Agreement including without limitation Section 2.5(e) thereof.

Very truly yours,

Comerica Bank, as Agent

By: _____

Its: _____

EXHIBIT L-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Pursuant to the provisions of Section 13.13(a) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Advance(s) (as well as any Note(s) evidencing such Advance(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Agent and Borrower with a certificate of its non-U.S. Person status on IRS Form [W-8BEN/ W-8BEN-E]. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform Borrower and the Agent, and (2) the undersigned shall have at all times furnished Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT L-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Pursuant to the provisions of Section 13.13(a) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form [W-8BEN/ W-8BEN-E]. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT L-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Pursuant to the provisions of Section 13.13(a) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form [W-8BEN/ W-8BEN-E] or (ii) an IRS Form W-8IMY accompanied by an IRS Form [W-8BEN/ W-8BEN-E] from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

EXHIBIT L-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement made as of the 19th day of July, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among the financial institutions from time to time signatory thereto (individually a "Lender," and any and all such financial institutions collectively the "Lenders"), Comerica Bank, as Administrative Agent for the Lenders (in such capacity, the "Agent"), and Accolade, Inc. ("Borrower").

Pursuant to the provisions of Section 13.13(a) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Advance(s) (as well as any Note(s) evidencing such Advance(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Advance(s) (as well as any Note(s) evidencing such Advance(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Agent and Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form [W-8BEN/ W-8BEN-E] or (ii) an IRS Form W-8IMY accompanied by an IRS Form [W-8BEN/ W-8BEN-E] from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform Borrower and the Agent, and (2) the undersigned shall have at all times furnished Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

Annex I
Applicable Margin Grid
Revolving Credit Facility
(basis points per annum)

Basis for Pricing	
Revolving Credit Eurodollar Margin	350 bps
Revolving Credit Base Rate Margin	250 bps
Revolving Credit Facility Fee	25 bps
Letter of Credit Fees (exclusive of facing fees)	350 bps

Annex II
Percentages and Allocations
Revolving Credit Facility

LENDERS	REVOLVING CREDIT PERCENTAGE	REVOLVING CREDIT ALLOCATIONS	WEIGHTED PERCENTAGE	TOTAL ALLOCATIONS
Comerica Bank	50%	$ 25,000,000.00	50%	$ 25,000,000.00
Western Alliance Bank	50%	$ 25,000,000.00	50%	$ 25,000,000.00
TOTALS	**100%**	**$ 50,000,000.00**	**100%**	**$ 50,000,000.00**

Annex III

Notices

Borrower and its subsidiaries:

Accolade, Inc.
660 West Germantown Pike, Suite 500
Plymouth Meeting, Pennsylvania
Attention: Legal Department
Telephone: (267) 765-0804
E-mail: rich.eskew@accolade.com; Rajeev.singh@accolade.com

with a copy to:

Jonathan P. Bagg
Cooley LLP
1299 Pennsylvania Avenue, NW · Suite 700
Washington, DC 20004-2400
Telephone: (202) 776-2937

Comerica Bank, as Agent:
Comerica Bank Center
Attn: Corporate Finance - MC 3289
411 W. Lafayette St.
Detroit, Michigan 48226

Telephone: (313) 222-4280
Facsimile: (313) 222-9434
E-mail: cjkistka@comerica.com

Comerica Bank, as Lender:
Comerica Bank
10500 NE 8th Street, Suite 1905
Bellevue, Washington 98004
Attention: Walter Weston
Telephone No.: (425) 452-2539
Facsimile No.: (425) 452-2510
Email: wweston@comerica.com

For Advance Requests and/or Pay-Downs: corpfinadmin@comerica.com

For all Reporting Requirements (including Borrowing Base Certificates, if applicable): reportingcorpfin@comerica.com

For Borrowing Base Certificates, agings and inventory reports, if applicable: BorrowingBaseReporting@comerica.com

Agent's Counsel:
Adam B. Norlander, Esq.
Bodman PLC
6th Floor at Ford Field
1901 St. Antoine Street
Detroit, Michigan 48226
office: 313-392-1052
email: ANorlander@bodmanlaw.com

If to Western Alliance Bank:
Western Alliance Bank
12011 Sunset Hills Road, Suite 425
Reston, Virginia 20190
Attn: Brian McCabe, Relationship Manager
FAX: (703) 345-9307
EMAIL:
Brian.McCabe@bridgebank.com

And

Western Alliance Bank
55 Almaden Blvd.
San Jose, CA 95113
Attn: Note Department
FAX: (408) 282-1681
EMAIL:
notedepartment@bridgebank.com

With a copy (which shall
Troutman Sanders LLP
not constitute notice) to:

401 9th Street, NW, Suite 1000
Washington, DC 20004
Attn: Charles Charpentier
FAX: (202) 274-2994
EMAIL:
charles.charpentier@troutman.com

Exhibit 10.12

ACCOLADE

THE SECURITIES REPRESENTED BY THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 6 BELOW, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION.

FURTHER, UPON THE REQUEST OF THE COMPANY OR THE UNDERWRITERS, THE SECURITIES REPRESENTED BY THIS WARRANT MAY NOT BE SOLD, SHORT SOLD, LOANED, MADE SUBJECT TO AN OPTION TO PURCHASE SUCH SECURITIES OR OTHERWISE DISPOSED OF FOR A PERIOD NOT TO EXCEED 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT FILED BY THE COMPANY FOR ITS INITIAL PUBLIC OFFERING, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY OR THE UNDERWRITERS.

Warrant No. 4 Date: July 6, 2015

WARRANT TO PURCHASE
COMMON STOCK OF
ACCOLADE, INC.

THIS WARRANT CERTIFIES THAT, for value received, the receipt and sufficiency of which are hereby acknowledged, Comcast Alpha Holdings, Inc., a Delaware corporation, or its registered assigns (as the case may be, "Holder"), is entitled, subject to the terms and conditions set forth herein, to purchase from Accolade, Inc., a Delaware corporation (the "Company"), one million (1,000,000) validly issued, fully-paid and non-assessable shares (the "Shares") of the Company's common stock, par value $0.0001 per share (the "Common Stock"), subject to vesting and adjustment as provided herein, at a purchase price equal to $2.75 per share (the "Warrant Price"), subject to adjustment as provided herein, at any time and from time to time on or before April 1, 2020 (the "Expiration Date"), subject to earlier termination as provided herein.

RECITALS

1. This Warrant is being issued pursuant to Section 16 of that certain Amended and Restated Services Agreement dated June 29, 2015 by and between the Company and an Affiliate of the Holder (the "Services Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Services Agreement.

2. The term "Warrant" as used herein shall mean this Warrant, and any warrants delivered in substitution or exchange therefor as provided herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth above and herein contained, the Company hereby issues this Warrant to Holder, and the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 VESTING.

1.1 Vested Shares. As of any date on which Holder elects to exercise all or a portion of this Warrant, Holder shall be entitled to purchase up to that number of Vested Shares (as defined below) at a purchase price per Share equal to the Warrant Price, subject to the provisions and upon the terms and conditions set forth in this Warrant.

1.2 Vesting Schedule. The number of Shares which Holder is at any time entitled to purchase hereunder (the "Vested Shares") shall equal:

1.2.1 From and after the date hereof, twenty percent (20%) of the Shares; *plus*

1.2.2 From and after April 1, 2016, an additional twenty percent (20%) of the Shares, provided that Accolade Core Revenues, calculated for the year ended December 31, 2015, equal or exceed $13.20 PMPM;*plus*

1.2.3 From and after April 1, 2017, an additional twenty percent (20%) of the Shares, provided that Accolade Core Revenues, calculated for the year ended December 31, 2016, equal or exceed $ 12.90 PMPM; *plus*

1.2.4 From and after April 1, 2018, an additional twenty percent (20%) of the Shares, provided that Accolade Core Revenues, calculated for the year ended December 31, 2017, equal or exceed $12.90 PMPM*; plus*

1.2.5 From and after April 1, 2019, an additional twenty percent (20%) of the Shares, provided that Accolade Core Revenues, calculated for the year ended December 31, 2018, equal or exceed $12.90 PMPM.

For purposes of this Warrant:

(a) Each date referenced in the foregoing Sections 1.2.1 through 1.2.5 (inclusive) is referred to herein as a "Vesting Date".

(b) "Accolade Core Revenues" shall mean, for any given year, the annual Base Fee for that year *plus* the Incentive Payments earned for that year *less* Penalties for

Performance Guarantees incurred in that year, all expressed on a PMPM basis. For the sake of clarity, Accolade Core Revenues shall not include any payments made to Company pursuant to Schedule C to the Services Agreement (Service Management), or any schedule that amends, substitutes or replaces such Schedule C. Each capitalized term used in this definition is used as defined in the Services Agreement.

(c) In the event that Accolade is unable to calculate Accolade Core Revenues by the Vesting Date, Accolade shall make such calculation within forty-five (45) days thereafter, and such determination of Accolade Core Revenues shall be retroactive to the Vesting Date.

(d) For the avoidance of doubt, the vesting of the Shares attributable to any particular Vesting Date shall be independent of the vesting of the Shares attributable to any other Vesting Date, such that (i) Shares shall become Vested Shares as of the applicable Vesting Date if the applicable Accolade Core Revenues threshold is achieved even if the Shares attributable to a prior or subsequent Vesting Date did or do not become Vested Shares because the applicable Accolade Core Revenues threshold attributable to such Shares was or is not achieved and (ii) if Accolade Core Revenues exceed the applicable Accolade Core Revenues threshold in any given calendar year, such excess amount may not be carried backward or forward to prior or subsequent calendar years in which the applicable Accolade Core Revenues threshold was not or is not achieved.

1.3 Vesting Example. For purposes of clarification, Holder may exercise this Warrant from time to time, in whole or in part, and if Holder exercises this Warrant with respect to all or any portion of the Vested Shares, such exercise shall not affect the continued vesting of the balance of the Shares as provided above. For illustration purposes only, if twenty percent (20%) of the Shares become Vested Shares on the first Vesting Date and Holder exercises this Warrant with respect to all of those Vested Shares, Holder shall be entitled to exercise this Warrant with respect to an additional twenty percent (20%) of the Shares from and after the next Vesting Date if those Shares become Vested Shares on such Vesting Date, and so on until the full exercise, expiration or termination of this Warrant.

ARTICLE 2 EXERCISE.

2.1 Method of Exercise. Subject to Article 1, Holder may from time to time exercise this Warrant, in whole or in part, by delivering a duly executed Notice of Exercise in substantially the form attached as Appendix 1 to the principal office of the Company. Unless Holder is exercising the conversion right set forth in Section 2.2, Holder shall also deliver to the Company a check or wire transfer (to an account designated by the Company) for the aggregate Warrant Price for the Vested Shares being purchased.

2.2 Conversion Right. In lieu of exercising this Warrant as specified in Section 2.1, Holder may from time to time convert this Warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate Fair Market Value of the Vested Shares

(or other securities, cash or property otherwise issuable upon exercise of this Warrant) as to which this Warrant is being so converted minus the aggregate Warrant Price for such Vested Shares, by (b) the Fair Market Value of one Share (or the other securities, cash or property otherwise issuable upon exercise of this Warrant with respect to one Share). The Fair Market Value of the Shares shall be determined pursuant to Section 2.3. For the avoidance of doubt, any reference herein to the "exercise" of this Warrant shall include a conversion of this Warrant pursuant to this Section 2.2. If Holder has not exercised this Warrant on or prior to the Expiration Date, then immediately prior to the expiration of this Warrant on the Expiration Date (or any earlier termination of this Warrant as provided herein), this Warrant shall be deemed to have been converted automatically, and without any action by the Holder, pursuant to this Section 2.2.

2.3 Fair Market Value. The fair market value (the "Fair Market Value") of a Share (or other securities, cash or property otherwise issuable upon exercise of this Warrant) shall be determined as of the applicable date by the Board of Directors of the Company in good faith.

2.4 Delivery of Certificate and New Warrant. Promptly after Holder exercises this Warrant and, if applicable, the Company receives payment of the aggregate Warrant Price, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised and has not expired, a new Warrant representing the Shares not so acquired.

2.5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

2.6 Treatment of Warrant Upon Acquisition of Company and Upon Initial Public Offering.

2.6.1 Acquisition of Company. Upon the closing of an Acquisition (as defined below):

(a) if, as of such closing of the Acquisition, (i) the Services Agreement has not been terminated (and is not terminated in connection with the Acquisition) or the Services Agreement has been terminated (or is terminated in connection with the Acquisition) but Holder and the Company or the surviving entity or acquiring party in the Acquisition (as the case may be, the "Acquiring Party"), or any of their respective Affiliates, have entered into an agreement that is similar in nature to the Services Agreement (whether before or in connection with the Acquisition), and (ii) all or any portion of this Warrant remains unvested, then, subject to Section 2.6.1(c) below, either (A) this Warrant shall continue in accordance with its terms (including the vesting of

additional Shares in accordance with Article 1) and shall become an obligation of the Acquiring Party, exercisable for the type and amount of securities, cash or other property of Acquiring Party as determined pursuant to Section 3.4, or (B) all Shares that remain unvested under this Warrant shall become Vested Shares immediately but Holder shall be required to exercise this Warrant at any time at or prior to the closing of the Acquisition (and thereby participate in the Acquisition as a holder of any Shares issuable upon such exercise of this Warrant), whereupon this Warrant shall terminate; or

(b) if, as of such closing of the Acquisition, (i) the Services Agreement has been terminated (or is terminated in connection with the Acquisition) and Holder and the Company or the Acquiring Party, or any of their respective Affiliates, have not entered into an agreement that is similar in nature to the Services Agreement (whether before or in connection with the Acquisition) or (ii) no portion of this Warrant remains unvested, then, subject to Section 2.6.1(c) below, either (A) this Warrant shall continue in accordance with its terms (which shall not include any additional vesting hereunder, except as otherwise provided in Section 2.7) and shall become an obligation of the Acquiring Party, exercisable for the type and amount of securities, cash or other property of Acquiring Party as determined pursuant to Section 3.4, or (B) Holder shall be required to exercise this Warrant at any time at or prior to the closing of the Acquisition (and thereby participate in the Acquisition as a holder of any Shares issuable upon such exercise of this Warrant) with the number of Vested Shares being calculated in accordance with Section 2.7, whereupon this Warrant shall terminate.

(c) The Acquiring Party shall elect either to assume this Warrant as specified in clause (A) of Section 2.6.1(a) or Section 2.6.1(b), as applicable, or for Holder to be required to exercise this Warrant as specified in clause (B) of Section 2.6.1(a) or Section 2.6.1(b), as applicable. The Company shall provide Holder with written notice of any proposed Acquisition and the Acquiring Party's election as to the treatment of this Warrant at least 10 days prior to the closing of the Acquisition. If (i) the Company (x) affirmatively and timely notifies Holder that the Acquiring Party is not assuming this Warrant as specified in clause (A) of Section 2.6.1(a) or Section 2.6.1(b), as applicable, or (y) fails to affirmatively and timely notify Holder of the Acquiring Party's election between clause (A) and clause (B) of Section 2.6.1(a) or Section 2.6.1(b), as applicable, and (ii) Holder has not exercised this Warrant on or prior to the closing of the Acquisition, then this Warrant shall be deemed to have been converted automatically for the number of Shares specified in Section 2.6.1(a) or Section 2.6.1(b), as applicable, as provided in the last sentence of Section 2.2 immediately prior to the closing of the Acquisition.

For the purpose of this Warrant, "Acquisition" means (A) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than Accretive II, L.P., any of its Affiliates, the Company or any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the

Exchange Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of either (1) the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board or (2) the then outstanding shares of Common Stock on an as-converted basis; or (B) the stockholders of the Company shall approve (1) any consolidation or merger of the Company where the stockholders of the Company immediately prior to the consolidation or merger would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate more than fifty percent (50%) of the voting shares of the Company or the acquirer issuing cash or securities in the consolidation or merger (or of its ultimate parent company, if any), (2) any sale, lease, exclusive license, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or (3) any plan or proposal for the liquidation or dissolution of the Company.

2.6.2 Initial Public Offering. The consummation by the Company of an initial public offering ("IPO") of its Common Stock in a bona fide underwriting pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), shall not have any effect on this Warrant, but rather this Warrant shall continue in accordance with its terms (including the vesting of additional Shares in accordance with Article 1) from and after the consummation of such IPO.

2.7 Treatment of Warrant Upon Termination of Services Agreement. If the Services Agreement terminates for any reason and Holder and the Company, or any of their respective Affiliates, have not entered into an agreement that is similar in nature to the Services Agreement in amendment, substitution or replacement thereof, then:

2.7.1 this Warrant shall continue in accordance with its terms, except that the number of Vested Shares shall be set at (a) the number of Shares that are Vested Shares at the time of such termination *plus* (b) if such termination occurs between January 1 and April 1 of any year during the term of this Warrant, the number of Shares that would have become Vested Shares on April 1 of such year, if any, based upon the Accolade Core Revenues achieved in the prior year *plus* (c) if such termination is by the Company or its applicable Affiliate for convenience (i.e., without cause) or by Holder or its applicable Affiliate as a result of an uncured breach by the Company or its applicable Affiliates (after the expiration of all cure periods and subject to the applicable dispute resolution procedures set forth in the Service Agreement), a Pro Rata Portion (as defined below) of the Shares that would have become Vested Shares on the Vesting Date attributable to the year in which such termination occurs if the applicable Accolade Core Revenues threshold for such year was achieved; and

2.7.2 except as provided in the foregoing Section 2.7.1, no additional Shares shall vest under the terms of this Warrant thereafter.

For purposes of the foregoing, "Pro Rata Portion" means the product of (i) twenty percent (20%) *multiplied by* (ii) a fraction, the numerator of which is the number of full months that have elapsed in the year in which such termination occurs (inclusive of the date of such termination) and the denominator of which is 12.

For illustration purposes only, if (x) the Accolade Core Revenues threshold is achieved for 2015 such that 20% of the Shares become Vested Shares on April 1, 2016, (y) the Services Agreement is terminated by the Company or its applicable Affiliate for convenience on March 31, 2017, and (z) it is determined that the Accolade Core Revenues threshold was achieved for 2016, then this Warrant would be exercisable for 65% of the Shares, comprising the 20% of the Shares that were initially Vested Shares *plus* the 20% of the Shares that became Vested Shares on April 1, 2016 *plus* the 20% of the Shares that would have become Vested Shares on April 1, 2017 *plus* 5% of the Shares that would have become Vested Shares on April 1, 2018 (determined by multiplying 20% by a fraction, the numerator of which is the 3 months that elapsed in 2017 and the denominator of which is 12).

ARTICLE 3 ADJUSTMENTS TO THE SHARES.

3.1 Stock Splits and Combinations. If the Company shall at any time or from time to time after the Issue Date effect a subdivision of the outstanding Common Stock, the Warrant Price then in effect immediately before that subdivision shall be proportionately decreased. If the Company shall at any time or from time to time after the Issue Date combine the outstanding shares of Common Stock, the Warrant Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

3.2 Adjustment for Certain Dividends and Distributions. In the event the Company at any time, or from time to time after the Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Warrant Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Warrant Price then in effect by a fraction:

3.2.1 the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

3.2.2 the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or

the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Warrant Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Warrant Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

3.3 Adjustment in Number of Warrant Shares. When any adjustment is required to be made in the Warrant Price pursuant to Section 3.1 or 3.2, the number of Shares purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of Shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Warrant Price in effect immediately prior to such adjustment, by (ii) the Warrant Price in effect immediately after such adjustment.

3.4 Adjustment for Reorganization. If there shall occur any reorganization, recapitalization, reclassification, consolidation, merger, sale of stock or sale of all or substantially all of the assets of Company in which the Common Stock is converted into or exchanged for securities, cash or other property (including any Acquisition covered by Section 2.6 but excluding any transaction covered by Sections 3.1 or 3.2) (collectively, a "Reorganization"), then, following such Reorganization, Holder shall receive upon exercise hereof, for each Vested Share (including any Shares that become Vested Shares after such Reorganization), the type and amount of securities, cash or other property which was issued or issuable with respect to a share of Common Stock pursuant to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of Holder, to the end that the provisions set forth in this Article 3 (including provisions with respect to changes in and other adjustments of the Warrant Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities, cash or other property thereafter deliverable upon the exercise of this Warrant.

3.5 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Article 3, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to Holder certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property for which this Warrant shall be exercisable and the Warrant Price) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of Holder (but in any event not later than 10 days thereafter), furnish or cause to be furnished to Holder a certificate setting forth (i) the Warrant Price then in effect and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the exercise of this Warrant.

3.6 Fractional Shares. No fractional Shares shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise of this Warrant, the Company shall eliminate such fractional share interest by paying Holder the amount computed by multiplying the fractional interest by the Fair Market Value of a full Share.

ARTICLE 4 NO STOCKHOLDER RIGHTS. This Warrant does not entitle Holder to any voting rights or other rights as a stockholder of the Company prior to the exercise hereof. Upon the exercise or exchange of this Warrant, however, the Company agrees that Holder shall be entitled to all of the rights, subject to all of the obligations, of a "Stockholder" under (a) the Company's Investor Rights Agreement in effect at the time of such exercise or exchange; (b) the Company's Registration Rights Agreement in effect at the time of such exercise or exchange; and (c) the Company's Right of First Refusal and Co-Sale Agreement as in effect at the time of such exercise or exchange (collectively, the "Transfer Agreements"), in each case with respect to the Shares acquired upon such exercise or exchange, and in furtherance thereof, Holder shall, to the extent Holder is not already a party thereto, execute and deliver to the Company a joinder, and the Company hereby agrees to accept Holder's joinder as a "Stockholder" party, to the Transfer Agreements.

ARTICLE 5 REPRESENTATIONS, WARRANTIES OF HOLDER. Holder represents and warrants to the Company as follows:

5.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder will be acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Securities Act. Holder has not been formed for the specific purpose of acquiring this Warrant or the Shares.

5.2 Disclosure of Information. Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying Shares. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying Shares and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

5.3 Investment Experience. Holder understands that the acquisition of this Warrant and its underlying Shares involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and the underlying Shares and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and the underlying Shares and/or

has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

5.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act.

5.5 The Securities Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Securities Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rules 144 and 144A promulgated under the Securities Act that permit limited resale of securities purchased in a private placement subject to satisfaction of certain conditions.

5.6 No Public Market. Holder understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Securities (as defined in Section 6.3(b) below).

ARTICLE 6 MISCELLANEOUS.

6.1 Term. Subject to earlier termination as provided herein, this Warrant is exercisable in whole or in part at any time and from time to time on or before the Expiration Date in accordance with the terms and conditions set forth herein.

6.2 No Impairment. The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of Holder against impairment.

6.3 Restrictions on Transfer of Securities.

6.3.1 Restrictions on Transferability. The Vested Shares represented by this Warrant and this Warrant to the extent of the Vested Shares shall, subject to (i) compliance with applicable securities laws as further provided for in this Article 6 and (ii) any restrictions set forth in the Transfer Agreements, be freely assignable or transferable by the holder thereof. Any Shares represented by this Warrant that are not then Vested Shares and this Warrant to the extent of such unvested Shares shall not be assigned, sold, transferred or pledged, other than to one or more Affiliates of the holder

thereof, without the prior written consent of the Company. As used in this Warrant, "Affiliate" means, with respect to any person or entity, any other person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with such first person or entity, including, without limitation, any partner, officer, director, member or employee thereof and any venture capital fund now or hereafter existing that is controlled by or under common control with one or more general partners thereof or shares the same management company therewith.

6.3.2 Transfer of Securities. In each event, this Warrant and the Shares issuable upon exercise of this Warrant (collectively, the "Securities") may only be transferred in compliance with this Article 6, which conditions are intended to ensure compliance with the provisions of the Securities Act. Each holder of any of the Securities will cause any proposed purchaser, assignee, transferee, or pledgee of the Securities held by such holder to agree in writing to take and hold such Securities subject to the provisions and upon the conditions specified in this Warrant as if such purchaser, assignee, transferee or pledgee were Holder hereunder.

6.3.3 Legends. (i) This Warrant shall be imprinted with legends in substantially the following form:

(a) THE SECURITIES REPRESENTED BY THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 6 BELOW, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY AND UNTIL REGISTERED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAW OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM REGISTRATION.

(b) FURTHER, UPON THE REQUEST OF THE COMPANY OR THE UNDERWRITERS, THE SECURITIES REPRESENTED BY THIS WARRANT MAY NOT BE SOLD, SHORT SOLD, LOANED, MADE SUBJECT TO AN OPTION TO PURCHASE SUCH SECURITIES OR OTHERWISE DISPOSED OF FOR A PERIOD NOT TO EXCEED 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT FILED BY THE COMPANY FOR ITS INITIAL PUBLIC OFFERING, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY OR THE UNDERWRITERS.

(ii) The Shares issuable upon exercise of this Warrant shall be imprinted with any legends required under the Transfer Agreements and, to the extent not duplicative, legends in substantially the following form:

(a) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER SUCH ACT AND ALL SUCH APPLICABLE LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

(b) THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL, OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AUTHORIZED TO BE ISSUED BY THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. ANY SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE COMPANY.

(c) FURTHER, UPON THE REQUEST OF THE COMPANY OR THE UNDERWRITERS, THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, SHORT SOLD, LOANED, MADE SUBJECT TO AN OPTION TO PURCHASE SUCH SHARES OR OTHERWISE DISPOSED OF FOR A PERIOD NOT TO EXCEED 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT FILED BY THE COMPANY FOR ITS INITIAL PUBLIC OFFERING, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY OR THE UNDERWRITERS.

6.3.4 Removal of Legends. The legends referred to in Section 6.3(c)(i) and (c)(ii) hereof stamped on a certificate evidencing the Securities shall be removed, and the Company shall issue a certificate without such legend to the holder of such Securities, if the Securities are registered under the Securities Act or if such holder provides the Company with reasonable assurances, which may, if the Company deems necessary under the then occurring circumstances as the Company shall determine in its good faith business judgment, include an opinion of counsel (which may be counsel for the Company) reasonably satisfactory to the Company, that such security can be sold pursuant to paragraph (k) of Rule 144 (or any successor provision) under the Securities Act. After the expiration of the Lock-Up Period (as defined below), and upon request of the holder of any Shares, the legends referred to in Section 6.3(c)(ii) hereof stamped on a certificate evidencing such Shares and the stock transfer instructions and record notations with respect to such Shares shall be removed.

6.4 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require the holder of any such Securities to provide an opinion of counsel if the transfer is to an Affiliate of such holder. Additionally, the Company agrees that it will not require an opinion of counsel if the Company, based on its good faith business judgment in light of all the then occurring circumstances, concurs in such holder's assessment of compliance of the proposed disposition with the applicable provisions of Rule 144 or Rule 144A, including whether there is no material question as to the availability of current information as referenced in Rule 144(c), such holder represents that it has complied with Rule 144(d) and (e) in reasonable detail, the selling broker represents that it has complied with Rule 144(f), and the Company is provided with a copy of such holder's notice of proposed sale, with such notice describing the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail.

6.5 Transfer Procedure. Subject to the provisions of Section 6.3 and 6.4 and upon providing the Company with written notice, Holder may transfer all or any part of this Warrant to any transferee; provided, however, that, in connection with any such transfer, Holder gives the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee by delivering a fully executed Assignment in the form of Appendix 2 hereto, and surrenders this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable).

6.6 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effective given: (a) upon personal delivery to the recipient; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient; if not, then on the next business day; (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt, in each case to the respective party's address as set forth on the signature page hereto or such other address as either party may designate by ten (10) days advance written notice to the other party hereto.

6.7 Amendment and Waiver. This Warrant and any term hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such amendment, change, waiver, discharge or termination is sought. The failure of any party to enforce this Warrant or any term hereof shall in no way be construed as a waiver thereof and shall not affect the right of such party thereafter to enforce this Warrant and each and every term hereof.

6.8 Lock-Up Agreement. Holder agrees that, in connection with the Company's initial public offering of its Common Stock, upon request of the Company or the underwriters managing any underwritten offering, it shall not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Securities (other than those included in such offering) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days except as may be required by law) from the effective date of such registration as may be requested by the underwriters (the "Lock-Up Period"), provided that each officer, director and holder of the outstanding capital stock of the Company shall be bound by a similar agreement. In order to enforce the covenants set forth in this Section 6.8, and until the expiration of the Lock-Up Period, the Company may impose stop-transfer instructions with respect to the Securities.

6.9 Counterparts. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement.

6.10 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its principles regarding conflicts of law.

6.11 Survival. The provisions of Sections 6.3, 6.4 and 6.8 hereof shall survive the exercise of this Warrant and shall remain in effect until such time as Holder or any transferee of the Shares issuable upon exercise of this Warrant no longer holds such Shares.

6.12 Severability. If any term or provision of this Warrant, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Warrant, or application to other persons or circumstances, shall not be affected thereby, and each term and provision of this Warrant shall be enforced to the fullest extent permitted by law.

6.13 Notices of Record Date, etc. In the event:

6.13.1 the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

6.13.2 of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another corporation, or any transfer of all or substantially all of the assets of the Company (including any Acquisition covered under Section 2.6), or any IPO of the Company's Common Stock; or

6.13.3 of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to Holder a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, IPO, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, IPO, dissolution, liquidation or winding-up. Such notice shall be sent at least 10 days prior to the record date or effective date for the event specified in such notice.

6.14 Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the exercise of this Warrant, such number of Shares and other securities, cash and/or property, as from time to time shall be issuable upon the exercise of this Warrant.

6.15 Entire Agreement. This Warrant, together with the Services Agreement and the Transfer Agreements, constitute the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings of the parties with respect to the subject matter hereof.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first above stated.

ACCOLADE, INC.

By: /s/ Thomas K. Spann
Name: Thomas K. Spann
Title: Chief Executive Officer

Address: 660 W. Germantown Pike, Suite 500
Plymouth Meeting, PA 19462
Facsimile: (610) 834-5738
Attention: Chief Executive Officer

COMCAST ALPHA HOLDINGS, INC.

By: /s/ Kristin M. Kipp
Name: Kristin M. Kipp
Title: Vice President

Address: 1201 N. Market Street
Suite 1000
Wilmington, DE 19801
Facsimile: (302) 658-1600
Attention: President

APPENDIX 1

NOTICE OF EXERCISE

1. Holder elects to purchase shares of Common Stock of Accolade, Inc. pursuant to Section 2.1 of the attached Warrant, and tenders payment of the purchase price of the shares in full.

[or]

1. Holder elects to convert the attached Warrant into shares of Common Stock pursuant to Section 2.2 of the Warrant. This conversion is exercised for shares of Common Stock covered by the Warrant.

[Strike paragraph that does not apply.]

2. Please issue a certificate or certificates representing the number of shares of Common Stock specified above in the name specified below:

_____

Holders Name

_____

_____

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Article 5 and each of its applicable obligations under Article 6 of the Warrant as the date hereof.

HOLDER:

By: _____
Name: _____
Title: _____

Date: _____

APPENDIX 2

ASSIGNMENT

For value received, hereby sells, assigns and transfers unto

Name: _____
Address: _____
_____

Tax ID: _____

that certain Warrant to Purchase Common Stock issued by Accolade, Inc. (the "Company") on July 6, 2015 (the "Warrant") , together with all rights, title and interest therein, with respect to [all of the /] shares of Common Stock covered thereby.

[TRANSFEROR]

By: _____
Name: _____
Title: _____

Date: , 20

By execution below, and for the benefit of the Company, makes each of the representations and warranties set forth in Article 5 of the Warrant as of the date hereof, and, in addition, agrees to be bound to the terms of the Warrant as if were the "Holder" under the Warrant (and agrees to execute any further documentation reasonably necessary to carry out the intent of the foregoing agreement to be bound).

[TRANSFEREE]

By: _____
Name: _____
Title: _____

Exhibit 10.13

ORIGINAL

Tenant: Accretive Care, LLC
Suite No.: 250

LEASE

THIS LEASE ("**Lease**") is entered into as of the 22nd day of February, 2007, between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("**Landlord**"), and ACCRETIVE CARE, LLC, a Delaware limited liability company, with its principal place of business at 620 West Germantown Pike, Suite 250, Plymouth Meeting, Pennsylvania ("**Tenant**").

In consideration of the mutual covenants stated below, and intending to be legally bound, the parties covenant and agree as follows:

1. PREMISES.

(a) Landlord leases to Tenant and Tenant leases from Landlord Suite No. 250, which the parties stipulate and agree is 2,150 rentable square feet shown on the Space Plan attached hereto as Exhibit "A" (the "**Premises**"), located at 620 West Germantown Pike, Plymouth Meeting, Plymouth Township, Pennsylvania (the "**Building**"). The Premises are delivered "As Is".

(b) Tenant understands and acknowledges that any work Tenant performs in the Premises will be subject to Tenant's compliance with the Tele/Data Requirements as set forth in Exhibit "B" attached hereto and made a part hereof and that Tenant's compliance with same is a prerequisite to Landlord's willingness to enter into this Lease. Tenant covenants that it will comply in good faith with the terms of Exhibit "B".

2. TERM. The term of this Lease shall commence on the later of (i) the date Landlord has procured a temporary or permanent certificate of occupancy permitting the occupancy of the Premises, or (ii) March 1, 2007 (the "**Commencement Date**"). The Term shall be for a period of twelve (12) months (the "**Term**") ending on the last day of the twelfth full calendar month. The Commencement Date shall be confirmed by Landlord and Tenant by the execution of a Confirmation of Lease Term ("**COLT**") in the form attached hereto as Exhibit "C". If Tenant fails to execute or object to the COLT within ten (10) business days of its delivery, Landlord's determination of such dates shall be deemed accepted by Tenant.

3 FIXED RENT; SECURITY DEPOSIT.

(a) Commencing on the Commencement Date and on the first (1st) day of each month thereafter during the Term, Tenant shall pay to Landlord without notice or demand, and without set-off, deduction or counterclaim the monthly installment of annual Fixed Rent as set forth below by (i) check sent to Landlord, P.O. Box 8538-363, Philadelphia, PA 19171 or (ii) wire transfer of immediately available funds to the account at Wachovia Bank, Salem NJ account no. 2030000359075 ABA #031201467; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant. **All payments must include the following information: Building #582 and Lease #** . The Lease # will be provided to Tenant in the COLT. Fixed Rent and all other sums due from Tenant under this Lease shall collectively be defined as "Rent".

PORTION OF TERM	PER R.S.F.	MONTHLY INSTALLMENTS	ANNUAL FIXED RENT
March 1, 2007 – February 29, 2008	$ 0.00*	$ 0.00	$ 0.00

* plus any charges set forth in Articles 4 and 5 below

(b) If any amount due from Tenant is not paid to Landlord when due, Tenant shall also pay as Additional Rent (as defined in Article 4 hereof) a late fee of ten (10%) percent of the total payment then due. The late fee shall accrue on the initial date of a payment's due date, irrespective of any grace period granted hereunder.

(c) Tenant shall be required to pay, upon execution of this Lease, a security deposit of $1,500.00 under this Lease (the "**Security Deposit**"), as security for the prompt and complete performance by Tenant of every provision of this Lease. No interest shall be paid to Tenant on the Security Deposit. If Tenant fails to perform any of its obligations hereunder, Landlord may use, apply or retain the whole or any part of the Security Deposit for the payment of (i) any rent or other sums of money which Tenant may not have paid when due, (ii) any sum expended by Landlord in accordance with the provisions of this Lease, and/or (iii) any sum which Landlord may expend or be required to expend by reason of Tenant's default. The use of the Security Deposit by Landlord shall not prevent Landlord from exercising any other remedy provided by this Lease or by law and shall not operate as either liquidated damages or as a limitation on any recovery to which Landlord may otherwise be entitled. If any portion of the Security Deposit is used, applied or retained by Landlord, Tenant agrees, within five (5) days after the written demand therefor is made by Landlord, to deposit cash with the Landlord in an amount sufficient to restore the Security Deposit to its original amount. In addition to the foregoing, if Tenant defaults (irrespective of the fact that Tenant cured such default) more than once in its performance of a monetary obligation and such monetary defaults aggregate in excess of $3,000.00 under this Lease, Landlord may require Tenant to increase the Security Deposit to the greater of twice the (i) Fixed Rent then paid monthly, or (ii) the initial amount of the Security Deposit. If Tenant shall fully comply with all of the provisions of this Lease, the Security Deposit, or any balance thereof, shall be returned to Tenant within a reasonable time after the later of expiration of the Term or Tenant's surrender of the Premises as required hereunder. Upon the return of the Security Deposit to the original Tenant hereunder, or the remaining balance thereof, Landlord shall be completely relieved of liability with respect to the Security Deposit. In the event of a transfer of the Building, Landlord shall have the right to transfer the Security Deposit and Landlord shall thereupon be released by Tenant from all liability for the return of such Security Deposit. Upon the assumption of such Security Deposit by the transferee, Tenant agrees to look solely to the new landlord for the return of said Security Deposit.

4. ADDITIONAL RENT.

(a) Commencing on the Commencement Date, and in each calendar year thereafter during the Term, Tenant shall pay in advance on a monthly basis to Landlord, Tenant's Share of the "Recognized Expenses", without deduction, counterclaim or setoff. Tenant's Share is 2.38%, which Share may increase or decrease as the rentable square footage of the Building increases or decreases. Recognized Expenses are (i) all reasonable operating costs and expenses related to the maintenance, operation and repair of the Building incurred by Landlord, including but not limited to management fee not to exceed five (5%) percent of Rent; common area electric; and capital expenditures and capital repairs and replacements shall be included as operating expenses solely to the extent of the amortized costs of same over the useful life of the improvement in accordance with generally accepted accounting principles such useful life not to exceed five (5) years; (ii) all insurance premiums payable by Landlord for insurance with respect to the Building and (iii) Taxes payable on the Building. "Taxes" shall be defined as all taxes, assessments and other governmental charges, including special assessments for public improvements or traffic districts which are levied or assessed against the Building during the Term or, if levied or assessed prior to the Term, which properly are allocable to the Term, and real estate tax appeal expenditures incurred by Landlord to the extent of any reduction resulting thereby. Nothing herein contained shall be construed to include as Taxes: (A) any inheritance, estate, succession, transfer, gift, franchise, corporation, net income or profit tax or capital levy that is or may be imposed upon Landlord or (B) any transfer tax or recording charge resulting from a transfer of the Building; provided, however, that if at any time during the Term the method of taxation prevailing at the commencement of the Term shall be altered so that in lieu of or as a substitute for the whole or any part of the taxes now levied, assessed or imposed on real estate as such there shall be levied, assessed or imposed (i) a tax on the rents received from such real estate, or (ii) a license fee measured by the rents receivable by Landlord from the Premises or any portion thereof, or (iii) a tax or license fee imposed upon Premises or any portion thereof, then the same shall be included in the computation of Taxes hereunder.

(b) Each of the Recognized Expenses shall for all purposes be treated and considered as Additional Rent. Tenant shall pay, in monthly installments in advance, on account of Tenant's Share of Recognized Expenses, the estimated amount of the increase of such

Recognized Expenses for such year as determined by Landlord in its reasonable discretion. Prior to the end of the calendar year in which the Lease commences and thereafter for each successive calendar year (each, a "**Lease Year**"), or part thereof, Landlord shall send to Tenant a statement of projected increases in Recognized Expenses and shall indicate what Tenant's Share of Recognized Expenses shall be. As soon as administratively available, Landlord shall send to Tenant a statement of actual costs for Recognized Expenses for the prior Lease Year showing the Share due from Tenant. In the event the amount prepaid by Tenant exceeds the amount that was actually due then Landlord shall issue a credit to Tenant in an amount equal to the over charge, which credit Tenant may apply to future payments on account of Recognized Expenses until Tenant has been fully credited with the over charge. If the credit due to Tenant is more than the aggregate total of future rental payments, Landlord shall pay to Tenant the difference between the credit in such aggregate total. In the event Landlord has undercharged Tenant, then Landlord shall send Tenant an invoice with the additional amount due, which amount shall be paid in full by Tenant within thirty (30) days of receipt.

(c) In calculating the Recognized Expenses as hereinbefore described, if for thirty (30) or more days during the preceding Lease Year less than ninety-five (95%) percent of the rentable area of the Building shall have been occupied by tenants, then the Recognized Expenses attributable to the Building shall be deemed for such Lease Year to be amounts equal to the Recognized Expenses which would normally be expected to be incurred had such occupancy of the Building been at least ninety-five (95%) percent throughout such year, as reasonably determined by Landlord (i.e., taking into account that certain expenses depend on occupancy (e.g., janitorial) and certain expenses do not (e.g., landscaping)). Furthermore, if Landlord shall not furnish any item or items of Recognized Expenses to any portions of the Building because such portions are not occupied or because such item is not required by the tenant of such portion of the Building, for the purposes of computing Recognized Expenses, an equitable adjustment shall be made so that the item of Recognized Expense in question shall be shared only by tenants actually receiving the benefits thereof.

5. ELECTRICITY/UTILITY CHARGES. Landlord shall not be liable for any interruption of any utility service for any reason unless caused by the gross negligence or willful misconduct of Landlord. Tenant shall pay to Landlord, as Additional Rent, within fifteen (15) business days after receipt of Landlord's billing statement therefor, all charges incurred by Landlord for electricity, such charges to be based upon Tenant's Share of the Building. Landlord shall (i) provide the Premises with electricity for lighting and usual office equipment, and (ii) during the hours of 8:00 A.M. to 6:00 P.M. on weekdays ("**Working Hours**"), excluding legal holidays, furnish the Premises with heat and air-conditioning in the respective seasons. At any hours other than Working Hours, such HVAC services will be provided at Tenant's expense at $65.00 per hour. Notwithstanding anything herein to the contrary, if Landlord reasonably determines that Tenant's use of electricity is excessive, Tenant agrees to pay for the installation of a separate electric meter to measure electrical usage in excess of normal office use and to pay Landlord for all such excess electricity registered in such submeter.

6. SIGNS; USE OF PREMISES AND COMMON AREAS. Landlord shall provide the original Tenant hereinabove named with standard identification signage on all Building directories and at the entrance to the Premises. No other signs shall be placed, erected or maintained by Tenant at any place upon the Premises or Building. Tenant's use of the Premises shall be limited to general office use and storage incidental thereto ("**Permitted Use**"). The Permitted Use shall be subject to all applicable laws and governmental rules and regulations and to all reasonable requirements of the insurers of the Building. Tenant shall not install in or for the Premises any equipment which requires more electric current than is standard. Tenant shall have the right, non-exclusive and in common with others, to use (i) the exterior paved driveways and walkways of the Building for vehicular and pedestrian access to the Building, (ii) the internal common area, including elevators and (iii) the designated parking areas of the Building for the parking of automobiles of Tenant and its employees and business visitors; provided Landlord shall have the right in its sole discretion and from time to time, to construct, maintain, operate, repair, close, limit, take out of service, alter, change and modify all or any part of the common areas of the Building, including without limitation, reasonably restrict or limit Tenant's utilization of the parking areas in the event the same become overburdened and in such case to equitably allocate on proportionate basis or assign parking spaces among Tenant and the other tenants of the Building.

7. ENVIRONMENTAL MATTERS. Tenant shall not generate, manufacture, refine, transport, treat, store, handle, dispose, bring or otherwise cause to be brought or permit any of its agents, employees, contractors or invitees to bring in, on or about any part of the Premises or Building any hazardous substance or hazardous waste in violation of applicable law.

8. TENANT'S ALTERATIONS. Tenant will not cut or drill into or secure any fixture, apparatus or equipment or make alterations, improvements or physical additions (collectively, "**Alterations**") of any kind to any part of the Premises without first obtaining the written consent of Landlord, such consent not to be unreasonably withheld. Notwithstanding anything in this Lease to the contrary, all furniture, movable trade fixtures and equipment (including telephone, security and communication equipment system wiring and cabling) installed by or for Tenant, its assignees or sublessees shall be removed by Tenant at the termination of this Lease.

9. ASSIGNMENT AND SUBLETTING. Tenant shall not, without the prior written consent of Landlord, assign this Lease or any interest herein or sublet the Premises or any part thereof. Any of the foregoing acts without such consent shall be void. If at any time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord of such desire, including the name, address and contact party for the proposed assignee or subtenant, the effective date of the proposed assignment or sublease (including the proposed occupancy date by the proposed assignee or sublessee), and in the instance of a proposed sublease, the square footage to be subleased, a floor plan professionally drawn to scale depicting the proposed sublease area, and a statement of the duration of the proposed sublease (which shall in any and all events expire by its terms prior to the scheduled expiration of this Lease, and immediately upon the sooner termination hereof). Landlord may elect, at its option, exercisable by notice given to Tenant within forty-five (45) days next following Landlord's receipt of Tenant's notice, to recapture the Premises. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder for the remainder of the then current Lease Term. Landlord shall be entitled to a $250 fee for consenting to any sublet or assignment.

10. LANDLORD'S RIGHT OF ENTRY. Landlord and persons authorized by Landlord may enter the Premises at all reasonable times upon reasonable advance notice (or any time without notice in the case of an emergency). Landlord shall not be liable for inconvenience to or disturbance of Tenant by reason of any such entry; provided, however, that in the case of repairs or work, such shall be done, so far as practicable, so as to not unreasonably interfere with Tenant's use of the Premises.

11. REPAIRS AND MAINTENANCE. Tenant, at its sole cost and expense, shall keep and maintain the Premises in good order and condition, free of rubbish, and shall promptly make all non-structural repairs necessary to keep and maintain such good order and condition. Tenant shall have the option of replacing lights, ballasts, tubes, ceiling tiles, outlets and similar equipment itself or it shall have the ability to advise Landlord of Tenant's desire to have Landlord make such repairs. If requested by Tenant, Landlord shall make such repairs to the Premises within a reasonable time of notice to Landlord and shall charge Tenant for such services at Landlord's standard rate (such rate to be competitive with the market rate for such services). When used in this Article 11, the term "repairs" shall include replacements and renewals when necessary. All repairs made by Tenant or Landlord shall utilize materials and equipment which are at least equal in quality and usefulness to those originally used in constructing the Building and the Premises. Landlord shall provide the janitorial services for the Premises set forth on Exhibit "D".

12. INSURANCE; SUBROGATION RIGHTS. Tenant shall obtain and keep in force at all times during the Term hereof, at its own expense, commercial general liability insurance including contractual liability and personal injury liability and all similar coverage, with combined single limits of $2,000,000.00 on account of bodily injury to or death of one or more persons as the result of any one accident or disaster and on account of damage to property, or in such other amounts as Landlord may from time to time require. Tenant shall also require its movers to procure and deliver to Landlord a certificate of insurance naming Landlord as an additional insured. Tenant shall, at its sole cost and expense, maintain in full force and effect on all Tenant's trade fixtures, equipment and personal property on the Premises, a policy of "special

form" property insurance covering the full replacement value of such property. All liability insurance required hereunder shall not be subject to cancellation without at least thirty (30) days prior notice to all insureds, and shall name Tenant as insured and Landlord and Brandywine Realty Trust as additional insureds, and, if requested by Landlord, shall also name as an additional insured any mortgagee or holder of any mortgage which may be or become a lien upon any part of the Premises. Prior to the commencement of the Term, Tenant shall provide Landlord with certificates which evidence that the coverages required have been obtained for the policy periods. Tenant shall also furnish to Landlord throughout the Term replacement certificates at least thirty (30) days prior to the expiration dates of the then current policy or policies. All the insurance required under this Lease shall be issued by insurance companies authorized to do business in the Commonwealth of Pennsylvania with a financial rating of at least an A-X as rated in the most recent edition of Best's Insurance Reports and in business for the past five years. The limit of any such insurance shall not limit the liability of Tenant hereunder. If Tenant fails to maintain such insurance, Landlord may, but is not required to, procure and maintain the same, at Tenant's expense to be reimbursed by Tenant as Additional Rent within ten (10) days of written demand. Any deductible under such insurance policy in excess of Twenty Five Thousand Dollars ($25,000) must be approved by Landlord in writing prior to issuance of such policy. Tenant shall not self-insure without Landlord's prior written consent. Each party hereto, and anyone claiming through or under them by way of subrogation, waives and releases any cause of action it might have against the other party and Brandywine Realty Trust and their respective employees, officers, members, partners, trustees and agents, on account of any loss or damage that is insured against under any insurance policy required to be obtained hereunder. Each party agrees that it will use its best efforts to cause its insurance carrier to endorse all applicable policies waiving the carrier's right of recovery under subrogation or otherwise against the other party.

13. INDEMNIFICATION. Tenant shall defend, indemnify and hold harmless Landlord, Brandywine Realty Trust and their respective employees and agents from and against any and all third-party claims, actions, damages, liability and expense (including all reasonable attorney's fees, expenses and liabilities incurred in defense of any such claim or any action or proceeding brought thereon) arising from any activity, work or things done, permitted or suffered by Tenant or its agents, licensees or invitees in or about the Premises or Building contrary to the requirements of this Lease, and any negligence or willful act of Tenant or any of Tenant's agents, contractors, employees or invitees. Without limiting the generality of the foregoing, Tenant's obligations shall include any case in which Landlord or Brandywine Realty Trust shall be made a party to any litigation commenced by or against Tenant, its agents, subtenants, licensees, concessionaires, contractors, customers or employees, in which case Tenant shall defend, indemnify and hold harmless Landlord and Brandywine Realty Trust and shall pay all costs, expenses and reasonable attorney's fees incurred or paid by Landlord and Brandywine Realty Trust in connection with such litigation, after notice to Tenant and Tenant's refusal to defend such litigation, and upon notice from Landlord shall defend the same at Tenant's expense by counsel satisfactory to Landlord.

14. FIRE DAMAGE. If (i) the casualty damage is of a nature or extent that, in Landlord's reasonable judgment, the repair and restoration work would require more than two hundred ten (210) consecutive days to complete after the casualty (assuming normal work crews not engaged in overtime), or (ii) more than thirty (30%) percent of the total area of the Building is extensively damaged, or (iii) the casualty occurs in the last Lease Year of the Term and Tenant has not exercised a renewal right or (iv) insurance proceeds are unavailable or insufficient, either party shall have the right to terminate this Lease and all the unaccrued obligations of the parties hereto, by sending written notice of such termination to the other within thirty (30) days of the date of casualty. Such notice is to specify a termination date no less than fifteen (15) days after its transmission. In the event of damage or destruction to the Premises or any part thereof as set forth in subsections (i), (ii) or (iii) above and neither party has terminated this Lease, Tenant's obligation to pay Fixed Rent and Additional Rent shall be equitably adjusted or abated for such time as the Premises is not capable of being used by Tenant for its Permitted Use.

15. SUBORDINATION; RIGHTS OF MORTGAGEE. This Lease shall be subordinate at all times to the lien of any mortgages now or hereafter placed upon the Premises and/or Building and land of which they are a part without the necessity of any further instrument or act on the part of Tenant to effectuate such subordination. Tenant further agrees to execute and deliver within ten (10) days of demand such further instrument evidencing such

subordination and attornment as shall be reasonably required by any mortgagee. If Landlord shall be or is alleged to be in default of any of its obligations owing to Tenant under this Lease, Tenant shall give to the holder of any mortgage (the "**Mortgagee**") now or hereafter placed upon the Premises and/or Building, notice by overnight mail of any such default which Tenant shall have served upon Landlord, Tenant shall not be entitled to exercise any right or remedy as there may be because of any default by Landlord without having given such notice to the Mortgagee. If Landlord shall fail to cure such default, the Mortgagee shall have forty-five (45) additional days within which to cure such default.

16. CONDEMNATION. If in Landlord's reasonable judgment a taking renders the Building unsuitable, this Lease shall, at either party's option, terminate as of the date title to the condemned real estate vests in the condemnor, and the Rent herein reserved shall be apportioned and paid in full by Tenant to Landlord to that date and all Rent prepaid for the period beyond that date shall forthwith be repaid by Landlord to Tenant and neither party shall thereafter have any liability hereunder. If this Lease is not terminated after any such taking or condemnation, the Fixed Rent and the Additional Rent shall be equitably reduced in proportion to the area of the Premises which has been taken for the balance of the Term. Tenant shall have the right to make a claim against the condemnor for moving expenses and business dislocation damages to the extent that such claim does not reduce the sums otherwise payable by the condemnor to Landlord.

17. ESTOPPEL CERTIFICATE. Each party agrees at any time and from time to time, within ten (10) days after the other party's written request, to execute and deliver to the other party a written instrument in recordable form certifying all information reasonably requested.

18. DEFAULT. If: Tenant fails to pay any installment of Rent when due; provided, however, Landlord shall provide written notice of the failure to pay such Rent and Tenant shall have a three (3) business day grace period from its receipt of such Landlord's notice within which to pay such Rent without creating a default hereunder. The late fee set forth in Article 3 hereof shall be due in accordance with the terms and conditions of Article 3 irrespective of the foregoing notice and grace period; Tenant "vacates" the Premises for more than thirty days (other than in the case of a permitted subletting or assignment) or permits the same to be unoccupied for more than thirty days; Tenant fails to bond over a construction or mechanics lien within ten (10) days of demand; Tenant fails to observe or perform any of Tenant's other non-monetary agreements or obligations herein contained within ten (10) days after written notice specifying the default, or the expiration of such additional time period as is reasonably necessary to cure such default, provided Tenant immediately commences and thereafter proceeds with all due diligence and in good faith to cure such default; then, in any such event, an "Event of Default" shall be deemed to exist and Tenant shall be in default hereunder.

If an Event of Default shall occur, the following provisions shall apply and Landlord shall have, in addition to all other rights and remedies available at law or in equity, including the right to terminate the Lease, the rights and remedies set forth herein, which may be exercised upon or at any time following the occurrence of an Event of Default: 1. Acceleration of Rent. By notice to Tenant, Landlord shall have the right to accelerate all Rent and all expense due hereunder and otherwise payable in installments over the remainder of the Term; and the amount of accelerated rent to the termination date, without further notice or demand for payment, shall be due and payable by Tenant within five (5) days after Landlord has so notified Tenant, such amount collected from Tenant shall be discounted to present value using an interest rate of six percent (6%) per annum. Additional Rent which has not been included, in whole or in part, in accelerated rent, shall be due and payable by Tenant during the remainder of the Term, in the amounts and at the times otherwise provided for in this Lease. 2. Landlord's Damages. The damages which Landlord shall be entitled to recover from Tenant shall be the sum of: (i) all Fixed Rent and Additional Rent accrued and unpaid as of the termination date; and (ii)(a) all reasonable costs and expenses incurred by Landlord in recovering possession of the Premises, including legal fees, and removal and storage of Tenant's property, (ii)(b) the reasonable costs and expenses of restoring the Premises to the condition in which the same were to have been surrendered by Tenant as of the expiration of the Term, and (ii)(c) the costs of reletting commissions; and (iii) all Fixed Rent and Additional Rent otherwise payable by Tenant over the remainder of the Term as reduced to present value and all consequential damages relating to Tenant's breach of this Lease. Less deducting from the total determined under subsections (i),

(ii) and (iii) above, all Rent which Landlord receives from other tenant(s) by reason of the leasing of the Premises during any period falling within the otherwise remainder of the Term. 3. Landlord's Right to Cure. Without limiting the generality of the foregoing, if Tenant shall fail to perform any of its obligations hereunder, Landlord may, in addition to any other rights it may have in law or in equity, cure such default on behalf of Tenant, and Tenant shall reimburse Landlord upon demand for any sums paid or costs incurred by Landlord in curing such default, including reasonable attorneys' fees and other legal expenses, together with interest at a rate of twelve (12%) percent ("**Default Rate**") from the dates of Landlord's incurring of costs or expenses. 4. Interest on Damage Amounts. Any sums payable by Tenant hereunder, which are not paid after the same shall be due, shall bear interest at the Default Rate. 5. No Waiver by Landlord. No delay or forbearance by Landlord in exercising any right or remedy hereunder, or Landlord's undertaking or performing any act or matter which is not expressly required to be undertaken by Landlord shall be construed, respectively, to be a waiver of Landlord's rights or to represent any agreement by Landlord to undertake or perform such act or matter thereafter. Waiver by Landlord of any breach by Tenant of any covenant or condition herein contained (which waiver shall be effective only if so expressed in writing by Landlord) or failure by Landlord to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the future of Landlord's right to have any such covenant or condition duly performed or observed by Tenant, or of Landlord's rights arising because of any subsequent breach of any such covenant or condition nor bar any right or remedy of Landlord in respect of such breach or any subsequent breach.

In addition to, and not in lieu of any of the foregoing rights granted to Landlord: TENANT HEREBY **EMPOWERS ANY PROTHONOTARY, CLERK OF COURT OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT FOR ANY RENT, OR ANY CHARGES HEREBY RESERVED OR DESIGNATED AS RENT OR ANY OTHER SUM PAYABLE BY TENANT TO LANDLORD UNDER OR BY REASON OF THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY SUM PAYABLE HEREUNDER, AND TO SIGN FOR TENANT AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION OR ACTIONS FOR THE RECOVERY OF SAID RENT, CHARGES AND OTHER SUMS, AND IN SAID SUIT OR IN SAID ACTION OR ACTIONS TO CONFESS JUDGMENT AGAINST TENANT FOR ALL OR ANY PART OF THE RENT SPECIFIED IN THIS LEASE AND THEN UNPAID INCLUDING, AT LANDLORD'S OPTION, THE RENT FOR THE ENTIRE UNEXPIRED BALANCE OF THE TERM OF THIS LEASE, AND ALL OR ANY PART OF ANY OTHER OF SAID CHARGES OR SUMS, AND FOR INTEREST AND COSTS TOGETHER WITH REASONABLE ATTORNEY'S FEES OF 5%. SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY OF SAID RENT OR SUCH OTHER SUMS, CHARGES, PAYMENTS, COSTS AND EXPENSES SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE EXPIRATION OF THE TERM OR DURING ANY EXTENSION OR RENEWAL OF THIS LEASE.**

WHEN THIS LEASE OR TENANT'S RIGHT OF POSSESSION SHALL BE TERMINATED BY COVENANT OR CONDITION BROKEN, OR FOR ANY OTHER REASON, EITHER DURING THE TERM OF THIS LEASE OR ANY RENEWAL OR EXTENSION THEREOF, AND ALSO WHEN AND AS SOON AS THE TERM HEREBY CREATED OR ANY EXTENSION THEREOF SHALL HAVE EXPIRED, IT SHALL BE LAWFUL FOR ANY ATTORNEY AS ATTORNEY FOR TENANT TO FILE AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT, WHEREUPON, IF LANDLORD SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OF PROCEEDINGS, WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES HEREBY DEMISED REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON THE TERMINATION OF THIS LEASE AS HEREINBEFORE SET FORTH, TO BRING ONE OR

MORE ACTION OR ACTIONS AS HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE SAID PREMISES.

In any action to confess judgment in ejectment or for rent in arrears, Landlord shall first cause to be filed in such action an affidavit made by it or someone acting for it setting forth the facts necessary to authorize the entry of judgment, of which facts such affidavit shall be conclusive evidence, and if a true copy of this Lease (and of the truth of the copy such affidavit shall be sufficient evidence) be filed in such action, it shall not be necessary to file the original as a warrant of attorney, any rule of Court, custom or practice to the contrary notwithstanding.

[ILLEGIBLE] (INITIAL). TENANT WAIVER. TENANT SPECIFICALLY ACKNOWLEDGES THAT TENANT HAS VOLUNTARILY, KNOWINGLY AND INTELLIGENTLY WAIVED CERTAIN DUE PROCESS RIGHTS TO A PREJUDGMENT HEARING BY AGREEING TO THE TERMS OF THE FOREGOING PARAGRAPHS REGARDING CONFESSION OF JUDGMENT. TENANT FURTHER SPECIFICALLY AGREES THAT IN THE EVENT OF DEFAULT, LANDLORD MAY PURSUE MULTIPLE REMEDIES INCLUDING OBTAINING POSSESSION PURSUANT TO A JUDGMENT BY CONFESSION AND ALSO OBTAINING A MONEY JUDGMENT FOR PAST DUE AND ACCELERATED AMOUNTS AND EXECUTING UPON SUCH JUDGMENT. IN SUCH EVENT AND SUBJECT TO THE TERMS SET FORTH HEREIN, LANDLORD SHALL PROVIDE FULL CREDIT TO TENANT FOR ANY MONTHLY CONSIDERATION WHICH LANDLORD RECEIVES FOR THE LEASED PREMISES IN MITIGATION OF ANY OBLIGATION OF TENANT TO LANDLORD FOR THAT MONEY. FURTHERMORE, TENANT SPECIFICALLY WAIVES ANY CLAIM AGAINST LANDLORD AND LANDLORD'S COUNSEL FOR VIOLATION OF TENANT'S CONSTITUTIONAL RIGHTS IN THE EVENT THAT JUDGMENT IS CONFESSED PURSUANT TO THIS LEASE.

19. SURRENDER. Tenant shall, at the expiration of the Term, promptly quit and surrender the Premises in good order and condition and in conformity with the applicable provisions of this Lease. Tenant shall have no right to hold over beyond the expiration of the Term and in the event Tenant fails to deliver possession of the Premises as herein provided, Tenant's occupancy shall not be construed to effect or constitute anything other than a tenancy at sufferance. During any period of occupancy beyond the expiration of the Term the amount of rent owed to Landlord by Tenant shall automatically extend, at Landlord's option, for an additional month and so on from month to month at two hundred percent (200%) of the Rent as calculated under the provisions of the Lease for the last Lease Year of the Term. The acceptance of rent by Landlord or the failure or delay of Landlord in notifying or evicting Tenant following the expiration or sooner termination of the Term shall not create any tenancy rights in Tenant and any such payments by Tenant may be applied by Landlord against its costs and expenses, including attorney's fees, incurred by Landlord as a result of such holdover.

20. RULES AND REGULATIONS. At all times during the Term, Tenant, its employees, agents, invitees and licenses shall comply with all rules and regulations specified on Exhibit "E" attached hereto and made a part hereof, together with all reasonable rules and regulations as Landlord may from time to time promulgate provided they do not materially increase the financial burdens of Tenant or take away any rights specifically provided to Tenant in this Lease. In the event of an inconsistency between the rules and regulations and this Lease, the provisions of this Lease shall control.

21. GOVERNMENTAL REGULATIONS. Tenant shall, in the use and occupancy of the Premises and the conduct of Tenant's business or profession therein, at all times comply with all applicable laws, ordinances, orders, notices, rules and regulations of the federal, state and municipal governments. Landlord shall be responsible for compliance with Title III of the Americans with Disabilities Act of 1990, 42 U.S.C. §12181 et seq. and its regulations, (collectively, the "**ADA**") (i) as to the design and construction of exterior and interior common areas (e.g. sidewalks and parking areas) and (ii) with respect to the initial design and construction by Landlord. Except as set forth above in the initial sentence hereto, Tenant shall be responsible for compliance with the ADA in all other respects concerning the use and occupancy of the Premises, which compliance shall include, without limitation (i) provision for full and equal enjoyment of the goods, services, facilities, privileges, advantages or accommodations of the Premises as contemplated by and to the extent required by the ADA, (ii)

compliance relating to requirements under the ADA or amendments thereto arising after the date of this Lease and (iii) compliance relating to the design, layout, renovation, redecorating, refurbishment, alteration, or improvement to the Premises made or requested by Tenant at any time following completion of the Landlord's Work.

22. NOTICES. Wherever a notice is required, notice shall be deemed to have been duly given if in writing and either: (i) personally served; (ii) delivered by pre-paid nationally recognized overnight courier service; (iii) forwarded by Registered or Certified mail, return receipt requested, postage prepaid; (iv) facsimile with a copy mailed by first class U.S. mail or (v) e-mailed with evidence of receipt and delivery of a copy of the notice by first class mail; in all such cases addressed to the parties at the following addresses:

Tenant: [TENANT TO ADVISE]

Attn:
Fax No:
E-Mail:

Landlord:

Brandywine Operating Partnership, L.P.
555 East Lancaster Avenue, Suite 100
Radnor, PA 19087
Attn: Philip M. Schenkel
Fax No.: 610-325-5622
E-Mail: phil.schenkel@bdnreit.com

Brandywine Realty Trust
555 East Lancaster Avenue, Suite 100
Radnor, PA 19087
Attn: Brad A. Molotsky, General Counsel
Fax No.: 610-832-4928
E-Mail: brad.molotsky@bdnreit.com

Each such notice shall be deemed to have been given to or served upon the party to which addressed on the date the same is delivered or delivery is refused.

23. BROKERS. Landlord and Tenant each represents and warrants to the other that such party has had no dealings, negotiations or consultations with respect to the Premises or this transaction with any broker or finder other than Tornetta Realty. Each party shall indemnify and hold the other harmless from and against all liability, cost and expense, including attorney's fees and court costs, arising out of any misrepresentation or breach of warranty under this Article.

24. LANDLORD'S LIABILITY. Landlord's obligations hereunder shall be binding upon Landlord only for the period of time that Landlord is in ownership of the Building; and, upon termination of that ownership, Tenant, except as to any obligations which are then due and owing, shall look solely to Landlord's successor in interest in the Building for the satisfaction of each and every obligation of Landlord hereunder. Landlord shall have no personal liability under any of the terms, conditions or covenants of this Lease and Tenant shall look solely to the equity of Landlord in the Building for the satisfaction of any claim, remedy or cause of action accruing to Tenant as a result of the breach of any section of this Lease by Landlord. In addition to the foregoing, *no* recourse shall be had for an obligation of Landlord hereunder, or for any claim based thereon or otherwise in respect thereof, against any past, present or future trustee, member, partner, shareholder, officer, director, partner, agent or employee of Landlord, whether by virtue of any statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such other liability being expressly waived and released by Tenant with respect to the above-named individuals and entities.

25. RELOCATION. Landlord, at its sole expense, on at least sixty (60) days' prior written notice to Tenant, may require Tenant to move from the Premises to another suite of substantially comparable size and decor in the Building. In the event of any such relocation, Landlord shall pay all the expenses of preparing and decorating the new premises so that they will be substantially similar to the Premises and shall also pay the expenses of moving Tenant's furniture and equipment to the new premises.

26. MISCELLANEOUS PROVISIONS. (a) Successors. The respective rights and obligations provided in this Lease shall bind and inure to the benefit of the parties hereto, their successors and assigns; provided, however, that no rights shall inure to the benefit of any successors or assigns of Tenant unless Landlord's written consent for the transfer to such successor and/or assignee has first been obtained as provided in Article 9 hereof; (b) Governing Law. This Lease shall be construed, governed and enforced in accordance with the laws of the

Commonwealth of Pennsylvania, without regard to principles relating to conflicts of law; (c) Entire Agreement. This Lease, including the Exhibits and any Riders hereto, supersedes any prior discussions, proposals, negotiations and discussions between the parties and the Lease contains all the agreements, conditions, understandings, representations and warranties made between the parties hereto with respect to the subject matter hereof, and may not be modified orally or in any manner other than by an agreement in writing signed by both parties hereto or their respective successors in interest. Without in any way limiting the generality of the foregoing, this Lease can only be extended pursuant to the terms hereof, with the due exercise of an option (if any) contained herein pursuant to a written agreement signed by both Landlord and Tenant specifically extending the term. No negotiations, correspondence by Landlord or offers to extend the term shall be deemed an extension of the termination date for any period whatsoever; (d) Time of the Essence. **TIME IS OF THE ESSENCE IN ALL PROVISIONS OF THIS LEASE, INCLUDING ALL NOTICE PROVISIONS TO BE PERFORMED BY OR ON BEHALF OF TENANT;** (e) Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any payment of Fixed Rent or Additional Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Fixed Rent or Additional Rent due and payable hereunder, nor shall any endorsement or statement or any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other right or remedy provided for in this Lease, at law or in equity; (f) Guaranty. In order to induce Landlord to execute this Lease, Tenant agrees that Landlord may, at its option, at the time of the execution of this Lease or at any time during the Term, require a guaranty of the obligations of the Tenant hereunder by a person, firm, corporation, or other entity other than Tenant but with a business interest in Tenant, acceptable to Landlord, which guaranty shall be in a form satisfactory to Landlord; (g) Force Majeure. If by reason of strikes or other labor disputes, fire or other casualty (or reasonable delays in adjustment of insurance), accidents, orders or regulations of any Federal, State, County or Municipal authority, or any other cause beyond Landlord's reasonable control, Landlord is unable to furnish or is delayed in furnishing any utility or service required to be furnished by Landlord under the provisions of this Lease or is unable to perform or make or is delayed in performing or making any installations, decorations, repairs, alterations, additions or improvements, or is unable to fulfill or is delayed in fulfilling any of Landlord's other obligations under this Lease, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Fixed Rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents, by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise; (h) Financial Statements. Tenant shall furnish to Landlord, Landlord's Mortgagee, prospective Mortgage or purchaser reasonably requested financial information; (i) Authority. Tenant represents and warrants that (1) Tenant is duly organized, validly existing and legally authorized to do business in the Commonwealth of Pennsylvania, and (2) the persons executing this Lease are duly authorized to execute and deliver this Lease on behalf of Tenant; (j) Attorneys' Fees. In connection with any litigation arising out of this Lease, the prevailing party, Landlord or Tenant, shall be entitled to recover all costs incurred, including reasonable attorneys' fees.

27. CONSENT TO JURISDICTION. Tenant hereby consents to the exclusive jurisdiction of the state courts located in Montgomery and Delaware Counties and to the federal courts located in the Eastern District of Pennsylvania.

28. OFAC/PATRIOT ACT COMPLIANCE. Tenant represents, warrants and covenants that Tenant is not (i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("**OFAC**") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("**Order**") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (ii) listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State; (iv) listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (v) listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C.

App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ.L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 6001-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "**Orders**"); (vi) engaged in activities prohibited in the Orders; or (vii) (and has not been) convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.). Tenant further represents, warrants and covenants that Tenant shall conduct its business operations in compliance with the foregoing laws, rules, orders and regulations. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing representations, warranties and covenants. The breach of either of the above representations, warranties and covenants by Tenant shall be an Event of Default under this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease, under Seal, the day and year first above written.

WITNESS:	LANDLORD:
	BRANDYWINE OPERATING PARTNERSHIP, L.P.
	By: Brandywine Realty Trust, its general partner
/s/ Daniel Palazzo	By: /s/ Philip M. Schenkel
	Name: Philip M. Schenkel
	Title: Regional Vice President
ATTEST:	TENANT:
	ACCRETIVE CARE, LLC
	By: /s/ Thomas K. Spann
Name:	Name: Thomas K. Spann
Title: Secretary	Title: CEO

IF THIS LEASE IS NOT SIGNED BY TENANT BY FEBRUARY 23, 2007, IT WILL AUTOMATICALLY BECOME NULL AND VOID.

EXHIBIT "A"

SPACE PLAN

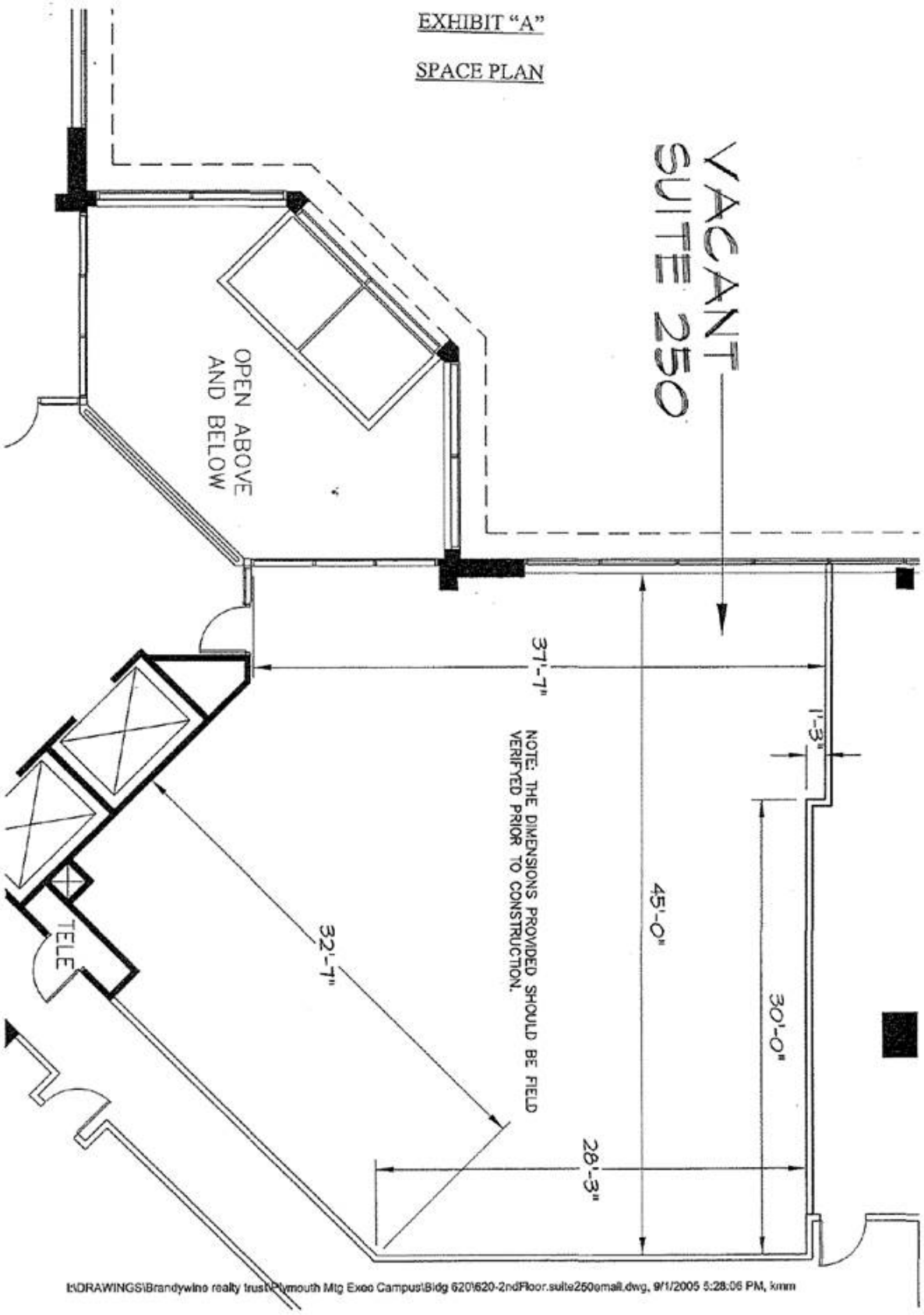


EXHIBIT “B”

TENANT’S TELE/DATA REQUIREMENTS

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant no later than two (2) weeks after signing the Lease or sooner if necessitated by the time restraints of the construction to the Premises.

EXHIBIT “C”

Tenant: Accretive Care, LLC
Premises: 620 W. Germantown Pike
Square Footage: 2,150
Suite Number: 250

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of the day of , 2007, between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, with an office at 555 Lancaster Avenue, Suite 100, Radnor, PA 19087 (“Landlord”), and ACCRETIVE CARE, LLC, a Delaware limited liability company, with its principal place of business at 620 West Germantown Pike, Plymouth Meeting, Plymouth Township, Pennsylvania (“Tenant”), who entered into a lease dated for reference purposes as of , 2007, covering certain premises located at . All capitalized terms, if not defined herein, shall be defined as they are defined in the Lease.

1. The Parties to this Memorandum hereby agree that the date of , 200 , is the Commencement Date of the Term, that the date , 200 , is the Rent Commencement Date and the date , 20 , is the expiration date of the Lease.

Basic Rent schedule is as follows:

PORTION OF TERM	PER R.S.F.	MONTHLY INSTALLMENTS	ANNUAL FIXED RENT
March 1, 2007 – February 29, 2008	$ 0.00*	$ 0.00	$ 0.00

+ plus any charges set forth in Article 5.
* plus any charges set forth in Articles 4 and 5.

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the Premises pursuant to the terms of the Lease;

(b) That the improvements, including the Landlord Work, required to be furnished according to the Lease by Landlord have been Substantially Completed;

(c) That Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Lease;

(d) That there are no offsets or credits against rentals, and the $ 1,500.00 Security Deposit has been paid/posted as provided in the Lease;

(e) That there is no default by Landlord or Tenant under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that its Building Number is and its Lease Number is . This information must accompany each Rent check or wire payment.

4. Tenant's Notice Address is:

[TENANT TO ADVISE]

Attn:
Phone No.:
Fax No.:
E-mail:

Tenant's Billing Address is:

[TENANT TO ADVISE]

Attn:
Phone No.:
Fax No.:
E-mail:

5. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

WITNESS:

LANDLORD:

BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

By: _____

WITNESS:

TENANT:

ACCRETIVE CARE, LLC

By: _____

EXHIBIT “D”

CLEANING SPECIFICATIONS

OFFICE CLEANING SPECIFICATIONS

DAILY

Empty Trash and Recycle
Remove Spots/Spills from Carpet
Remove Visible Debris/Litter from Carpet
Spot Clean Desks and Tables
Straighten Chair — Furniture
Turn Off Lights

WEEKLY

Dust Desks and Computer Monitors
Vacuum Carpet
Clean Wastebaskets
Clean Light Fixtures and Vents
Clean Telephones
Clean Walls, Switch Plates and Baseboards
Dust File Cabinets, Partitions and Bookshelves
Clean Chairs
Clean Doors
Clean Tables
Dust Pictures and Surfaces Over 5’
Dust Window Sills, Ledges and Radiators
Spot Clean Side Light Glass

RESTROOM CLEANING SPECIFICATIONS

DAILY

Sinks
Floors
Counters
Trash Receptacle
Toilet/Urinals
Dispensers
Door
Spot Clean Walls
Spot Clean Partitions

WEEKLY

Dust Lights
Dust Surfaces Over 5’
Ceiling Vents
Clean Walls
Clean Partitions

FLOOR CARE SPECIFICATIONS

DAILY

Spot Clean Carpet

WEEKLY

Burnish Polished Surfaces

MONTHLY

Machine Scrub Restroom Floors
Scrub and Recoat Copy Room Floors
Scrub and Recoat Kitchenette Floors

ONCE EVERY FOUR MONTHS

Shampoo Conference Room Carpets

YEARLY

Strip and Refinish all vinyl tile

THESE SPECIFICATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE.
THE COST FOR ANY CLEANING OVER AND ABOVE THE STANDARD CLEANING SPECIFICATIONS IS TO BE BORNE BY THE TENANT.

EXHIBIT “E”

BUILDING RULES AND REGULATIONS
LAST REVISION: December 17, 2003

Landlord reserves the right to rescind any of these rules and make such other and further rules and regulations as in the judgment of Landlord shall from time to time be needed for the safety, protection, care and cleanliness of the Building, the operations thereof, the preservation of good order therein and the protection and comfort of its tenants, their agents, employees and invitees, which rules when made and notice thereof given to Tenant shall be binding upon him, her or it in a like manner as if originally prescribed.

1. Sidewalks, entrances, passages, elevators, vestibules, stairways, corridors, halls, lobby and any other part of the Building shall not be obstructed or encumbered by any Tenant or used for any purpose other than ingress or egress to and from each tenant’s premises. Landlord shall have the right to control and operate the common portions of the Building and exterior facilities furnished for common use of the tenants (such as the eating, smoking, and parking areas) in such a manner as Landlord deems appropriate.

2 No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord. All drapes, or window blinds, must be of a quality, type and design, color and attached in a manner approved by Landlord.

3. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, or placed in hallways or vestibules without prior written consent of Landlord.

4. Restrooms and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed and no debris, rubbish, rags or other substances shall be thrown therein. Only standard toilet tissue may be flushed in commodes. All damage resulting from any misuse of these fixtures shall be the responsibility of the tenant who, or whose employees, agents, visitors, clients, or licensees shall have caused same.

5. No tenant, without the prior consent of Landlord, shall mark, paint, drill into, bore, cut or string wires or in any way deface any part of the Premises or the Building of which they form a part except for the reasonable hanging of decorative or instructional materials on the walls of the Premises.

6. Tenants shall not construct or maintain, use or operate in any part of the Building any electrical device, wiring or other apparatus in connection with a loud speaker system or other sound/communication system which may be heard outside the Premises. Any such communication system to be installed within the Premises shall require prior written approval of Landlord.

7. No mopeds, skateboards, scooters or other vehicles and no animals, birds or other pets of any kind shall be brought into or kept in or about the Building other than a service animal performing a specified task.

8. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or permeate from its premises.

9. No space in the Building shall be used for the manufacture of goods for sale in the ordinary course of business, or for sale at auction of merchandise, goods or property of any kind.

10. No tenant, or employees of tenant, shall make any unseemly or disturbing noises or disturb or interfere with the occupants of this or neighboring buildings or residences by voice, musical instrument, radio, talking machines, or in any way. All passage through the Building’s hallways, elevators, and main lobby shall be conducted in a quiet, business-like manner. Skateboarding, rollerblading and rollerskating shall not be permitted in the Building or in the common areas of the Building.

11. No tenant shall throw anything out of the doors, windows, or down corridors or stairs of the Building.

12. Tenant shall not place, install or operate on the Premises or in any part of the Building, any engine, stove or machinery or conduct mechanical operations or cook thereon or therein (except for coffee machine, microwave oven, toasters and/or vending machine), or place or use in or about the Premises or Building any explosives, gasoline, kerosene oil, acids, caustics or any other flammable, explosive, or hazardous material without prior written consent of Landlord.

13. No smoking is permitted in the Building, including but not limited to the Premises, rest rooms, hallways, elevators, stairs, lobby, exit and entrances vestibules, sidewalks, parking lot area except for the designated exterior smoking area. All cigarette ashes and butts are to be deposited in the containers provided for same, and not disposed of on sidewalks, parking lot areas, or toilets within the Building rest rooms.

14. Tenants are not to install any additional locks or bolts of any kind upon any door or window of the Building without prior written consent of Landlord. Each tenant must, upon the termination of tenancy, return to the Landlord all keys for the Premises, either furnished to or otherwise procured by such tenant, and all security access cards to the Building.

15. All doors to hallways and corridors shall be kept closed during business hours except as they may be used for ingress or egress.

16. Tenant shall not use the name of the Building or Landlord in any way in connection with his business except as the address thereof. Landlord shall also have the right to prohibit any advertising by tenant, which, in its sole opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, tenant shall refrain from or discontinue such advertising.

17. Tenants must be responsible for all security access cards issued to them, and to secure the return of same from any employee terminating employment with them. Lost cards shall cost $35.00 per card to replace. No person/company other than Building tenants and/or their employees may have security access cards unless Landlord grants prior written approval.

18. All deliveries by vendors, couriers, clients, employees or visitors to the Building which involve the use of a hand cart, hand truck, or other heavy equipment or device must be made via the Freight Elevator, if such Freight Elevator exists in the Building. Tenant shall be responsible to Landlord for any loss or damage resulting from any deliveries made by or for tenant to the Building. Tenant shall procure and deliver a certificate of insurance from tenant’s movers which certificate shall name Landlord as an additional insured.

19. Landlord reserves the right to inspect all freight to be brought into the Building, and to exclude from the Building all freight or other material which violates any of these rules and regulations.

20. Tenant will refer all contractors, contractors’ representatives and installation technicians, rendering any service on or to the premises for tenant, to Landlord for Landlord’s approval and supervision before performance of any contractual service or access to Building. This provision shall apply to all work performed in the Building including installation of telephones, telegraph equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building. Landlord reserves right to require that all agents of contractors/vendors sign in and out of the Building.

21. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not properly identify himself to Landlord’s management or security personnel.

22. Landlord may require, at its sole option, all persons entering the Building after 6 PM or before 7 AM, Monday through Friday and at any time on Holidays, Saturdays and Sundays, to register at the time they enter and at the time they leave the Building.

23. No space within the Building, or in the common areas such as the parking lot, may be used at any time for the purpose of lodging, sleeping, or for any immoral or illegal purposes.

24. No employees or invitees of tenant shall use the hallways, stairs, lobby, or other common areas of the Building as lounging areas during “breaks” or during lunch periods.

25. No canvassing, soliciting or peddling is permitted in the Building or its common areas by tenants, their employees, or other persons.

26. No mats, trash, or other objects shall be placed in the public corridors, hallways, stairs, or other common areas of the Building.

27. Tenant must place all recyclable items of cans, bottles, plastic and office recyclable paper in appropriate containers provided by Landlord in each tenant’s space. Removal of these recyclable items will be by Landlord’s janitorial personnel.

28. Landlord does not maintain suite finishes which are non-standard, such as kitchens, bathrooms, wallpaper, special lights, etc. However, should the need arise for repair of items not maintained by Landlord, Landlord, at its sole option, may arrange for the work to be done at tenant’s expense.

29. Drapes installed by tenant, which are visible from the exterior of the Building, must be cleaned by Tenant, at its own expense, at least once a year.

30. No pictures, signage, advertising, decals, banners, etc. are permitted to be placed in or on windows in such a manner as they are visible from the exterior, without the prior written consent of Landlord.

31. Tenant or tenant’s employees are prohibited at any time from eating or drinking in hallways, elevators, rest rooms, lobby or lobby vestibules.

32. Tenant shall be responsible to Landlord for any acts of vandalism performed in the Building by its employees, agents, invitees or visitors.

33. No tenant shall permit the visit to its Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, hallways, elevators, lobby or other public portions or facilities of the Building and exterior common areas by other tenants.

34. Landlord’s employees shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord. Requests for such requirements must be submitted in writing to Landlord.

35. Tenant agrees that neither tenant nor its agents, employees, licensees or invitees will interfere in any manner with the installation and/or maintenance of the heating, air conditioning and ventilation facilities and equipment.

36. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from tenant’s area or common areas of the Building regardless of whether such loss occurs when area is locked against entry or not.

37. Landlord will not permit entrance to tenant’s Premises by use of pass key controlled by Landlord, to any person at any time without written permission of tenant, except employees, contractors or service personnel supervised or employed by Landlord.

38. Tenant and its agents, employees and invitees shall observe and comply with the driving and parking signs and markers on the Building grounds and surrounding areas.

39. Tenant and its employees, invitees, agents, etc. shall not enter other separate tenants' hallways, restrooms or premises unless they have received prior approval from Landlord's management.

40. Tenant shall not use or permit the use of any portion of the Premises for outdoor storage.

****

Exhibit 10.14

FIRST AMENDMENT TO LEASE

This First Amendment to Lease made and entered into this 24th day of July, 2008, by and between BRANDYWINE OPERATING PARTNERSHIP, L.P., hereinafter referred to as ("Landlord") and ACCOLADE LLC, a Delaware limited liability company and successor by name change to Accretive Care, LLC, hereinafter referred to as ("Tenant").

WHEREAS, Landlord leased certain premises consisting of 2,150 rentable square feet of space commonly referred to as Suite 250 ("Original Premises") located at 620 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Original Building"), to Tenant pursuant to that certain Lease dated February 22, 2007, hereinafter referred to as "Lease"; and

WHEREAS, Landlord and Tenant wish to relocate Tenant from the Original Premises to the New Premises (defined below) on the terms set forth herein and in the Lease;

NOW, THEREFORE, in consideration of these present and the agreement of each other, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease referred to therein and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this First Amendment. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease.

2. Lease of New Premises.

(a) The Lease is hereby amended to provide that Landlord hereby demises and lets unto Tenant, and Tenant hereby leases and hires from Landlord, 5,559 rentable square feet of space with a Suite Number of 100 ("New Premises"), located on the first floor of 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania ("New Building"), which is part of the project known as Plymouth Meeting Executive Campus (" Project"), as shown on Exhibit "A", attached hereto and made a part hereof. The term of the Lease for the New Premises shall commence upon substantial completion of Landlord's Work (as defined in subparagraph (b) hereof) but not earlier that September 1, 2008 ("New Premises Commencement Date"). The New Premises shall be deemed substantially completed when Landlord's Work has been completed to the extent that the New Premises may be occupied by Tenant for its Permitted Uses, subject only to completion of minor finishing, adjustment of equipment, and other minor construction aspects, and Landlord has procured a temporary or permanent certificate of occupancy permitting the occupancy of the New Premises. Tenant understands and acknowledges that its compliance with the Tele/Data requirements as set forth in Exhibit "B", attached hereto, is a prerequisite to substantial completion of Landlord's Work. Tenant covenants that it will comply in good faith with the terms of Exhibit "B". It is the mutual intention of Landlord and Tenant that the New Premises shall be leased to and occupied by Tenant on and subject to all of the terms, covenants and conditions of the Lease except as otherwise expressly provided to the contrary in this First Amendment, and to that end, Landlord and Tenant hereby agree that from and after the New Premises Commencement Date, the word "Premises", as defined in the Lease, shall mean and include only the New Premises (provided Tenant vacates the Original Premises as provided for herein) and the word "Building", as defined in the Lease, shall mean and include only the New Building (provided Tenant vacates the Original Premises and Original Building as provided for herein).

(b) Landlord shall turnkey the New Premises in substantial conformity with the floor plan entitled "PP. 1", prepared by Meyer & Associates, dated March 11, 2008, as revised April 2, 2008 ("Landlord's Work"), the same of which is attached hereto, made a part hereof and marked as Exhibit "C".

(c) Notwithstanding the foregoing, if any material revision or supplement to Landlord's Work is deemed necessary by Landlord, those revisions and supplements shall be submitted to Tenant for approval, which approval shall not be unreasonably withheld or delayed. If Landlord shall be delayed in such "substantial completion" as a result of (i) Tenant's failure to furnish plans and specifications within the time frame stated by Landlord in its reasonable discretion; (ii) Tenant's request for materials, finishes or installations other than

Landlord's standard; (iii) Tenant's changes in said plans; (iv) the performance or completion of any work, labor or services by a party employed by Tenant; or (v) Tenant's failure to approve final plans, working drawings or reflective ceiling plans within the time frame stated by Landlord in its reasonable discretion (each, a "Tenant's Delay"); then the commencement of the Term of this First Amendment and the payment of Fixed Rent hereunder shall be accelerated by the number of days of such delay. If any change, revision or supplement to the scope of Landlord's Work is requested by Tenant, then such increased costs associated with such change, revision or supplement shall be paid by Tenant upfront and such occurrence shall not change the New Premises Commencement Date of the Term and shall not alter Tenant's obligations under this First Amendment.

(d) Notwithstanding anything to the contrary stated in Section 2(c) above, the Term of this First Amendment shall commence on the date the New Premises would have been delivered to Tenant but for Tenant's Delay or Tenant's change order.

(e) Upon completion of Landlord's Work, Landlord and Tenant shall schedule an inspection of the New Premises at which time a punchlist of outstanding items, if any, shall be prepared. Landlord shall complete the punchlist items to Tenant's reasonable satisfaction within a reasonable time thereafter, such time not to exceed thirty (30) days from the actual inspection, unless such items cannot be completed within such time, and then, in such reasonable time, so long as Landlord is diligently pursuing such items.

(f) The New Premises Commencement Date shall be confirmed by Landlord and Tenant by the execution of a Confirmation of Lease Term in the form attached hereto as Exhibit "D". If Tenant fails to execute or object to the Confirmation of Lease Term within ten (10) business days of its delivery, Landlord's determination of such dates shall be deemed accepted.

(g) On or before the New Premises Commencement Date, Tenant shall surrender the Original Premises in the condition required under the Lease. Upon Tenant's delivery of the Original Premises to Landlord in accordance with the requirements of the Lease, Landlord shall release any claims that it may have against Tenant with respect to any matters arising under the Lease relating to the Original Premises other than claims that may hereafter arise for indemnification with respect to injury to persons or property occurring thereon prior to or on the New Premises Commencement Date. Effective as of the New Premises Commencement Date, Tenant shall release any claims that it may have against Landlord with respect to any matters arising under the Lease relating to the Original Premises, other than claims that may arise for indemnification with respect to injury to persons or property occurring thereon prior to or on the New Premises Commencement Date.

3. Term: The Lease Term for the New Premises shall commence on the New Premises Commencement Date and shall terminate 120 months thereafter, ending on the last day of the calendar month.

4. Fixed Rent:

(a) From and after the New Premises Commencement Date, Tenant shall pay to Landlord Fixed Rent for the New Premises as follows:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	ANNUAL FIXED RENT
Months 1-12	$ 17.25,*	$ 7,991.06	$ 95,892.75
Months 13-24	$ 17.75,*	$ 8,222.69	$ 98,672.25
Months 25-36	$ 18.25,*	$ 8,454.31	$ 101,451.75
Months 37-48	$ 18.75,*	$ 8,685.94	$ 104,231.25
Months 49-60	$ 19.25,*	$ 8,917.56	$ 107,010.75
Months 61-72	$ 19.75,*	$ 9,149.19	$ 109,790.25
Months 73-84	$ 20.25,*	$ 9,380.81	$ 112,569.75
Months 85-96	$ 20.75,*	$ 9,612.44	$ 115,349.25
Months 97-108	$ 21.25,*	$ 9,844.06	$ 118,128.75
Months 109-120	$ 21.75,*	$ 10,075.69	$ 120,908.25

* plus Additional Rent and electricity/utility charges

(b) Notwithstanding anything in the Lease to the contrary, Tenant shall pay to Landlord without notice or demand, and without set-off, the annual Fixed Rent payable in the monthly installments of Fixed Rent as set forth above, in advance on the first day of each calendar month during the Term by (i) check sent to Landlord, P.O. Box 8538-363, Philadelphia, PA 19171 or (ii) wire transfer of immediately available funds to the account at Wachovia Bank, Salem NJ account no. 2030000359075 ABA #031201467; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant. **All payments must include the following information: Building #583 and Lease #** . The Lease number will be provided to Tenant in the Confirmation of Lease Term.

(c) If any amount due from Tenant is not paid to Landlord when due, Tenant shall also pay as Additional Tent, a late fee of five percent (5%) of the total payment then due. The late fee shall accrue on the initial date of a payment's due date, irrespective of any grace period granted hereunder.

(d) Security Deposit. Article 3(c) of the Lease is hereby amended to provide that Landlord shall provide written notice to Tenant before Landlord uses, applies or retains any part of the Security Deposit.

5. Tenant's Share. From and after the New Premises Commencement Date, Tenant's Share shall be 6.18%, which is 5,559/89,925.

6. Notice Addresses: All notices under the Lease shall be sent to Landlord at the following address:

Brandywine Operating Partnership, L.P.
555 E. Lancaster Ave., Suite 100
Radnor, PA 19087
Attn: H. Jeffrey DeVuono
Phone No. 610-325-5600
Fax No. 610-325-5622
E-mail: jeff.devuono@bdnreit.com

with a copy to

Brandywine Realty Trust
555 E. Lancaster Ave., Suite 100
Radnor, PA 19087
Attn: Brad A. Molotsky
Phone No. 610-325-5600
Fax No. 610-832-4928
brad.molotsky@bdnreit.com

and to Tenant at:

Accolade LLC
630 W. Germantown Pike, Suite 100
Plymouth Meeting, PA 19462

7. Tenant Representations: Tenant hereby confirms that (i) the Lease is in full force and effect and Tenant is currently in possession of the Original Premises; (ii) there are no defaults by Landlord under the Lease and (iii) Tenant's security deposit is $11,840.67 ($1,500 on deposit with Landlord plus $10,340.67 to be paid by Tenant at the execution of this First Amendment to Lease).

8. Brokerage Commission Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal with any real estate broker or sales representative in connection with this proposed transaction except for Tornetta Realty. Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation.

9. Binding Effect/Default.

(a) Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this First Amendment to Lease, the term in the First Amendment to Lease will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

(b) Article 18 of the Lease is amended as follows:

(i) Grace Period. Tenant shall have a ten (10) day grace period from its receipt of Landlord's written notice of Tenant's failure to pay Rent, within which to pay such Rent, without creating a default as defined in the Lease.

(ii) Acceleration of Rent. In the Event of Default by Tenant, by notice to Tenant, Landlord shall have the right to accelerate all Fixed Rent and all expense installments due under the Lease and otherwise payable, to be paid by Tenant, one year's Rent at a time, the first payment due five (5) days after receipt of Landlord's notice, and then without further notice or demand for payment, on each anniversary of the Event of Default date, without the need to further litigate the Event of Default between the parties. All such amounts collected from Tenant shall be discounted to present value using an interest rate of six percent (6%) per annum. Additional Rent which has not been included, in whole or in part in accelerated rent, shall be due and payable by Tenant during the remainder of the Term, in the amounts and at the times otherwise provided for in the Lease.

(iii) Mitigation of Damages. Landlord agrees to use reasonable efforts to mitigate its damages, provided that Landlord shall not be liable to Tenant for its inability to mitigate damages if it shall endeavor to relet the Premises in like manner as it offers other comparable vacant space or property available for leasing to others in the Project of which the Building is a part. Should Landlord relet the Premises for a rental sum less that it would have collected from Tenant during the Lease Term, Tenant shall be responsible for the difference between the two rents.

10. Early Termination. Tenant shall have the right to terminate the Lease at the end of the 6th year of the Term, provided Tenant (i) is not then in default nor has ever been in default under the Lease, (ii) gives Landlord not less than twelve (12) months prior written notice, and (iii) pays to Landlord, at the time of said notice, an amount equal to the unamortized cost of the transaction, amortized at 10% interest over the Term of the Lease ('Termination Payment"). The unamortized cost will be calculated by submitting to Tenant an amortization schedule of those specific costs (brokerage fees and contractor's invoices) to complete Landlord's Work. Failure to provide written notice and payment within the prescribed time frame will be considered by Landlord, without the necessity of additional notice, as a waiver of this right to terminate. Tenant acknowledges and agrees that the Termination Payment is not a penalty and is fair and reasonable compensation to Landlord for the loss of expected rentals from Tenant over the remainder of the scheduled term.

11. Renewal. Provided Tenant is neither in default at the time of exercise, nor has Tenant ever been in default (irrespective of the fact that Tenant cured such default) of any monetary obligations under this Lease more

than twice during the Term and such monetary default aggregates in excess of $23,973.18, and Tenant is occupying 100% of the New Premises, and the Lease is in full force and effect, Tenant shall have the right to renew this Lease for two (2) term(s) of five (5) years each beyond the end of the initial Term (each, a "Renewal Term"). Tenant shall furnish written notice of intent to renew one (1) year prior to the expiration of the applicable Term, failing which, such renewal right shall be deemed waived; time being of the essence. The terms and conditions of this Lease during each Renewal Term shall remain unchanged, except that the annual Fixed Rent for each Renewal Terms shall be 100% of Fair Market Rent (as such term is hereinafter defined). Anything herein contained to the contrary notwithstanding, Tenant shall have no right to renew the term hereof other than or beyond the two (2) consecutive five (5) year terms hereinabove described. It shall be a condition of each such Renewal Term that Landlord and Tenant shall have executed, not less than nine (9) months prior to the expiration of the then expiring term hereof, an appropriate amendment to this Lease, in form and content satisfactory to each of them, memorializing the extension of the term hereof for the next ensuing Renewal Term.

For purposes of this Lease, "Fair Market Rent" shall mean the base rent, for comparable space. In determining the Fair Market Rent, Landlord, Tenant and any appraiser shall take into account applicable measurement and the loss factors, applicable lengths of lease term, differences in size of the space demised, the location of the Building and comparable buildings, amenities in the Building and comparable buildings, the ages of the Building and comparable buildings, differences in base years or stop amounts for operating expenses and tax escalations and other factors normally taken into account in determining Fair Market Rent. The Fair Market Rent shall reflect the level of improvement made or to be made by Landlord to the space and the Recognized Expenses and Taxes under this Lease. If Landlord and Tenant cannot agree on the Fair Market Rent, the Fair Market Rent shall be established by the following procedure: (1) Tenant and Landlord shall agree on a single MAI certified appraiser who shall have a minimum of ten (10) years experience in real estate leasing in the market in which the New Premises is located, (2) Landlord and Tenant shall each notify the other (but not the appraiser), of its determination of such Fair Market Rent and the reasons therefor, (3) during the next seven (7) days both Landlord and Tenant shall prepare a written critique of the other's determination and shall deliver it to the other party, (4) on the tenth (10th) day following delivery of the critiques to each other, Landlord's and Tenant's determinations and critiques (as originally submitted to the other party, with no modifications whatsoever) shall be submitted to the appraiser, who shall decide whether Landlord's or Tenant's determination of Fair Market Rent is more correct. The determinations so chosen shall be the Fair Market Rent. The appraiser shall not be empowered to choose any number other than the Landlord's or Tenant's. The fees of the appraiser shall be paid by the non-prevailing party.

12. Right of Expansion. Subject to (a) Tenant not being in default now nor Tenant ever having been in default under this Lease; (b) the rights of other tenants within the Building from time to time; and (c) such limitations as are imposed by other tenant leases, Landlord shall notify Tenant with regard to contiguous space that is or Landlord expects to become vacant and available for lease on the first floor of the Building, and Landlord shall propose to Tenant the basic economic terms upon which Landlord would be prepared to entertain the negotiation of a new lease or amendment for such space (on fair market terms for the remainder of the Lease Term) whereby the parties would add such space to the description of the New Premises, in either case for a term which would be coterminous with this Lease unless otherwise specified by Landlord, and which economic terms shall include the estimated date that the space shall be available for delivery, the Base Rent and the tenant allowance (if any) to be furnished to Tenant, whereupon Tenant shall have fifteen (15) days next following Landlord's delivery of such notice within which to accept such terms, time being of the essence. Should Tenant accept such terms as are specified by Landlord, the parties shall negotiate the terms of a new lease or an amendment to this Lease, to memorialize their agreement. In the absence of any further agreement by the parties, such additional space shall be delivered in an "AS —IS" condition, and Rent for such additional space shall commence on that date which is the earlier of: (x) Tenant's occupancy thereof, and (y) five (5) days after Landlord delivers such additional space to Tenant free of other tenants and occupants. If Tenant shall not accept Landlord's terms within such fifteen (15) day period, or if the parties shall not have executed and delivered a mutually satisfactory new lease or lease amendment within thirty (30) days next following Landlord's original notice under this Article 12, then Tenant's right to lease such space shall lapse and terminate, and Landlord may, at its discretion, lease such space on such terms and conditions as Landlord shall determine. Tenant's rights hereunder shall not include the right to lease less than all of the space identified in Landlord's notice.

13. Portfolio Expansion. Tenant may notify Landlord at any time during the Term that Tenant desires to lease additional space within the portfolio of properties owned or controlled by Landlord, Brandywine Realty Trust or any affiliate thereof ("BRT Portfolio"), which additional space must represent an expansion of at least 50% from the New Premises on a square foot basis. Subject to Tenant not being in default, nor Tenant ever having been in default under this Lease, Landlord shall then notify Tenant with regard to space that is available for lease within the BRT Portfolio that meets the requirements set forth above, if such space is available, and Landlord shall propose the basic economic terms upon which Landlord would be prepared to entertain the negotiation of a new lease for such space. Provided Landlord and Tenant negotiate, execute and deliver a lease in good faith for such space containing terms mutually acceptable to Landlord and Tenant in their sole discretion, Landlord and Tenant shall terminate this Lease and Tenant shall surrender the New Premises upon the commencement date of the new lease.

14. Guaranty. Article 26(f) of the Lease is hereby deleted in its entirety.

15. Relocation. Article 25 of the Lease is hereby replaced with the following:

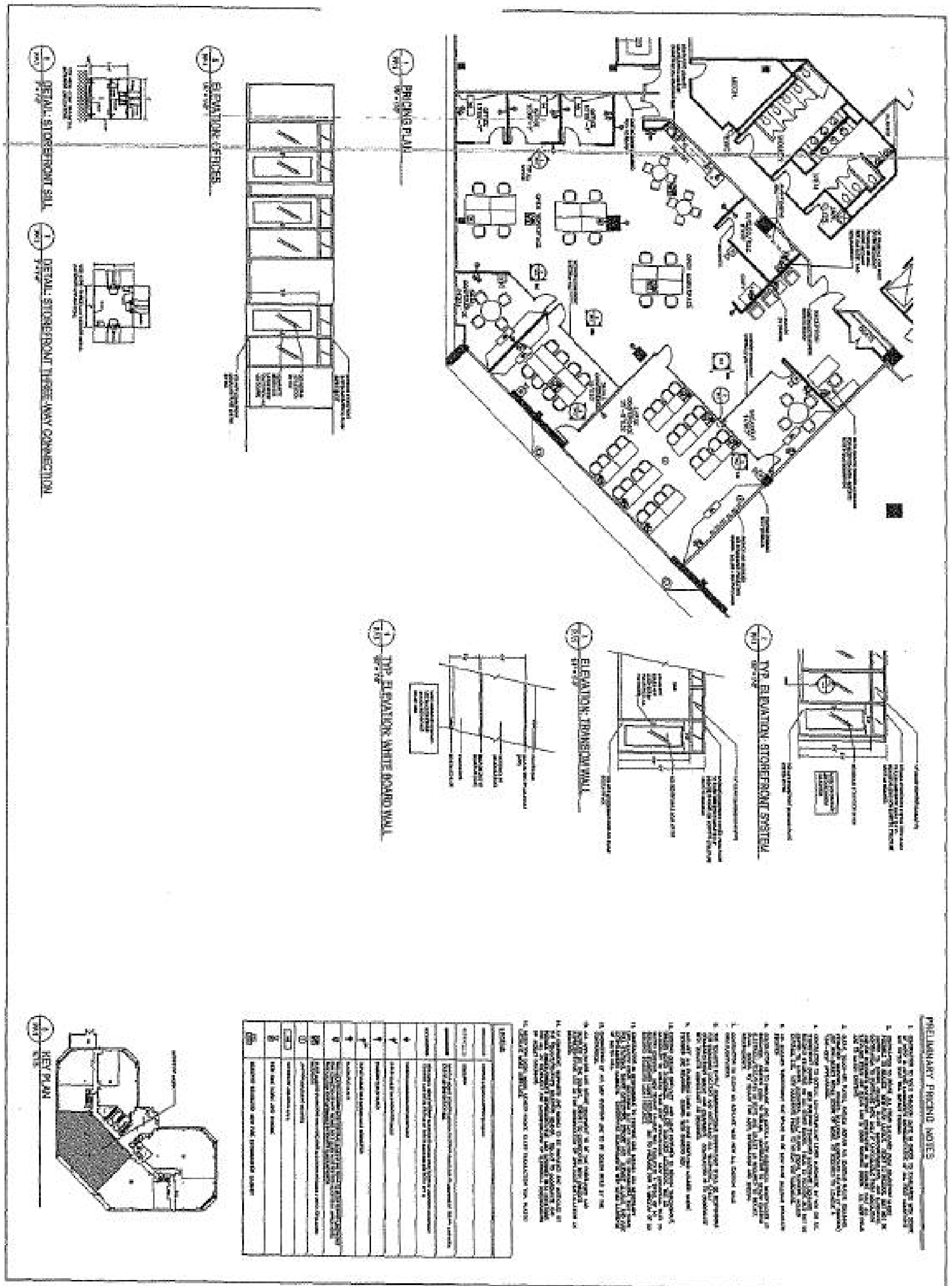
"Landlord, at its sole expense, on at least ninety (90) days' prior written notice to Tenant, may require Tenant to move from the Premises to another suite of substantially comparable size and decor in the Building. In the event of any such relocation, Landlord shall pay all the expenses of preparing and decorating the new premises so that they will be substantially similar to the Premises, shall pay the expenses of moving Tenant's furniture and equipment to the new premises, shall pay for tele-data and cabling wiring to the new premises and shall replenish office supplies and marketing materials up to a maximum of $5,000 rendered obsolete by an address change."

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

WITNESS:	LANDLORD: BRANDYWINE OPERATING PARTNERSHIP, L.P.
	By: Brandywine Realty Trust, its general partner
/s/ [ILLEGIBLE]	By: /s/ Daniel Palazzo Name Daniel Palazzo Title VP-Asset Management
ATTEST:	TENANT: ACCOLADE LLC
Name: Title: Secretary	By: /s/ Thomas K. Spann Name: THOMAS K. SPANN Title: CEO

EXHIBIT "A"

SPACE PLAN



PRICING PLAN

FIRST FLOOR

PP.1

ACCRETIVE CARE
BRANDYWINE REALTY TRUST

PLYMOUTH MEETING EXECUTIVE CAMPUS
630 WEST GERMANTOWN PIKE, SUITE 100
PLYMOUTH MEETING, PA 19462
PLYMOUTH TOWNSHIP

MEYER
INTERIORS · ARCHITECTURE
MEYER DESIGN, INC. · MEYER ARCHITECTS, INC.

EXHIBIT “B”

TENANT’S TELE/DATA REQUIREMENTS:

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant no later than two (2) weeks after signing the Lease or sooner if necessitated by the time restraints of the construction to the Premises.

EXHIBIT “C”

LANDLORD’S WORK

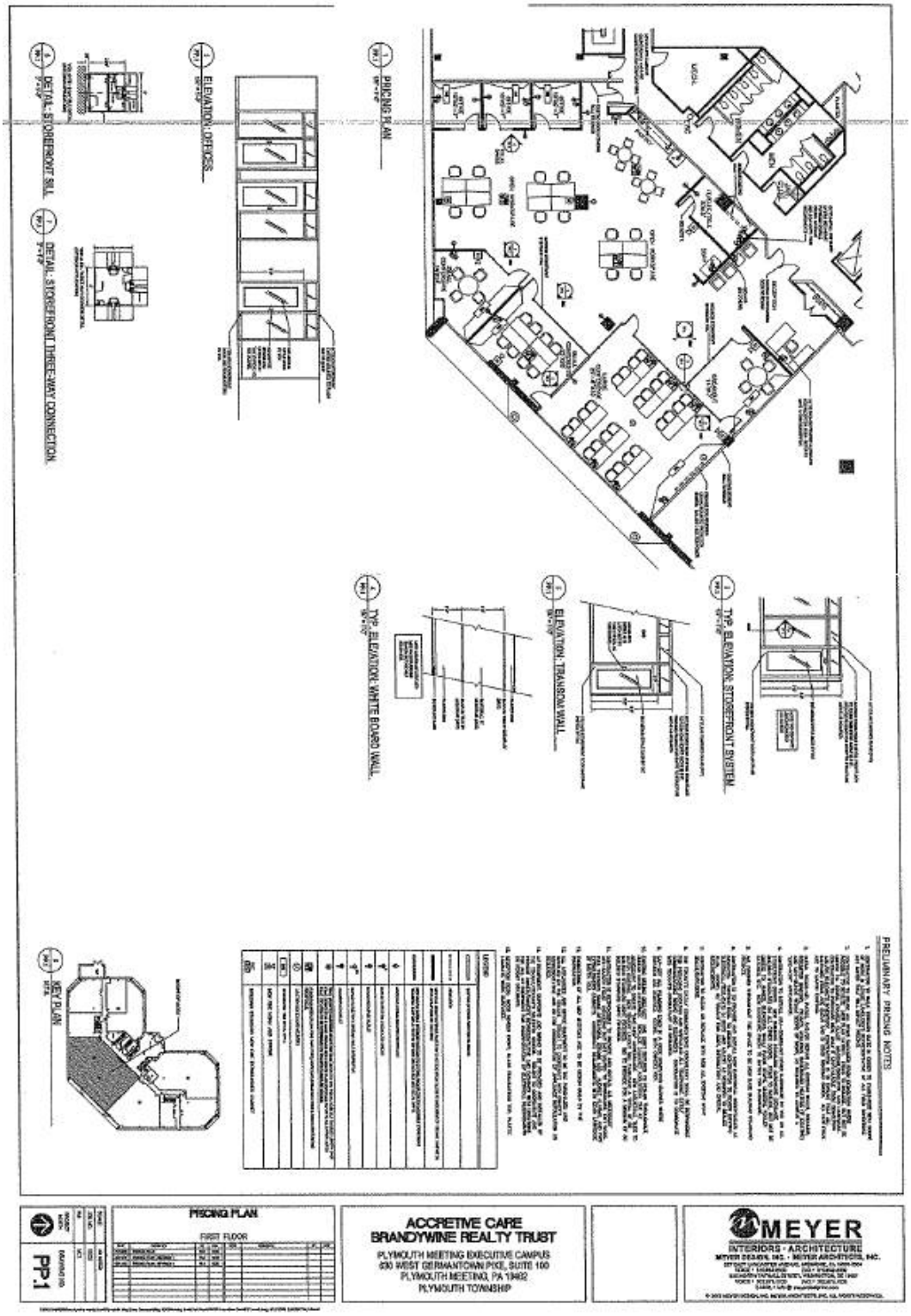


EXHIBIT “D”

Tenant: ACCOLADE LLC
New Premises: Suite 100, 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462
Square Footage: 5,559

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of the day of , 2008, between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, with an office at 555 East Lancaster Avenue, Suite 100, Radnor, PA 19087 (“Landlord”) and ACCOLADE LLC, a Delaware limited liability company (“Tenant”), with a principal place of business at , who executed a First Amendment to Lease dated for reference purposes as of , 2008, covering certain premises located at Suite 100, 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania.

All capitalized terms, if not defined herein, shall be defined as they are defined in the Lease.

1. The Parties to this Memorandum hereby agree that the date of , 2008 is the “New Premises Commencement Date” and the date is the expiration date of the Term.

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the New Premises pursuant to the terms of the First Amendment to Lease;

(b) That any improvements, including any Landlord’s Work, required to be furnished according to the First Amendment to Lease by have been Substantially Completed;

(c) That Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Lease;

(d) That there are no offsets or credits against rentals;

(e) That there is no default by Landlord or Tenant under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that its Building Number is 583 and its Lease Number is . This information must accompany each Rent check or wire payment.

4. Tenant’s Notice Address is:
Accolade LLC
630 W. Germantown Pike, Suite 100
Plymouth Meeting, PA 19462

Tenant's Billing Address is:

5. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

WITNESS:

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

_____

By: _____
Name
Title

ATTEST:

TENANT:
ACCOLADE LLC

_____

By: _____
Name:
Title: Secretary

Name:
Title:

Exhibit 10.15

ORIGINAL

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease made and entered into this 3rd day of March, 2009, by and between BRANDYWINE OPERATING PARTNERSHIP, L.P., hereinafter referred to as ("Landlord") and ACCOLADE LLC, hereinafter referred to as ("Tenant").

WHEREAS, Landlord leased certain premises consisting of 5,559 rentable square feet ("RSF") of space commonly referred to as Suite 100 ("Original Premises") located at 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Building"), to Tenant pursuant to that certain Lease dated February 22, 2007, as amended by First Amendment to Lease dated July 24, 2008, hereinafter collectively referred to as "Lease"; and

WHEREAS, Tenant desires to expand the size of the Original Premises by adding an additional 3,140 RSF of space under the Lease;

NOW, THEREFORE, in consideration of these present and the agreement of each other, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease referred to therein and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this Second Amendment, Capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease. In the event of any inconsistency or conflict between the terms of the Lease as amended by First Amendment to Lease and this Second Amendment to Lease, the terms of this Second Amendment to Lease shall govern.

2. Lease of Additional Premises.

(a) The Lease is hereby amended to provide that Landlord hereby demises and lets unto Tenant, and Tenant hereby leases and hires from Landlord, all that certain space on the first floor of the Building containing approximately 3,140 RSF of space (the "Additional Premises"), as shown on Exhibit "A", attached hereto and made a part hereof. The term of the Lease for the Additional Premises shall commence upon substantial completion of Landlord's Work (as defined in subparagraph (b) hereof) ("Additional Premises Commencement Date"). The Additional Premises shall be deemed substantially completed when Landlord's Work has been completed to the extent that the Additional Premises may be occupied by Tenant for its Permitted Uses, subject only to completion of minor finishing, adjustment of equipment, and other minor construction aspects, and Landlord has procured a temporary or permanent certificate of occupancy permitting the occupancy of the Additional Premises. Tenant understands and acknowledges that its compliance with the Tele/Data requirements as set forth in Exhibit "B", attached hereto, is a prerequisite to substantial completion of Landlord' s Work. Tenant covenants that it will comply in good faith with the terms of Exhibit "B". It is the mutual intention of Landlord and Tenant that the Additional Premises shall be leased to and occupied by Tenant on and subject to all of the terms, covenants and conditions of the Lease except as otherwise expressly provided to the contrary in this Second Amendment, and to that end, Landlord and Tenant hereby agree that from and after the Additional Premises Commencement Date, the word "Premises", as defined in the Lease, shall mean and include both the Original Premises and the Additional Premises, containing a total of 8,699 RSF, unless the context otherwise requires.

(b) Landlord shall turnkey the Additional Premises in substantial conformity with the floor plan entitled "Accolade Expansion", prepared by Meyer & Associates, dated February 24, 2009 ("Landlord's Work"), the same of which is attached hereto, made a part hereof and marked as Exhibit "C".

(c) Notwithstanding the foregoing, if any material revision or supplement to Landlord's Work is deemed necessary by Landlord, those revisions and supplements shall be submitted to Tenant for approval, which approval shall not be unreasonably withheld or delayed. If Landlord shall be delayed in such "substantial completion" as a result of (i) Tenant's failure to furnish plans and specifications within the time frame stated by Landlord in its reasonable discretion; (ii) Tenant's request for materials, finishes or installations other than Landlord's standard; (iii) Tenant's changes in said plans; (iv) the performance or completion of any work, labor or services by a party employed by Tenant; or (v) Tenant's failure to approve final plans, working drawings or

reflective ceiling plans within the time frame stated by Landlord in its reasonable discretion (each, a "Tenant's Delay"); then the commencement of the Term of this Second Amendment and the payment of Fixed Rent hereunder shall be accelerated by the number of days of such delay. If any change, revision or supplement to the scope of Landlord's Work is requested by Tenant, then such increased costs associated with such change, revision or supplement shall be paid by Tenant upfront and such occurrence shall not change the Additional Premises Commencement Date of the Term and shall not alter Tenant's obligations under this Second Amendment.

(d) Notwithstanding anything to the contrary stated in Article 2(c) above, the Term of this Second Amendment shall commence on the date the Additional Premises would have been delivered to Tenant but for Tenant's Delay or Tenant's change order.

(e) Upon completion of Landlord's Work, Landlord and Tenant shall schedule an inspection of the Additional Premises, at which time a punchlist of outstanding items, if any, shall be prepared. Landlord shall complete the punchlist items to Tenant's reasonable satisfaction within a reasonable time thereafter, such time not to exceed thirty (30) days from the actual inspection, unless such items cannot be completed within such time, and then, in such reasonable time, so long as Landlord is diligently pursuing such items.

(f) The Additional Premises Commencement Date shall be confirmed by Landlord and Tenant by the execution of a Confirmation of Lease Term in the form attached hereto as Exhibit "D". If Tenant fails to execute or object to the Confirmation of Lease Term within ten (10) business days of its delivery, Landlord's determination of such dates shall be deemed accepted.

3. Term: The Lease Term for the Additional Premises shall commence on the Additional Premises Commencement Date and shall terminate coterminously with the Original Premises on November 30, 2018.

4. Fixed Rent:

(a) From and after the Additional Premises Commencement Date, Tenant shall pay to Landlord Fixed Rent for the Additional Premises as follows:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	FIXED RENT PER PERIOD
Additional Premises Commencement Date- Month 3	$ 0.00,*	$ 0.00	$ 0.00
Months 4-15	$ 8.49,*	$ 2,221.55	$ 26,658.60
Month 16-24	$ 17.75,**	$ 4,644.58	$ 41,801.25
Months 25-36	$ 18.25,**	$ 4,775.42	$ 57,305.00
Months 37-48	$ 18.75,**	$ 4,906.25	$ 58,875.00
Month 49-60	$ 19.25,**	$ 5,037.08	$ 60,445.00
Months 61-72	$ 19.75,**	$ 5,167.92	$ 62,015.00
Months 73-84	$ 20.25,**	$ 5,298.75	$ 63,585.00
Months 85-96	$ 20.75,**	$ 5,429.58	$ 65,155.00
Months 97-108	$ 21.25,**	$ 5,560.42	$ 66,725.00
Months 109-11/30/18	$ 21.75,**	$ 5,691.25	$ 68,295.00

*plus electricity/utility charges pursuant to Article 5 of the Lease

**plus electricity /utility charges pursuant to Article 5 of the Lease and Additional Rent pursuant to Article 4 of the Lease

(b) Notwithstanding anything in the Lease to the contrary, Tenant shall pay to Landlord without notice or demand, and without set-off, the annual Fixed Rent payable in the monthly installments of Fixed Rent as set forth above, in advance on the first day of each calendar month during the Term by (i) check sent to Landlord, P.O. Box 8538-363, Philadelphia, PA 19171 or (ii) wire transfer of immediately available funds to the account at Wachovia Bank, Salem NJ account no. 2030000359075 ABA #031201467; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant. **All payments must include the following information: Building #583 and Lease #** . The Lease number will be provided to Tenant in the Confirmation of Lease Term.

5. Tenant's Share. From and after the Additional Premises Commencement Date, Tenant's Share shall be 9.67%, which is 8,699/89,925.

6. Tenant Representations: Tenant hereby confirms that (i) the Lease is in full force and effect and Tenant is currently in possession of the Original Premises; (ii) there are no defaults by Landlord under the Lease and (iii) Tenant's security deposit is $11,840.67 currently on deposit with Landlord.

7. Brokerage Commission Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal with any real estate broker or sales representative in connection with this proposed transaction except for Tornetta Realty. Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation.

8. Binding Effect.

Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this Second Amendment to Lease, the term in the Second Amendment to Lease will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease as amended by Article 9 of the First Amendment to Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

9. Early Termination. Tenant shall have the right to terminate the Lease on November 25, 2014, provided Tenant (i) is not then in default nor has ever been in default under the Lease, (ii) gives Landlord not less than twelve (12) months prior written notice, and (iii) pays to Landlord, at the time of said notice, an amount equal to the unamortized cost of the transaction, amortized at 10% interest over the Term of the Lease ("Termination Payment"). The unamortized cost will be calculated by submitting to Tenant an amortization schedule of those specific costs (brokerage fees and contractor's invoices) to complete Landlord's Work. Failure to provide written notice and payment within the prescribed time frame will be considered by Landlord, without the necessity of additional notice, as a waiver of this right to terminate. Tenant acknowledges and agrees that the Termination Payment is not a penalty and is fair and reasonable compensation to Landlord for the loss of expected rentals from Tenant over the remainder of the scheduled term.

10. Renewal. Provided Tenant is neither in default at the time of exercise, nor has Tenant ever been in default (irrespective of the fact that Tenant cured such default) of any monetary obligations under this Lease more

than twice during the Term and such monetary default aggregates in excess of $23,973.18, and Tenant is occupying 100% of the Premises, and the Lease is in full force and effect, Tenant shall have the right to renew this Lease for two (2) term(s) of five (5) years each beyond the end of the current Term (each, a "Renewal Term"). Tenant shall furnish written notice of intent to renew one (1) year prior to the expiration of the applicable Term, failing which, such renewal right shall be deemed waived; time being of the essence. The terms and conditions of this Lease during each Renewal Term shall remain unchanged, except that the annual Fixed Rent for each Renewal Term shall be 100% of Fair Market Rent (as such term is hereinafter defined). Anything herein contained to the contrary notwithstanding, Tenant shall have no right to renew the term hereof other than or beyond the two (2) consecutive five (5) year terms hereinabove described. It shall be a condition of each such Renewal Term that Landlord and Tenant shall have executed, not less than nine (9) months prior to the expiration of the then expiring term hereof, an appropriate amendment to this Lease, in form and content satisfactory to each of them, memorializing the extension of the term hereof for the next ensuing Renewal Term.

For purposes of this Lease, "Fair Market Rent" shall mean the base rent, for comparable space. In determining the Fair Market Rent, Landlord, Tenant and any appraiser shall take into account applicable measurement and the loss factors, applicable lengths of lease term, differences in size of the space demised, the location of the Building and comparable buildings, amenities in the Building and comparable buildings, the ages of the Building and comparable buildings, differences in base years or stop amounts for operating expenses and tax escalations and other factors normally taken into account in determining Fair Market Rent. The Fair Market Rent shall reflect the level of improvement made or to be made by Landlord to the space and the Recognized Expenses and Taxes under this Lease. If Landlord and Tenant cannot agree on the Fair Market Rent, the Fair Market Rent shall be established by the following procedure: (1) Tenant and Landlord shall agree on a single MAI certified appraiser who shall have a minimum of ten (10) years experience in real estate leasing in the market in which the New Premises is located, (2) Landlord and Tenant shall each notify the other (but not the appraiser), of its determination of such Fair Market Rent and the reasons therefor, (3) during the next seven (7) days both Landlord and Tenant shall prepare a written critique of the other's determination and shall deliver it to the other party, (4) on the tenth (10th) day following delivery of the critiques to each other, Landlord's and Tenant's determinations and critiques (as originally submitted to the other party, with no modifications whatsoever) shall be submitted to the appraiser, who shall decide whether Landlord's or Tenant's determination of Fair Market Rent is more correct The determinations so chosen shall be the Fair Market Rent. The appraiser shall not be empowered to choose any number other than the Landlord's or Tenant's. The fees of the appraiser shall be paid by the non-prevailing party.

11. Right of Expansion. Subject to (a) Tenant not being in default now nor Tenant ever having been in default under this Lease; (b) the rights of other tenants within the Building from time to time; and (c) such limitations as are imposed by other tenant leases, Landlord shall notify Tenant with regard to contiguous space that is or Landlord expects to become vacant and available for lease on the first floor of the Building, and Landlord shall propose to Tenant the basic economic terms upon which Landlord would be prepared to entertain the negotiation of a new lease or amendment for such space (on fair market terms for the remainder of the Lease Term) whereby the parties would add such space to the description of the Premises, in either case for a term which would be coterminous with this Lease unless otherwise specified by Landlord, and which economic terms shall include the estimated date that the space shall be available for delivery, the Base Rent and the tenant allowance (if any) to be furnished to Tenant, whereupon. Tenant shall have fifteen (15) days next following Landlord's delivery of such notice within which to accept such terms, time being of the essence. Should Tenant accept such terms as are specified by Landlord, the parties shall negotiate the terms of a new lease or an amendment to this Lease, to memorialize their agreement. In the absence of any further agreement by the parties, such additional space shall be delivered in an "AS -IS" condition, and Rent for such additional space shall commence on that date which is the earlier of: (x) Tenant's occupancy thereof, and (y) five (5) days after Landlord delivers such additional space to Tenant free of other tenants and occupants. If Tenant shall not accept Landlord's terms within such fifteen (15) day period, or if the parties shall not have executed and delivered a mutually satisfactory new lease or lease amendment within thirty (30) days next following Landlord's original notice under this Article 11, then Tenant's right to lease such space shall lapse and terminate, and Landlord may, at its discretion, lease such space on such terms and conditions as Landlord shall determine. Tenant's rights hereunder shall not include the right to lease less than all of the space identified in Landlord's notice.

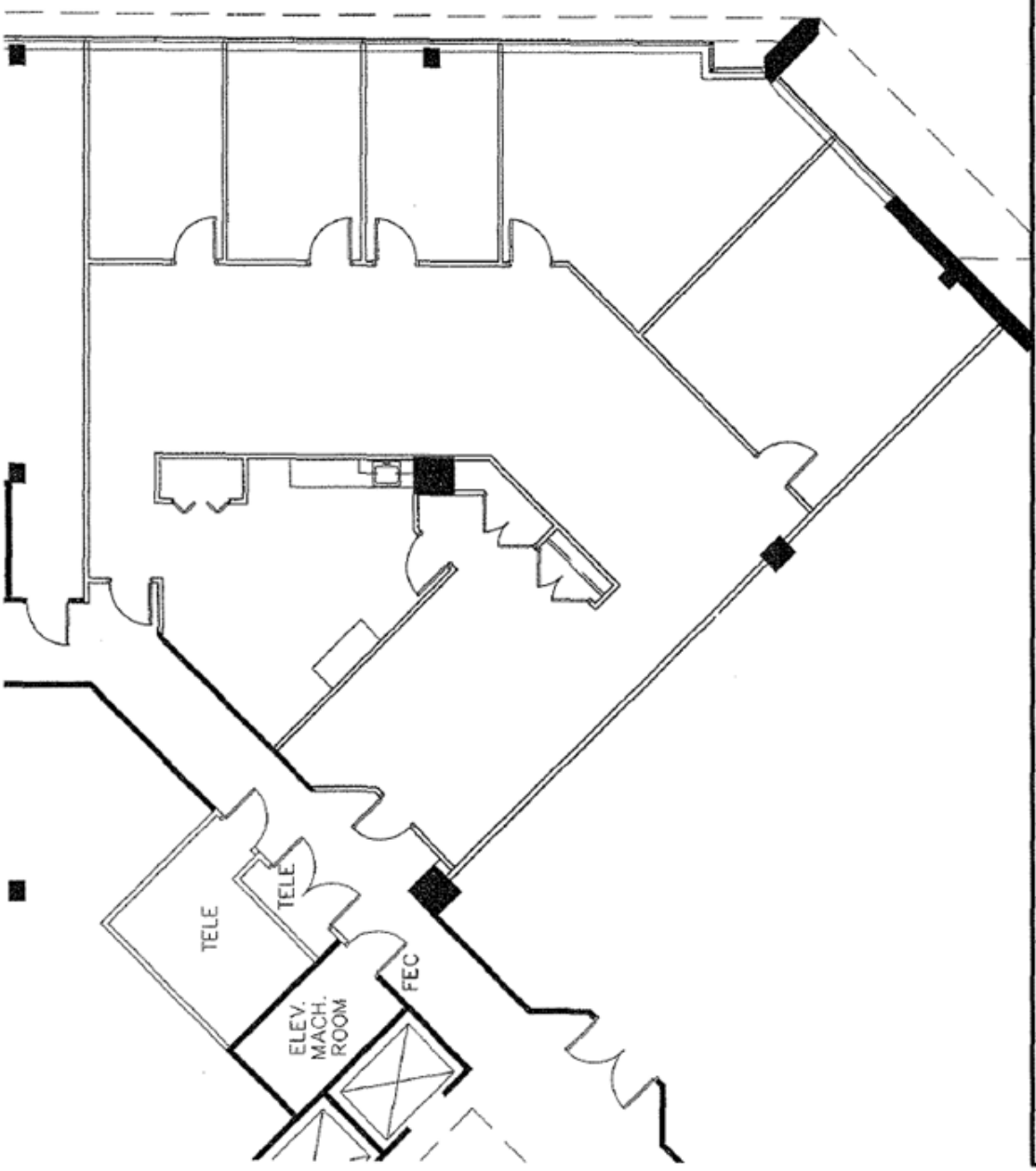
12. Portfolio Expansion. Tenant may notify Landlord at any time during the Term that Tenant desires to lease additional space within the portfolio of properties owned or controlled by Landlord, Brandywine Realty Trust or any affiliate thereof ("BRT Portfolio"), which additional space must represent an expansion of at least 50% from the Premises on a square foot basis. Subject to Tenant not being in default, nor Tenant ever having been in default under this Lease, Landlord shall then notify Tenant with regard to space that is available for lease within the BRT Portfolio that meets the requirements set forth above, if such space is available, and Landlord shall propose the basic economic terms upon which Landlord would be prepared to entertain the negotiation of a new lease for such space. Provided Landlord and Tenant negotiate, execute and deliver a lease in good faith for such space containing terms mutually acceptable to Landlord and Tenant in their sole discretion, Landlord and Tenant shall terminate this Lease and Tenant shall surrender the Premises upon the commencement date of the new lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

WITNESS:	LANDLORD: BRANDYWINE OPERATING PARTNERSHIP, L.P. By: Brandywine Realty Trust, its general partner
/s/ [ILLEGIBLE]	By: /s/ Daniel Palazzo Name DANIEL PALAZZO Title VICE PRESIDENT-ASSET MANAGER
ATTEST:	TENANT: ACCOLADE LLC
Name: Title: Secretary	By: /s/ Thomas K. Spann Name: THOMAS K. SPANN Title: CEO

EXHIBIT "A"

SPACE PLAN



PLYMOUTH MEETING EXECUTIVE CAMPUS

BUILDING: 630 WEST GERMANTOWN PIKE
FIRST FLOOR - SUITE 105

PROJECT NO.: 02056
DATE: SEPTEMBER 6, 2006
SCALE: 3/32" = 1'-0"

MEYER
INTERIORS · ARCHITECTURE
227 E. LANCASTER AVENUE, ARDMORE, PA 19003

BrandywineRealtyTrust

EXHIBIT “B”

TENANT’S TELE/DATA REQUIREMENTS:

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant no later than two (2) weeks after signing the Lease or sooner if necessitated by the time restraints of the construction to the Premises.

BrandywineRealtyTrust

PLYMOUTH MEETING EXECUTIVE CAMPUS

BUILDING: 630 WEST GERMANTOWN PIKE

TEST FIT - REV3 - ACCOLADE EXPANSION - SUITE 105

DATE: 2/24/09

PROJECT NO: 09022

SCALE: N.T.S.

MEYER
INTERIORS • ARCHITECTURE
227 E. LANCASTER AVENUE, ARDMORE, PA 19003

EXHIBIT “D”

Tenant ACCOLADE LLC
Additional Premises: Suite 100, 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462
Square Footage of Additional Premises: 3,140

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of the day of , 2009, between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, with an office at 555 East Lancaster Avenue, Suite 100, Radnor, PA 19087 (“Landlord”) and ACCOLADE LLC, a Delaware limited liability company (“Tenant”), with a principal place of business at , who executed a Second Amendment to Lease dated for reference purposes as of , 2009, covering certain premises located at Suite 100, 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania.

All capitalized terms, if not defined herein, shall be defined as they are defined in the Lease.

1. The Parties to this Memorandum hereby agree that the date of , 2009 is the “Additional Premises Commencement Date” and the date November 30, 2018 is the expiration date of the Term.

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the Additional Premises pursuant to the terms of the Second Amendment to Lease;

(b) That any improvements, including any Landlord’s Work, required to be furnished according to the Second Amendment to Lease by have been Substantially Completed;

(c) That Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Lease;

(d) That there are no offsets or credits against rentals;

(e) That there is no default by Landlord or Tenant under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that its Building Number is 583 and its Lease Number is . This information must accompany each Rent check or wire payment.

4. Tenant's Notice Address is:

Accolade LLC
630 W. Germantown Pike, Suite 100
Plymouth Meeting, PA 19462

Tenant's Billing Address is:

5. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

WITNESS:

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

_____ By: _____
Name
Title

ATTEST:

TENANT:
ACCOLADE LLC

_____ By: _____
Name: Name:
Title: Secretary Title:

Exhibit 10.16

ORIGINAL

THIRD AMENDMENT TO LEASE

This "Third Amendment to Lease" made and entered into this 5th day of August, 2010, by and between BRANDYWINE OPERATING PARTNERSHIP, L.P., hereinafter referred to as ("Landlord") and ACCOLADE, INC., a Delaware corporation and successor to Accolade LLC, hereinafter referred to as ("Tenant").

WHEREAS, Landlord leased certain premises consisting of 8,699 rentable square feet ("RSF") of space commonly referred to as Suite 100 ("Original Premises") located at 630 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Original Building"), to Tenant pursuant to that certain Lease dated February 22, 2007, as amended by First Amendment to Lease dated July 24, 2008 and as amended by Second Amendment to Lease dated March 3, 2009, hereinafter collectively referred to as "Lease"; and

WHEREAS, the parties wish to relocate Tenant from the Original Premises to the New Premises (defined below) on the terms set forth herein and in the Lease;

NOW, THEREFORE, in consideration of these present and the agreement of each other, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease referred to therein and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this Third Amendment to Lease. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease. In the event of any inconsistency or conflict between the terms of the Lease as amended by First Amendment to Lease, Second Amendment to Lease and this Third Amendment to Lease, the terms of this Third Amendment to Lease shall govern.

2. Lease of New Premises.

(a) The Lease is hereby amended to provide that Landlord hereby demises and lets unto Tenant, and Tenant hereby leases and hires from Landlord, that certain space consisting of 22,782 RSF with a Suite Number of 300 ("New Premises"), located on the third floor of 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("New Building"), as shown on Exhibit "A", attached hereto and made a part hereof. The Term of the Lease for the New Premises shall commence ("New Premises Commencement Date") on the date which is the earlier of (i) when Tenant, with Landlord's consent, assumes possession of the New Premises for its Permitted Uses, or (ii) upon Substantial Completion (defined below) of the improvements required to be made by Landlord under Article 3. The New Premises shall be deemed "substantially completed" when the improvements called for by Article 3 have been completed to the extent that the New Premises may be occupied by Tenant for its Permitted Uses, subject only to completion of minor finishing, adjustment of equipment, and other minor construction aspects, and Landlord has procured a temporary or permanent certificate of occupancy permitting the occupancy of the New Premises, if required by law (hereafter, "Substantially Completed" or "Substantial Completion"). Tenant further understands and acknowledges that Tenant's compliance with the Tele/Data requirements as set forth on Exhibit "B", attached hereto, is a prerequisite to Substantial Completion of Landlord's Work. Tenant covenants that it will comply in good faith with the terms of Exhibit "B". It is the mutual intention of Landlord and Tenant that the New Premises shall be leased to and occupied by Tenant on and subject to all of the terms, covenants and conditions of the Lease except as otherwise expressly provided to the contrary in this Third Amendment to Lease, and to that end, Landlord and Tenant hereby agree that from and after the New Premises Commencement Date, the word "Premises", as defined in the Lease, shall mean and include only the New Premises and the word "Building", as defined in the Lease, shall mean and include only the New Building, unless the context otherwise requires. The Term shall expire on the last day of the month which is one hundred and twenty six (126) months from the New Premises Commencement Date ("Term"). The New Premises Commencement Date shall be confirmed by Landlord and Tenant by the execution of a Confirmation of Lease Term in the form attached hereto as Exhibit "C". If Tenant fails to execute or object to the Confirmation of Lease Term within ten (10) business days of its delivery to Tenant, Landlord's determination of such dates shall be deemed accepted.

(b) On or before fifteen (15) days from the New Premises Commencement Date ("Surrender Date"), Tenant shall surrender the Original Premises in the condition required under the Lease. Upon Tenant's delivery

of the Original Premises to Landlord, Landlord shall release any claims that it may have against Tenant with respect to any matters arising under the Lease relating to the Original Premises other than claims that may hereafter arise for indemnification with respect to injury to persons or property occurring thereon prior to or on the Surrender Date. Effective as of the New Premises Commencement Date, Tenant shall release any claims that it may have against Landlord with respect to any matters arising under the Lease relating to the Original Premises, other than claims that may arise for indemnification with respect to injury to persons or property occurring thereon prior to or on the New Premises Commencement Date.

3. Landlord's Work.

(a) Landlord, at Landlord's expense, shall construct the New Premises in substantial conformity with the plan entitled "Option 4", prepared by Meyer Design and dated June 25, 2010, which is attached hereto, made a part hereof and marked as Exhibit "D" ("Landlord's Work"). Landlord estimates that Landlord's Work shall be Substantially Completed on or about November 30, 2010. Landlord's Work shall be performed in accordance with generally accepted industry standards and in accordance with all applicable laws. Except for Tenant's Tele/Data requirement, Landlord, at Landlord's expense, shall obtain all other licenses and permits necessary to perform the Landlord's Work.

(b) If any material revision or supplement to Landlord's Work is deemed necessary by Landlord, those revisions and supplements shall be submitted to Tenant for approval, which approval shall not be unreasonably withheld or delayed. Subject to force majeure, if Landlord shall be delayed in such "Substantial Completion" as a result of (i) Tenant's failure to furnish plans and specifications within the time frame stated by Landlord in its reasonable discretion; (ii) Tenant's request for materials, finishes or installations other than Landlord's standard as presented to Tenant in advance; (iii) Tenant's changes in said plans; (iv) any delay in the performance or completion of any work, labor or services by a party employed by Tenant; (v) Tenant's failure to approve final plans, working drawings or reflective ceiling plans within the time frame stated by Landlord in its reasonable discretion; or (vi) the rejection by Plymouth Township of Landlord's permit submission due to any inaccurate information provided by any party employed by Tenant (each, a "Tenant's Delay"); then the New Premises Commencement Date and the payment of Fixed Rent hereunder shall be accelerated by the number of days of such delay. In the event of a Tenant's Delay, Landlord shall notify Tenant in writing of its reasonable determination that such Tenant's Delay has occurred, specifying in such notice the date from which the Tenant's Delay has occurred, and Landlord and Tenant shall reasonably cooperate to minimize the period of Tenant's Delay. If any change, revision or supplement to the scope of the Landlord's Work is requested by Tenant, then such increased costs associated with such change, revision or supplement shall be paid by Tenant upfront and such occurrence shall not change the New Premises Commencement Date and shall not alter Tenant's obligations under the Lease.

(c) Notwithstanding anything to the contrary stated in Article 2(a) above, the Term shall commence on the date the New Premises would have been delivered to Tenant but for Tenant's Delay. Landlord's Work constitutes an Alteration under Article 8 of the Lease.

4. Fixed Rent:

(a) From and after the New Premises Commencement Date, Tenant shall pay to Landlord Fixed Rent for the New Premises as follows:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	FIXED RENT PER PERIOD
New Premises Commencement Date-Month 6	$ 0.00, *	$ 0.00	$ 0.00
Months 7-18	$ 16.62, *	$ 31,553.07	$ 378,636.84
Month 19-30	$ 17.12, *	$ 32,502.32	$ 390,027.84
Months 31-42	$ 17.62, *	$ 33,451.57	$ 401,418.84
Months 43-54	$ 18.12, *	$ 34,400.82	$ 412,809.84
Months 55-66	$ 18.62, *	$ 35,350.07	$ 424,200.84
Months 67-78	$ 19.12, *	$ 36,299.32	$ 435,591.84
Months 79-90	$ 19.62, *	$ 37,248.57	$ 446,982.84
Months 91-102	$ 20.12, *	$ 38,197.82	$ 458,373.84
Months 103-114	$ 20.62, *	$ 39,147.07	$ 469,764.84
Months 115-126	$ 21.12, *	$ 40,096.32	$ 481,155.84

*Commencing on the New Premises Commencement Date, Tenant shall also pay electricity/utility charges pursuant to Article 5 of the Lease but based upon Tenant's Share of the New Building as reflected in Article 5 of this Third Amendment to Lease. Commencing on Month 7 of the Term, Tenant shall pay Additional Rent pursuant to Article 4 of the Lease but based upon Tenant's Share of the New Building pursuant to Article 5 of this Third Amendment to Lease.

(b) Notwithstanding anything in the Lease to the contrary, Tenant shall pay to Landlord without notice or demand, and without set-off, the annual Fixed Rent payable in the monthly installments of Fixed Rent as set forth above, in advance on the first day of each calendar month during the Term by (i) check sent to Landlord c/o Brandywine Realty Trust, P.O. Box 11951, Newark, NJ 07101-4951 or (ii) wire transfer of immediately available funds to the account at Wachovia Bank, Salem NJ account no. 2030000359075 ABA #031201467; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant. **All payments must include the following information: Building #580 and Lease** # . The Lease number will be provided to Tenant in the Confirmation of Lease Term.

5. Tenant's Share. From and after the New Premises Commencement Date, Tenant's Share shall be 25.40%, which is 22,782/89,681.

6. Security Deposit. On or before the New Premises Commencement Date, Tenant shall increase the amount of its Security Deposit currently on hand with Landlord by $170,491.27 for a total Security Deposit amount of $182,331.94. So long as there is no monetary Event of Default by Tenant at any time during the current Term, after each of the first three anniversaries of the New Premises Commencement Date, Landlord shall return to Tenant, in equal amounts, a portion of the Security Deposit so that after the third return of the amounts herein, the Security Deposit held by Landlord shall be in the amount of $45,583.00.

7. Tenant's Notice Address. Commencing on the New Premises Commencement Date, all notices under the Lease shall be sent to Tenant at the following address:

Accolade, Inc.
600 W. Germantown Pike, Suite 300
Plymouth Meeting, PA 19462

8. Representations: Landlord and Tenant each hereby confirm that (i) the Lease is in full force and effect and Tenant is currently in possession of the Original Premises and (ii) there are no defaults by Landlord or Tenant under

the Lease.

9. Brokerage Commission Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal with any real estate broker or sales representative in connection with this proposed transaction except for Tornetta Realty Corporation. Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation.

10. Binding Effect. Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this Third Amendment to Lease, the term in the Third Amendment to Lease will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease as amended by Article 9 of the First Amendment to Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

11. Early Termination. Article 9 of the Second Amendment to Lease is hereby replaced with the following:

Tenant shall have the right to terminate the Lease for the New Premises after the eighty fourth (84th) month of the Term, provided Tenant (i) is not then in default nor has ever been in default under the Lease, (ii) gives Landlord not less than twelve (12) months prior written notice, and (iii) pays to Landlord, at the time of said notice, an amount equal to the unamortized cost of this transaction, amortized at 10% interest over the Term of the Lease ("Termination Payment"). Upon the completion of Landlord's Work and the payment of all invoices related thereto, the unamortized costs of this transaction (brokerage fees and undisputed contractor's invoices, including specifications and all other documentation provided by any contractor) will be calculated and submitted to Tenant by way of an amortization schedule. Failure to provide written notice and payment within the prescribed time frame will be considered by Landlord, without the necessity of additional notice, as a waiver of this right to terminate. Tenant acknowledges and agrees that the Termination Payment is not a penalty and is fair and reasonable compensation to Landlord for the loss of expected rentals from Tenant over the remainder of the scheduled term.

12. Renewal. Article 10 of the Second Amendment to Lease is hereby replaced with the following:

Provided Tenant is not in default at the time of exercise, and Tenant is occupying 100% of the New Premises, and the Lease is in full force and effect, Tenant shall have the right to renew the Lease for two (2) term(s) of five (5) years each beyond the end of the current Term (each, a "Renewal Term"). Tenant shall furnish written notice of intent to renew one (1) year prior to the expiration of the applicable Term, failing which, such renewal right shall be deemed waived; time being of the essence. The terms and conditions of the Lease during each Renewal Term shall remain unchanged, except that the annual Fixed Rent for each Renewal Term shall be 100% of Fair Market Rent (as such term is hereinafter defined). Anything herein contained to the contrary notwithstanding, Tenant shall have no right to renew the Term hereof other than or beyond the two (2) consecutive five (5) year terms hereinabove described. It shall be a condition of each such Renewal Term that Landlord and Tenant shall have executed, not less than nine (9) months prior to the expiration of the then expiring term hereof, an appropriate amendment to the Lease, in form and content satisfactory to each of them, memorializing the extension of the Term hereof for the next ensuing Renewal Term.

For purposes of this Lease, "Fair Market Rent" shall mean the base rent for comparable space. In determining the Fair Market Rent, Landlord. Tenant and any appraiser shall take into account applicable measurement and the loss factors, applicable lengths of lease term, differences in size of the space demised, the location of the Building and comparable buildings, amenities in the Building and comparable buildings, the ages of the Building and comparable buildings, differences in base years or stop amounts for operating expenses and tax escalations and other factors normally taken into account in determining Fair Market Rent. The Fair Market Rent shall reflect the level of improvement made or to be made by Landlord to the space and the Recognized Expenses and Taxes under this Lease. If Landlord and Tenant cannot agree on the Fair Market Rent, the Fair Market Rent

shall be established by the following procedure: (1) Tenant and Landlord shall agree on a single MAI certified appraiser who shall have a minimum of ten (10) years experience in real estate leasing in the market in which the New Premises is located, (2) Landlord and Tenant shall each notify the other (but not the appraiser), of its determination of such Fair Market Rent and the reasons therefor, (3) during the next seven (7) days both Landlord and Tenant shall prepare a written critique of the other's determination and shall deliver it to the other party, (4) on the tenth (10th) day following delivery of the critiques to each other, Landlord's and Tenant's determinations and critiques (as originally submitted to the other party, with no modifications whatsoever) shall be submitted to the appraiser, who shall decide whether Landlord's or Tenant's determination of Fair Market Rent is more correct. The determinations so chosen shall be the Fair Market Rent. The appraiser shall not be empowered to choose any number other than the Landlord's or Tenant's. The fees of the appraiser shall be paid by the non-prevailing party.

13. Right of Expansion. Article 11 of the Second Amendment to Lease is hereby replaced with the following:

Subject to (a) Tenant not being in default at the time of exercise; (b) the rights of other tenants within the Building from time to time; and (c) such limitations as are imposed by other tenant leases, Landlord shall, prior to offering such space to any third party, notify Tenant with regard to contiguous space that is or Landlord expects to become vacant and available for lease on the third floor of the New Building, and Landlord shall propose to Tenant the basic economic terms upon which Landlord would be prepared to entertain the negotiation of a new lease or amendment for such space (on fair market terms for the remainder of the Lease Term) whereby the parties would add such space to the description of the New Premises, in either case, for a term which would be coterminous with the Lease unless otherwise specified by Landlord, and which economic terms shall include the estimated date that the space shall be available for delivery, the fixed rent and the tenant allowance (if any) to be furnished to Tenant, whereupon Tenant shall have fifteen (15) days next following Landlord's delivery of such notice within which to accept such terms, time being of the essence. Should Tenant accept such terms as are specified by Landlord, the parties shall negotiate the terms of a new lease or an amendment to the Lease to memorialize their agreement. In the absence of any further agreement by the parties, such additional space shall be delivered in an "AS -IS" condition, except as expressly agreed by Landlord and Tenant, and subject to Landlord's representations and warranties in the Lease, and Rent for such additional space shall commence on that date which is the earlier of: (x) Tenant's occupancy thereof, and (y) five (5) days after Landlord delivers such additional space to Tenant free of other tenants and occupants. If Tenant shall not accept Landlord's terms within such fifteen (15) day period, or if the parties shall not have executed and delivered a mutually satisfactory new lease or lease amendment within sixty (60) days next following Landlord's original notice under this Article 13, then Tenant's right to lease such space shall lapse and terminate, and Landlord may, at its discretion, lease such space on such terms and conditions as Landlord shall determine. Tenant's rights hereunder shall not include the right to lease less than all of the space identified in Landlord's notice.

14. Portfolio Expansion. Article 12 of the Second Amendment to Lease is hereby replaced with the following:

Tenant may notify Landlord at any time during the Term that Tenant desires to lease additional space within the portfolio of properties owned or controlled by Landlord, Brandywine Realty Trust or any affiliate thereof ("BRT Portfolio"), which additional space must represent an expansion of at least 50% from the New Premises on a square foot basis. Subject to Tenant not then being in default, Landlord shall then notify Tenant with regard to space that is available for lease within the BRT Portfolio that meets the requirements set forth above, if such space is available, and Landlord shall propose the basic economic terms upon which Landlord would be prepared to entertain the negotiation of a new lease for such space. Provided Landlord and Tenant negotiate, execute and deliver a lease in good faith for such space containing terms mutually acceptable to Landlord and Tenant in their sole discretion, Landlord and Tenant shall terminate the Lease and Tenant shall surrender the New Premises upon the commencement date of the new lease.

15. Moving Allowance. Landlord shall reimburse Tenant up to the amount of $91,128.00 for expenses relating to Tenant's move from the Original Premises to the New Premises ("Moving Allowance"). Such Moving Allowance expenses shall include costs for voice/data and cabling installation, the purchase of furniture and the cost

of moving professionals. Landlord shall reimburse Tenant up to the Moving Allowance upon the submission by Tenant of paid invoices evidencing such moving expenses. The Moving Allowance shall be paid to Tenant within 30 days of written request by Tenant but not sooner than the New Premises Commencement Date, but in any event shall be requested within six (6) months of the New Premises Commencement Date or forfeited.

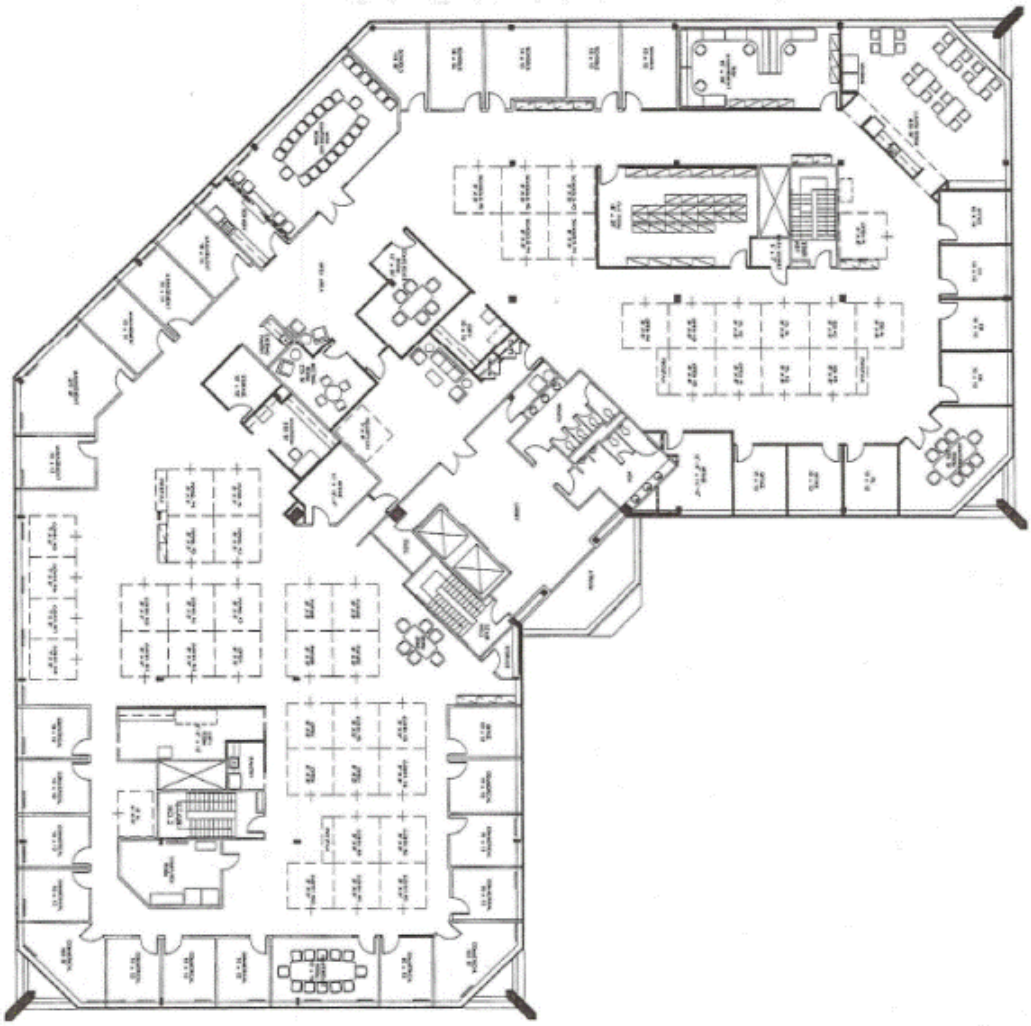
16. Temporary Space. Prior to the New Premises Commencement Date, Landlord shall make available to Tenant, for Tenant's exclusive use, temporary premises located in Suite 450 of the New Building, containing approximately 7,835 rentable square feet ("Temporary Space"). Tenant shall have the right to occupy the Temporary Space while the Landlord's Work is being constructed in the New Premises. Tenant shall not be required to pay Fixed Rent or Additional Rent on the Temporary Space, but shall be required to pay its share of electricity for the Temporary Premises, which is 8.74%, which is 7,835/89,681. Tenant may occupy the Temporary Space as of September 1, 2010 so long as Landlord has secured a use and occupancy permit from Plymouth Township. Prior to Tenant occupying the Temporary Space, Landlord will perform the work to the Temporary Space as outlined on Exhibit "E", attached hereto and made a part hereof. Tenant shall vacate and surrender the Temporary Space to Landlord in good order and repair subject to force majeure on or before the New Premises Commencement Date. Except as stated to the contrary in this Article 16, Tenant shall occupy the Temporary Space on all of the same terms and conditions as set forth in the Lease.

17. Janitorial Services. Landlord shall provide Tenant with janitorial services for the New Premises Monday through Friday of each week in accordance with the guidelines set forth on Exhibit "F." attached hereto and made a part hereof.

18. Rules and Regulations. At all times during the Term, Tenant, its employees, agents, invitees and licenses shall comply with all rules and regulations specified on Exhibit "G", attached hereto and made a part hereof, together with all reasonable rules and regulations as Landlord may from time to time promulgate provided they do not materially increase the financial burdens of Tenant or take away any rights specifically provided to Tenant in this Lease. In the event of an inconsistency between the rules and regulations and the Lease, the provisions of the Lease shall control.

EXHIBIT "A"

SPACE PLAN OF NEW PREMISES



SP

SPACE PLAN

THIRD FLOOR

HR&H INSURANCE

PLYMOUTH MEETING EXECUTIVE CAMPUS
600 WEST GERMANTOWN PIKE, SUITE 300
PLYMOUTH MEETING, PA 19462
PLYMOUTH TOWNSHIP

MEYER

INTERIORS · ARCHITECTURE

EXHIBIT “B”

TENANT’S TELE/DATA REQUIREMENTS:

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant no later than two (2) weeks after signing the Amendment or sooner if mutually agreed by Landlord and Tenant.

EXHIBIT “C”

Tenant: ACCOLADE, INC.
New Premises: Suite 300, 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462
Square Footage of New Premises: 22,782 RSF

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of the day of , 2010, between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, with an office at 555 East Lancaster Avenue, Suite 100, Radnor, PA 19087 (“Landlord”) and ACCOLADE, INC., a Delaware corporation (“Tenant”), with a principal place of business at , who executed a Third Amendment to Lease dated for reference purposes as of , 2010, covering certain premises located at Suite 300, 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania.

All capitalized terms, if not defined herein, shall be defined as they are defined in the Third Amendment to Lease.

1. The Parties to this Memorandum hereby agree that the date of , 2010 is the “New Premises Commencement Date” and the date is the expiration date of the Term.

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the New Premises pursuant to the terms of the Third Amendment to Lease;

(b) That any improvements, including any Landlord’s Work required to be furnished according to the Third Amendment to Lease by Landlord have been Substantially Completed;

(c) That Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Third Amendment to Lease;

(d) That there are no offsets or credits against rentals, and the $182,331.94 Security Deposit has been paid as provided in the Third Amendment to Lease;

(e) That there is no default by Landlord or Tenant under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that its Building Number is 580 and its Lease Number is . This information must accompany each Rent check or wire payment.

4. Tenant’s Notice Address is:

Accolade, Inc.
600 W. Germantown Pike, Suite 300
Plymouth Meeting, PA 19462

Tenant's Billing Address is:

5. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

WITNESS:

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

_____

By: _____
Name
Title

ATTEST:

TENANT:
ACCOLADE, INC.

_____

By: _____
Name:
Title: Secretary

Name:
Title:

EXHIBIT "D"

LANDLORD'S WORK TO THE NEW PREMISES

127 - 6X8 WORKSTATIONS
5 - 6X8 WORKSTATIONS

Brandywinerealtytrust

ACCOLADE TEST FIT

BUILDING: PLYMOUTH MEETING EXECUTIVE CAMPUS
BUILDING 600, THIRD FLOOR

OPTION 4
REVISED DATE: 6/25/10

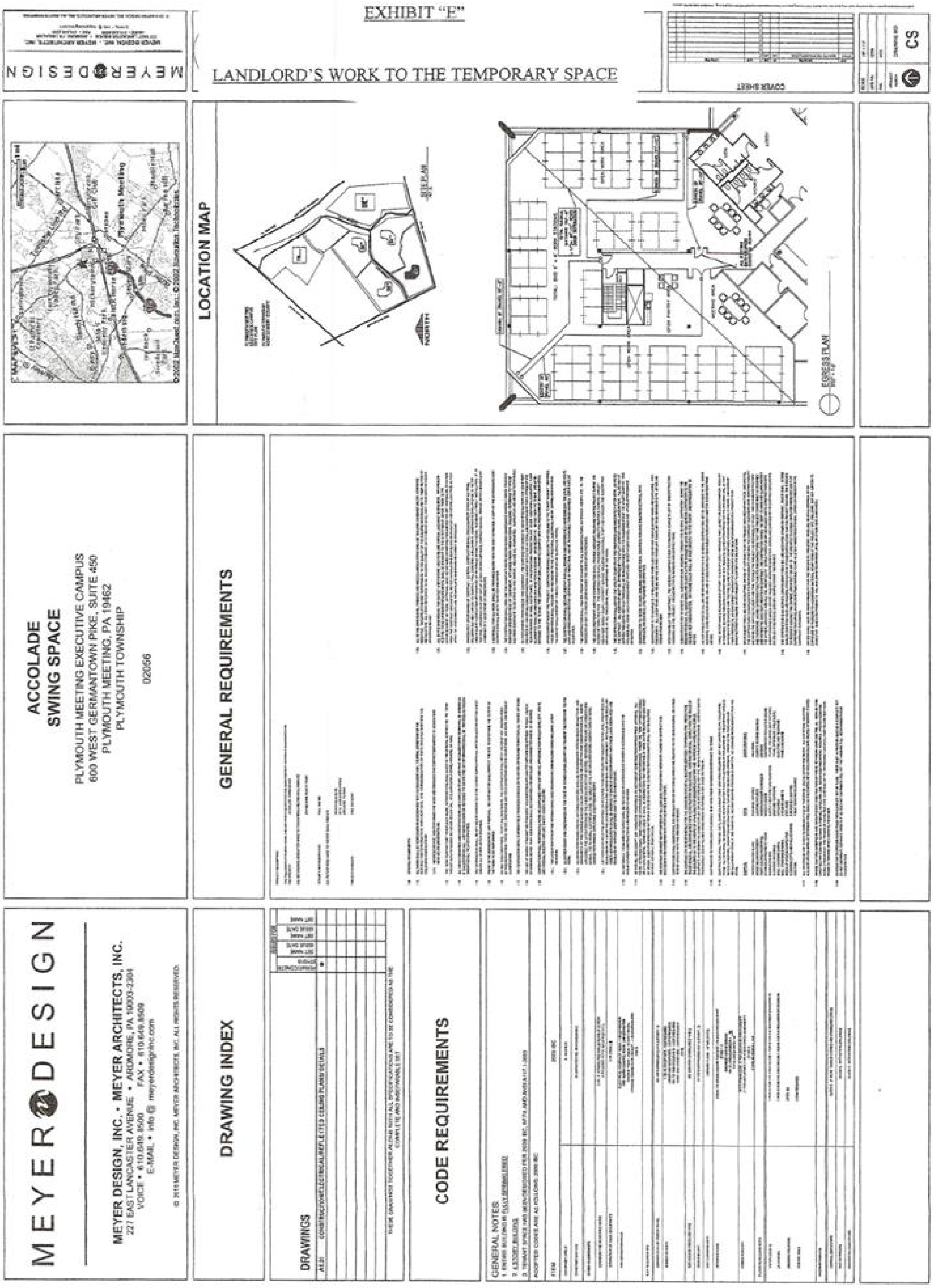
PROJECT NO: 02056
SCALE: N.T.S.

MEYER
INTERIORS · ARCHITECTURE
227 E. LANCASTER AVENUE, ARDMORE, PA 19003

I:\DRAWINGS\Brandywine realty trust\Plymouth Mtg Exec Campus\BLDG 600\Working Sets\3rd Floor\02056 Accolade\600PMEC03.ACCOLADE.TF.REV062510.OPT3&4

EXHIBIT "E"

LANDLORD'S WORK TO THE TEMPORARY SPACE



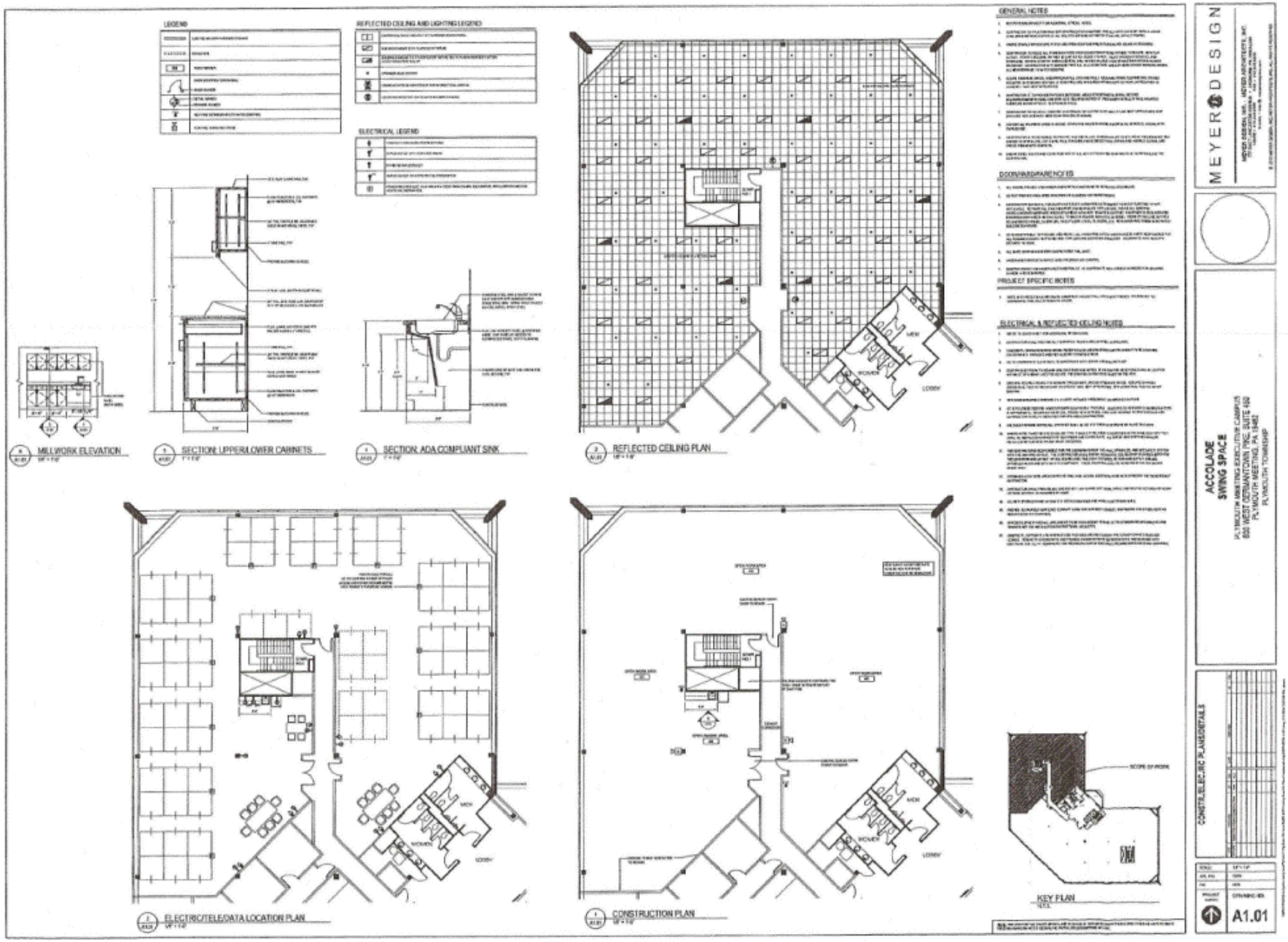

LEGEND
REFLECTED CEILING AND LIGHTING LEGEND
ELECTRICAL LEGEND
GENERAL NOTES
DOOR/HARDWARE NOTES
PROJECT SPECIFIC NOTES
ELECTRICAL & REFLECTED CEILING NOTES
MILLWORK ELEVATION
SECTION: UPPER/LOWER CABINETS
SECTION: ADA COMPLIANT SINK
REFLECTED CEILING PLAN
ELECTRIC/TELE/DATA LOCATION PLAN
CONSTRUCTION PLAN
KEY PLAN
SCOPE OF WORK
MEYER DESIGN
ACCOLADE
SWING SPACE
PLYMOUTH MEETING EXECUTIVE CAMPUS
600 WEST GERMANTOWN PIKE, SUITE 400
PLYMOUTH MEETING, PA 19462
PLYMOUTH TOWNSHIP
CONSTRUCTION PLANS/DETAILS
A1.01

EXHIBIT “F”

OFFICE CLEANING SPECIFICATIONS

DAILY

Empty Trash and Recycle
Remove Spots/Spills from Carpet
Remove Visible Debris/Litter from Carpet
Spot Clean Desks and Tables
Straighten Chair – Furniture
Turn Off Lights

WEEKLY

Dust Desks and Computer Monitors
Vacuum Carpet
Clean Wastebaskets
Clean Light Fixtures and Vents
Clean Telephones
Clean Walls, Switch Plates and Baseboards
Dust File Cabinets, Partitions and Bookshelves
Clean Chairs
Clean Doors
Clean Tables
Dust Pictures and Surfaces Over 5’
Dust Window Sills, Ledges and Radiators
Spot Clean Side Light Glass

RESTROOM CLEANING SPECIFICIATIONS
DAILY

Sinks
Floors
Counters
Trash Receptacle
Toilet/Urinals
Dispensers
Door
Spot Clean Walls
Spot Clean Partitions

WEEKLY

Dust Lights
Dust Surfaces Over 5’
Ceiling Vents
Clean Walls
Clean Partitions

FLOOR CARE SPECIFICATIONS

DAILY

Spot Clean Carpet

WEEKLY

Burnish Polished Surfaces

MONTHLY

Machine Scrub Restroom Floors
Scrub and Recoat Copy Room Floors
Scrub and Recoat Kitchenette Floors

ONCE EVERY FOUR MONTHS

Shampoo Conference Room Carpets

YEARLY

Strip and Refinish all vinyl tile

THESE SPECIFICATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE.THE COST FOR ANY CLEANING OVER AND ABOVE THE STANDARD CLEANING SPECIFICATIONS IS TO BE BORNE BY THE TENANT.

EXHIBIT “G”

BUILDING RULES AND REGULATIONS
LAST REVISION: January 1, 2009

Landlord reserves the right to rescind any of these rules and make such other and further rules and regulations as in the judgment of Landlord shall from time to time be needed for the safety, protection, care and cleanliness of the Project, the operations thereof, the preservation of good order therein and the protection and comfort of its tenants, their agents, employees and invitees, which rules when made and notice thereof given to Tenant shall be binding upon him, her or it in a like manner as if originally prescribed.

1. Sidewalks, entrances, passages, elevators, vestibules, stairways, corridors, halls, lobby and any other part of the Building shall not be obstructed or encumbered by any Tenant or used for any purpose other than ingress or egress to and from each tenant’s premises. Landlord shall have the right to control and operate the common portions of the Building and exterior facilities furnished for common use of the tenants (such as the eating, smoking, and parking areas) in such a manner as Landlord deems appropriate.

2. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord. All drapes, or window blinds, must be of a quality, type and design, color and attached in a manner approved by Landlord.

3. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, or placed in hallways or vestibules without prior written consent of Landlord.

4. Restrooms and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed and no debris, rubbish, rags or other substances shall be thrown therein. Only standard toilet tissue may be flushed in commodes. All damage resulting from any misuse of these fixtures shall be the responsibility of the tenant who, or whose employees, agents, visitors, clients, or licensees shall have caused same.

5. No tenant, without the prior consent of Landlord, shall mark, paint, drill into, bore, cut or string wires or in any way deface any part of the Premises or the Building of which they form a part except for the reasonable hanging of decorative or instructional materials on the walls of the Premises.

6. Tenants shall not construct or maintain, use or operate in any part of the project any electrical device, wiring or other apparatus in connection with a loud speaker system or other sound/communication system which may be heard outside the Premises. Any such communication system to be installed within the Premises shall require prior written approval of Landlord.

7. No mopeds, skateboards, scooters or other vehicles and no animals, birds or other pets of any kind shall be brought into or kept in or about the Building other than a service animal performing a specified task.

8. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or permeate from its premises.

9. No space in the Building shall be used for the manufacture of goods for sale in the ordinary course of business, or for sale at auction of merchandise, goods or property of any kind.

10. No tenant, or employees of tenant, shall make any unseemly or disturbing noises or disturb or interfere with the occupants of this or neighboring buildings or residences by voice, musical instrument, radio, talking machines, or in any way. All passage through the Building's hallways, elevators, and main lobby shall be conducted in a quiet, business-like manner. Skateboarding, rollerblading and rollerskating shall not be permitted in the Building or in the common areas of the Project.

11. No tenant shall throw anything out of the doors, windows, or down corridors or stairs of the Building.

12. Tenant shall not place, install or operate on the Premises or in any part of the Project, any engine, stove or machinery or conduct mechanical operations or cook thereon or therein (except for coffee machine, microwave oven, toasters and/or vending machine), or place or use in or about the Premises or Project any explosives, gasoline, kerosene oil, acids, caustics or any other flammable, explosive, or hazardous material without prior written consent of Landlord.

13. No smoking is permitted in the Building, including but not limited to the Premises, rest rooms, hallways, elevators, stairs, lobby, exit and entrances vestibules, sidewalks, parking lot area except for the designated exterior smoking area. All cigarette ashes and butts are to be deposited in the containers provided for same, and not disposed of on sidewalks, parking lot areas, or toilets within the Building rest rooms.

14. Tenants are not to install any additional locks or bolts of any kind upon any door or window of the Building without prior written consent of Landlord. Each tenant must, upon the termination of tenancy, return to the Landlord all keys for the Premises, either furnished to or otherwise procured by such tenant, and all security access cards to the Building.

15. All doors to hallways and corridors shall be kept closed during business hours except as they may be used for ingress or egress.

16. Tenant shall not use the name of the Building, Project or Landlord in any way in connection with his business except as the address thereof. Landlord shall also have the right to prohibit any advertising by tenant, which, in its sole opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, tenant shall refrain from or discontinue such advertising.

17. Tenants must be responsible for all security access cards issued to them, and to secure the return of same from any employee terminating employment with them. Lost cards shall cost $35.00 per card to replace. No person/company other than Building tenants and/or their employees may have security access cards unless Landlord grants prior written approval.

18. All deliveries by vendors, couriers, clients, employees or visitors to the Building which involve the use of a hand cart, hand truck, or other heavy equipment or device must be made via the Freight Elevator, if such Freight Elevator exists in the Building. Tenant shall be responsible to Landlord for any loss or damage resulting from any deliveries made by or for tenant to the Building. Tenant shall procure and deliver a certificate of insurance from tenant's movers which certificate shall name Landlord as an additional insured.

19. Landlord reserves the right to inspect all freight to be brought into the Building, and to exclude from the Building all freight or other material which violates any of these rules and regulations.

20. Tenant will refer all contractors, contractor's representatives and installation technicians, rendering any service on or to the premises for tenant, to Landlord for Landlord's approval and supervision before performance of any contractual service or access to Building. This provision shall apply to all work performed in the Building including installation of telephones, telegraph equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building. Landlord reserves right to require that all agents of contractors/vendors sign in and out of the Building.

21. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not properly identify himself to Landlord's management or security personnel.

22. Landlord may require, at its sole option, all persons entering the Building after 6 PM or before 7 AM, Monday through Friday and at any time on Holidays, Saturdays and Sundays, to register at the time they enter and at the time they leave the Building.

23. No space within the Building, or in the common areas such as the parking lot, may be used at any time for the purpose of lodging, sleeping, or for any immoral or illegal purposes.

24. No employees or invitees of tenant shall use the hallways, stairs, lobby, or other common areas of the Building as lounging areas during “breaks” or during lunch periods.

25. No canvassing, soliciting or peddling is permitted in the Building or its common areas by tenants, their employees, or other persons.

26. No mats, trash, or other objects shall be placed in the public corridors, hallways, stairs, or other common areas of the Building.

27. Tenant must place all recyclable items of cans, bottles, plastic and office recyclable paper in appropriate containers provided by Landlord in each tenant’s space. Removal of these recyclable items will be by Landlord’s janitorial personnel.

28. Landlord does not maintain suite finishes which are non-standard, such as kitchens, bathrooms, wallpaper, special lights, etc. However, should the need arise for repair of items not maintained by Landlord, Landlord at its sole option, may arrange for the work to be done at tenant’s expense.

29. Drapes installed by tenant, which are visible from the exterior of the Building, must be cleaned by Tenant, at its own expense, at least once a year.

30. No pictures, signage, advertising, decals, banners, etc. are permitted to be placed in or on windows in such a manner as they are visible from the exterior, without the prior written consent of Landlord.

31. Tenant or tenant’s employees are prohibited at any time from eating or drinking in hallways, elevators, rest rooms, lobby or lobby vestibules.

32. Tenant shall be responsible to Landlord for any acts of vandalism performed in the Building by its employees, agents, invitees or visitors.

33. No tenant shall permit the visit to its Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, hallways, elevators, lobby or other public portions or facilities of the Building and exterior common areas by other tenants.

34. Landlord’s employees shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord. Requests for such requirements must be submitted in writing to Landlord.

35. Tenant agrees that neither tenant nor its agents, employees, licensees or invitees will interfere in any manner with the installation and/or maintenance of the heating, air conditioning and ventilation facilities and equipment.

36. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from tenant's area or common areas of the Project regardless of whether such loss occurs when area is locked against entry or not.

37. Landlord will not permit entrance to tenant's Premises by use of pass key controlled by Landlord, to any person at any time without written permission of tenant, except employees, contractors or service personnel supervised or employed by Landlord.

38. Tenant and its agents, employees and invitees shall observe and comply with the driving and parking signs and markers on the Building grounds and surrounding areas.

39. Tenant and its employees, invitees, agents, etc. shall not enter other separate tenants' hallways, restrooms or premises unless they have received prior approval from Landlord's management.

40. Tenant shall not use or permit the use of any portion of the Premises for outdoor storage.

****

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

WITNESS:

/s/ [ILLEGIBLE]

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

By: /s/ Daniel Palazzo
Name DANIEL PALAZZO
Title VICE PRESIDENT-ASSET MANAGER

ATTEST:

Name:
Title: Secretary

TENANT:
ACCOLADE, INC.

By: /s/ Thomas K. Spann
Name: THOMAS K. SPANN
Title: CEO

Exhibit 10.17

ORIGINAL

FOURTH AMENDMENT TO LEASE

This "Fourth Amendment to Lease" made and entered into this 10th day of August, 2011, by and between BRANDYWINE OPERATING PARTNERSHIP, L.P., hereinafter referred to as ("Landlord") and ACCOLADE, INC., hereinafter referred to as ("Tenant").

WHEREAS, Landlord leased certain premises consisting of 22,782 rentable square feet ("RSF") of space commonly referred to as Suite 300 ("Original Premises") located at 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Building"), to Tenant pursuant to that certain Lease dated February 22, 2007, as amended by First Amendment to Lease dated July 24, 2008, as amended by Second Amendment to Lease dated March 3, 2009 and as amended by Third Amendment to Lease dated August 5, 2010, hereinafter collectively referred to as "Lease"; and

WHEREAS, Tenant desires to expand the size of the Original Premises by adding an additional 7,835 RSF of space under the Lease;

NOW, THEREFORE, in consideration of these present and the agreement of each other, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease referred to therein and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this Fourth Amendment to Lease. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease. In the event of any inconsistency or conflict between the terms of the Lease as amended by First Amendment to Lease, Second Amendment to Lease, Third Amendment to Lease and this Fourth Amendment to Lease, the terms of this Fourth Amendment to Lease shall govern.

2. Lease of Additional Premises. The Lease is hereby amended to provide that Landlord hereby demises and lets unto Tenant, and Tenant hereby leases and hires from Landlord, all that certain space on the fourth floor of the Building (Suite 450) containing approximately 7,835 RSF of space (the "Additional Premises"), as shown on Exhibit "A", attached hereto and made a part hereof. The term of the Lease for the Additional Premises shall commence (the "Additional Premises Commencement Date") on the date which is the earlier of (i) when Tenant, with Landlord's prior consent, assumes possession of the Additional Premises for its Permitted Uses, or (ii) upon Substantial Completion (defined below) of the improvements required to be made by Landlord, under Article 3. Substantial Completion means that the initial improvements called for by this Fourth Amendment to Lease have been completed to the extent that the Additional Premises may be occupied by Tenant for its Permitted Use, subject only to completion of minor finishing, adjustment of equipment, and other minor construction aspects, and Landlord has procured a temporary or permanent certificate of occupancy permitting the occupancy of the Additional Premises, if required by law (hereafter, "Substantial Completion"). Tenant understands and acknowledges that Tenant's compliance with the Tele/Data requirements as set forth on Exhibit "B", attached hereto, is a prerequisite to Substantial Completion of Landlord's Work. Tenant covenants that it will comply in good faith with the terms of Exhibit "B". It is estimated that the Additional Premises Commencement Date shall be on or about December 1, 2011. It is the mutual intention of Landlord and Tenant that the Additional Premises shall be leased to and occupied by Tenant on and subject to all of the terms, covenants and conditions of the Lease except as otherwise expressly provided to the contrary in this Fourth Amendment to Lease, and to that end, Landlord and Tenant hereby agree that from and after the Additional Premises Commencement Date, the word "Premises", as defined in the Lease, shall mean and include both the Original Premises and the Additional Premises, containing a total of 30,617 RSF, unless the context otherwise requires.

3. Landlord's Work. Landlord, at Landlord's expense, shall construct and do such other work (collectively, the "Landlord's Work") in substantial conformity with the plans and outline specifications of the plan prepared by Meyer Design dated June 3, 2011, which have been initialed by the parties, and which are herein incorporated by reference. Tenant shall be required to approve of permitted plans and finish specifications within thirty

(30) days of receipt from Landlord. Landlord's Work shall be performed in accordance with generally accepted industry standards and in accordance with all applicable laws. Except for Tenant's Tele/Data requirement, Landlord, at Landlord's expense, shall obtain all other licenses and permits necessary to perform the Landlord's Work.

4. Term. The Lease Term for the Additional Premises shall commence on the Additional Premises Commencement Date as set forth in Article 2 above and shall terminate on June 30, 2021, coterminously with the Original Premises. The Additional Premises Commencement Date shall be confirmed by Landlord and Tenant by the execution of a Confirmation of Lease Term in the form attached hereto as Exhibit "C". If Tenant fails to execute or object to the Confirmation of Lease Term within ten (10) business days of its delivery to Tenant, Landlord's determination of such dates shall be deemed accepted.

5. Fixed Rent:

(a) Tenant shall not be required to pay Fixed Rent or Recognized Expenses, but shall be required to pay electricity/utility charges for the Additional Premises from the date Tenant occupies the Additional Premises through May 31, 2012.

(b) From and after June 1, 2012, Tenant shall pay to Landlord Fixed Rent for the Original Premises and the Additional Premises (30,617 RSF) as follows:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	FIXED RENT PER PERIOD
6/1/12 – 6/30/12	$ 16.62,*	$ 42,404.55	$ 42,404.55
7/1/12 – 6/30/13	$ 17.12,*	$ 43,680.25	$ 524,163.04
7/1/13-6/30/14	$ 17.62,*	$ 44,955.96	$ 539,471.54
7/1/14-6/30/15	$ 18.12,*	$ 46,231.67	$ 554,780.04
7/1/15-6/30/16	$ 18.62,*	$ 47,507.38	$ 570,088.54
7/1/16-6/30/17	$ 19.12,*	$ 48,783.09	$ 585,397.04
7/1/17-6/30/18	$ 19.62,*	$ 50,058.80	$ 600,705.54
7/1/18-6/30/19	$ 20.12,*	$ 51,334.50	$ 616,014.04
7/1/19-6/30/20	$ 20.62,*	$ 52,610.21	$ 631,322.54
7/1/20-6/30/21	$ 21.12,*	$ 53,885.92	$ 646,631.04

*plus electricity/utility charges and Additional Rent

(c) Notwithstanding anything in the Lease to the contrary, Tenant shall pay to Landlord without notice or demand, and without set-off, the annual Fixed Rent payable in the monthly installments of Fixed Rent as set forth above, in advance on the first day of each calendar month during the Term by (i) check sent to Landlord c/o Brandywine Realty Trust, P.O. Box 11951, Newark, NJ 07101-4951 or (ii) wire transfer of immediately available funds to the account at Wachovia Bank, Salem NJ account no. 2030000359075 ABA #031201467; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant. **All payments must include the**

following information: Building #580 and Lease # . The Lease number will be provided to Tenant in the Confirmation of Lease Term.

6. Tenant's Share. From and after the Additional Premises Commencement Date, Tenant's Share shall be 34.14%, which is 30,617 /89,681.

7. Representations: Landlord and Tenant each hereby confirm that (i) the Lease is in full force and effect and Tenant is currently in possession of the Original Premises and (ii) there are no defaults by Landlord or Tenant under the Lease.

8. Brokerage Commission Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal with any real estate broker or sales representative in connection with this proposed transaction except for Tornetta Realty Corporation. Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation.

9. Binding Effect. Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this Fourth Amendment to Lease, the term in the Fourth Amendment to Lease will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease as amended by Article 9 of the First Amendment to Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

11. Early Termination. The early termination right set forth in Article 11 of the Third Amendment to Lease also applies to the Additional Premises.

12. Renewal. The renewal right provision set forth in Article 12 of the Third Amendment to Lease also applies to the Additional Premises.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment to Lease the day and year first above written.

WITNESS:

/s/ [ILLEGIBLE]

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

By: /s/ Daniel Palazzo
Name DANIEL PALAZZO
Title VICE PRESIDENT-ASSET MANAGER

ATTEST:

/s/ [ILLEGIBLE]
Name:
Title: Secretary

TENANT:
ACCOLADE, INC.

By: /s/ Thomas K. Spann
Name: Thomas K. Spann
Title:

EXHIBIT “A”

SPACE PLAN OF ADDITIONAL PREMISES

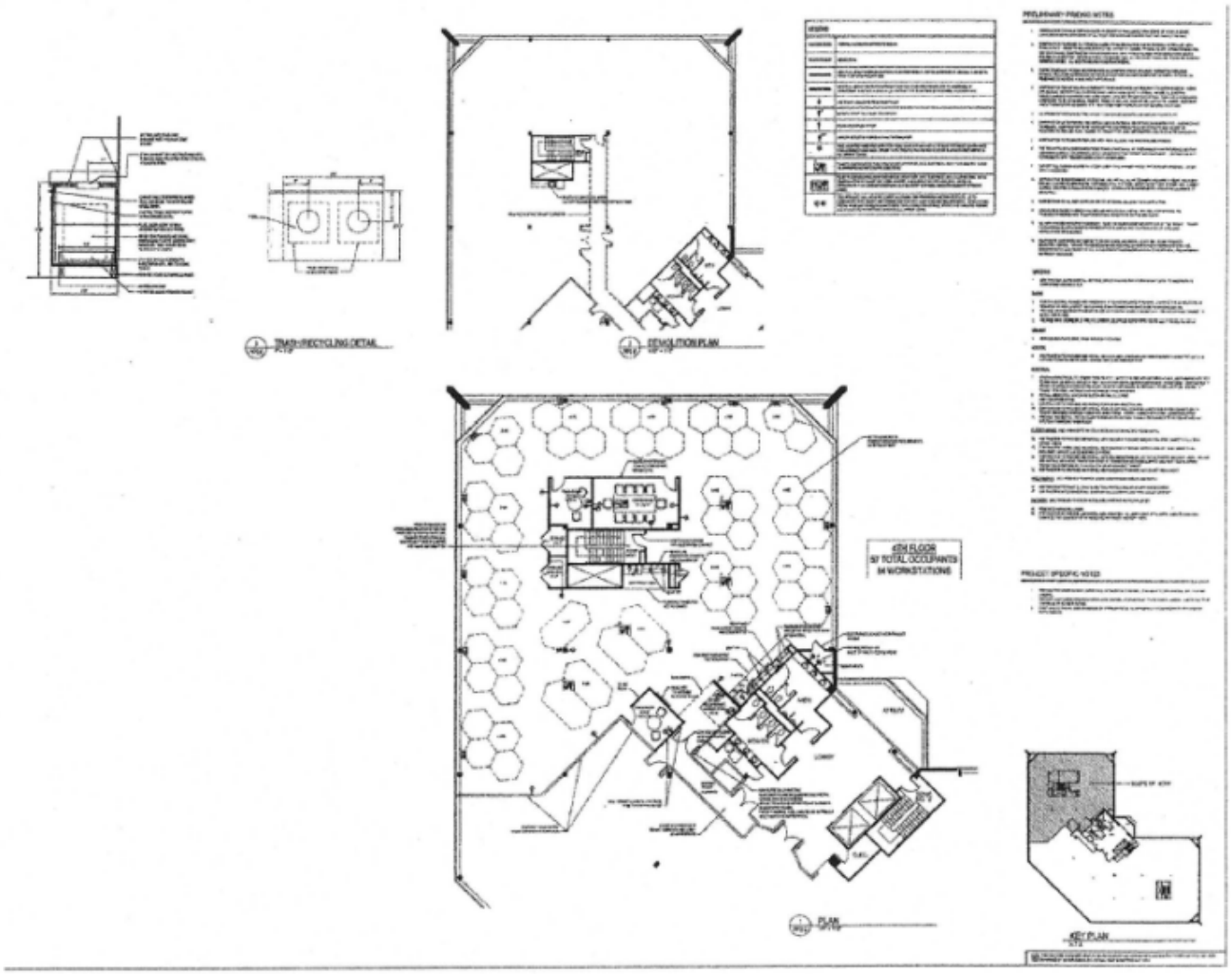


EXHIBIT “B”

TENANT’S TELE/DATA REQUIREMENTS:

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant no later than four (4) weeks after signing the Amendment or sooner if mutually agreed by Landlord and Tenant.

EXHIBIT “C”

Tenant: ACCOLADE, INC.
Additional Premises: Suite 450, 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462
Square Footage of Additional Premises: 7,835 RSF

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of the day of , 20 , between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, with an office at 555 East Lancaster Avenue, Suite 100, Radnor, PA 19087 (“Landlord”) and ACCOLADE, INC., a Delaware corporation (“Tenant”), with a principal place of business at , who executed a Fourth Amendment to Lease dated for reference purposes as of , 2011, covering certain premises located at Suite 450, 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania.

All capitalized terms, if not defined herein, shall be defined as they are defined in the Fourth Amendment to Lease.

1. The Parties to this Memorandum hereby agree that the date of , 2011 is the “Additional Premises Commencement Date” and the date June 30, 2021 is the expiration date of the Lease.

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the Additional Premises pursuant to the terms of the Fourth Amendment to Lease;

(b) That any improvements, including any Landlord’s Work required to be furnished according to the Fourth Amendment to Lease by Landlord have been Substantially Completed;

(c) That Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Fourth Amendment to Lease;

(d) That there are no offsets or credits against rentals, and the $182,331.94 Security Deposit has been paid;

(e) That there is no default by Landlord or Tenant under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that its Building Number is 580 and its Lease Number is . This information must accompany each Rent check or wire payment.

4. Tenant's Notice Address is:

Accolade, Inc.
600 W. Germantown Pike, Suite 300
Plymouth Meeting, PA 19462

Tenant's Billing Address is:

5. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

WITNESS:

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

_____

By: _____
Name
Title

ATTEST:

TENANT:
ACCOLADE, INC.

_____

By: _____
Name:
Title: Secretary

Name:
Title:

Exhibit 10.18

FIFTH AMENDMENT TO LEASE

This "Fifth Amendment to Lease" made and entered into this 31st day of January, 2012, by and between BRANDYWINE OPERATING PARTNERSHIP, L.P., hereinafter referred to as ("Landlord") and ACCOLADE, INC., hereinafter referred to as ("Tenant").

WHEREAS, Landlord leases certain premises consisting of 30,617 rentable square feet of space commonly referred to as Suites 300 and 450 ("Premises") located at 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Building"), to Tenant pursuant to that certain Lease dated February 22, 2007, as amended by First Amendment to Lease dated July 24, 2008, as amended by Second Amendment to Lease dated March 3, 2009, as amended by Third Amendment to Lease dated August 5, 2010, and as amended by Fourth Amendment to Lease dated August 10, 2011, hereinafter collectively referred to as "Lease";

WHEREAS, Tenant desires to install a generator at the Building;

WHEREAS, Landlord agrees to Tenant's installation of a generator at the Building on the terms and conditions set forth herein; and

WHEREAS, Landlord and Tenant wish to amend the Lease as follows;

NOW, THEREFORE, in consideration of these present and the agreement of each other, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease referred to therein and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this Fifth Amendment to Lease. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Lease. In the event of any inconsistency or conflict between the terms of the Lease as amended by First Amendment to Lease, Second Amendment to Lease, Third Amendment to Lease, Fourth Amendment to Lease, and this Fifth Amendment to Lease, the terms of this Fifth Amendment to Lease shall govern.

2. Generator. Tenant, at Tenant's sole expense, may install a generator at the Building ("Tenant's Work") in the location reflected on Exhibit "A", attached hereto and made a part hereof. In Performing the Tenant's Work, Tenant shall comply with the following provisions:

(i) Tenant shall first obtain the approval of Landlord of the specific work it proposes to perform and shall furnish Landlord with reasonably detailed plans and specifications;

(ii) Tenant and/or Tenant's contractor must secure all permits from the township. A copy of the permits and the final, approved inspection must be promptly provided to Landlord;

(iii) The Tenant's Work shall be performed by responsible contractors and subcontractors who shall not prejudice Landlord's relationship with Landlord's contractors or subcontractors or the relationship between such contractors and their subcontractors or employees, or disturb harmonious labor relations in the Building (picketers of the Tenant's Work shall not be deemed to be disturbing harmonious relations in the Building), and who shall furnish in advance and maintain in effect workmen's compensation insurance in accordance with statutory requirements and comprehensive public liability insurance (naming Landlord and Landlord's contractors and subcontractors as additional insureds) with limits satisfactory to Landlord;

(iv) No such work shall be performed in such manner or at such times as to cause any delay in connection with any work being done by any of the Landlord's contractors or subcontractors in the Premises or in the Building generally;

(v) All construction contractors for Tenant's Work have agreed in writing to language holding the Landlord harmless from and against any and all claims arising from, under or in connection with such construction; and

(vi) Tenant and its contractors and subcontractors shall be solely responsible for the transportation, safekeeping and storage of materials and equipment used in the performance of such work, for the removal of waste and debris resulting therefrom, and for any damage caused by them to any installations or work performed by Landlord's contractors and subcontractors.

3. Generator Removal. Unless both parties agree otherwise at or before the expiration or earlier termination of the Lease, Tenant shall remove and retain the generator at the expiration or earlier termination of the Lease. Tenant's installation and removal of the generator shall be accomplished in a good and workmanlike manner so as not to damage the Premises or Building and in such manner so as not to disturb other tenants in the Building. Upon Tenant's removal of the generator, Tenant shall restore the location of the generator to good order and condition.

4. Maintenance of Generator. Tenant, at its sole cost and expense and throughout the Term of the Lease, shall keep and maintain the generator in good order and condition (including complying with all maintenance requirements as recommended by the manufacturer) and shall promptly make all repairs necessary to keep and maintain the generator in good order and condition. Upon Landlord's request, Tenant shall provide Landlord with maintenance documentation.

5. Indemnification. Tenant agrees to indemnify, defend and hold harmless Landlord from and against any claims, loss, expense (including in-house and outside counsel fees) for damage incurred or suffered by Landlord, by reasons directly or indirectly arising out of, caused (in whole or part) by, or in any way connected with Tenant's generator.

6. Brokerage Commission. Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal, with any real estate broker or sales representative in connection with this proposed transaction. Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation.

7. Binding Effect. Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this Fifth Amendment to Lease, the term in the Fifth Amendment to Lease will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease as amended by Article 9 of the First Amendment to Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Fifth Amendment to Lease the day and year first above written.

WITNESS:

/s/ [ILLEGIBLE]

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

By: /s/ Daniel Palazzo
Name DANIEL PALAZZO
Title VICE PRESIDENT-ASSET MANAGER

ATTEST:

/s/ John D. Rollins
Name: John D. Rollins
Title: Secretary

TENANT:
ACCOLADE, INC.

By: /s/ Jeff Smith
Name: Jeff Smith
Title: CFO

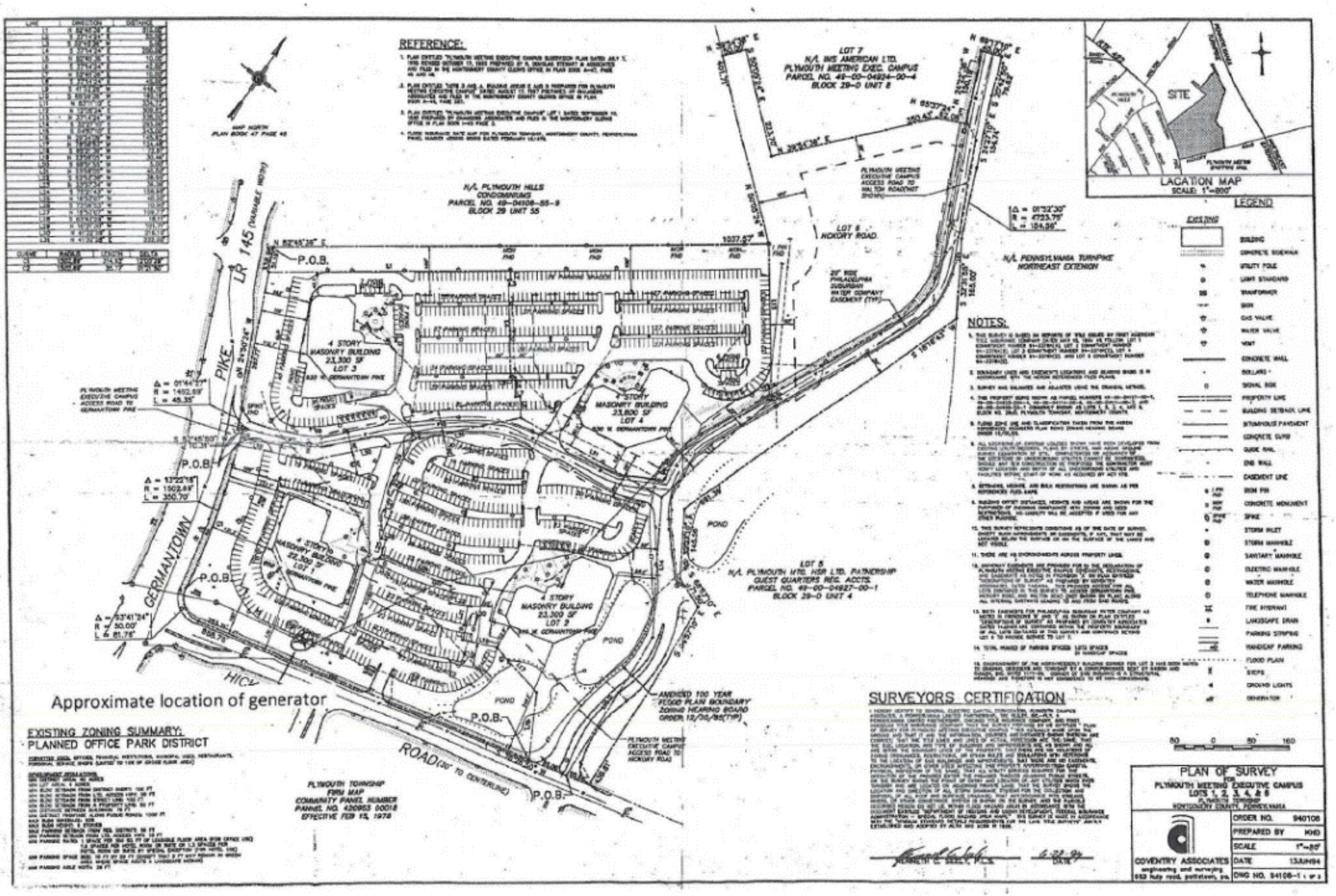

REFERENCE:
LOCATION MAP
SCALE: 1"=800'
SITE
LEGEND
NOTES:
SURVEYORS CERTIFICATION
EXISTING ZONING SUMMARY:
PLANNED OFFICE PARK DISTRICT
Approximate location of generator
N/L PLYMOUTH HILLS CONDOMINIUMS PARCEL NO. 49-04938-55-9 BLOCK 29 UNIT 55
LOT 7 N/L IMS AMERICAN LTD. PLYMOUTH MEETING EXEC. CAMPUS PARCEL NO. 49-00-04824-00-4 BLOCK 29-0 UNIT 8
LOT 6 HICKORY ROAD
N/L PENNSYLVANIA TURNPIKE NORTHEAST EXTENSION
LOT 5 N/L PLYMOUTH MTG. HSR LTD. PARTNERSHIP GUEST QUARTERS REG. ACCTS. PARCEL NO. 49-00-04827-00-1 BLOCK 29-0 UNIT 4
4 STORY MASONRY BUILDING 23,300 SF LOT 3
4 STORY MASONRY BUILDING 23,800 SF LOT 4
4 STORY MASONRY BUILDING 23,300 SF LOT 2
4 STORY MASONRY BUILDING 22,300 SF LOT 1
GERMANTOWN PIKE (VARIABLE WIDTH)
LR 145
HICKORY ROAD (30' TO CENTERLINE)
POND
P.O.B.
AMENDED 100 YEAR FLOOD PLAIN BOUNDARY ZONING HEARING BOARD ORDER 12/20/82(TYP)
PLYMOUTH TOWNSHIP FIRM MAP COMMUNITY PANEL NUMBER PANNEL NO. 420953 0001B EFFECTIVE FEB 15, 1978
PLAN OF SURVEY
FOR
PLYMOUTH MEETING EXECUTIVE CAMPUS
LOTS 1, 2, 3, 4, & 5
PLYMOUTH TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA
COVENTRY ASSOCIATES
engineering and surveying
653 holly road, pottstown, pa.
ORDER NO. 940108
PREPARED BY KHD
SCALE 1"=80'
DATE 13JUN94
DWG NO. 94108-1

Exhibit 10.19

ORIGINAL

SIXTH AMENDMENT TO LEASE

This Sixth Amendment to Lease ("Amendment") made and entered into this 7th day of March, 2012, between and among BRANDYWINE OPERATING PARTNERSHIP, L.P. ("Landlord") and ACCOLADE, INC. ("Tenant").

WHEREAS, Landlord leases certain premises consisting of 30,617 rentable square feet ("RSF") of space commonly referred to as Suites 300 and 450 (collectively, "Original Premises") located at 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Original Building"), to Tenant pursuant to that certain Lease dated February 22, 2007, as amended by First Amendment to Lease dated July 24, 2008, as amended by Second Amendment to Lease dated March 3, 2009, as amended by Third Amendment to Lease dated August 5, 2010, as amended by Fourth Amendment to Lease dated August 10, 2011 and as amended by Fifth Amendment to Lease dated January 31, 2012, hereinafter collectively referred to as "Lease";

WHEREAS, all references in the Lease to the Building shall refer to the New Building unless expressly stated otherwise;

WHEREAS, Landlord and Tenant wish to relocate Tenant from the Original Premises to the New Premises (defined below) on the terms set forth herein and in the Lease; and

NOW, THEREFORE, in consideration of these presents, the agreement of each other and intending to be legally bound hereby, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease, and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this Amendment. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Lease.

2. Lease of New Premises.

(a) The Lease is hereby amended to provide that Landlord hereby demises and lets unto Tenant, and Tenant hereby leases and hires from Landlord, a total of 89,878 RSF of space ("New Premises"), located on the third, fourth and fifth floors of 660 W. Germantown Pike, Plymouth Meeting, PA 19462 ("New Building"), as shown on Exhibits "A-1", "A-2" and "A-3", attached hereto and made a part hereof. The breakdown of the New Premises is as follows: (a) 30,836 RSF of space will be located on the third floor of the Building ("Third Floor Space"), (b) 31,446 RSF of space will be located on the fourth floor of the Building ("Fourth Floor Space") and (c) 27,596 RSF of space will be located on the fifth floor of the Building ("Fifth Floor Space"). The New Premises shall collectively be known as Suite 500 for mailing and notice purposes. Tenant shall determine, in its sole discretion, and shall notify Landlord of such determination in writing no later than March 7, 2012, of the order in which the Third Floor Space, Fourth Floor Space, and Fifth Floor Space shall be substantially completed and delivered to Tenant.

(b) The term of the Lease for the initial floor of the New Premises to be occupied by Tenant ("Initial Floor Space") shall commence ("Initial Floor Space Commencement Date") on the date which is the earlier of (i) when Tenant, with Landlord's prior consent, assumes possession of the Initial Floor Space for its Permitted Uses, or (ii) upon substantial completion of the improvements required to be made to the Initial Floor Space by Landlord under Article 3(a). It is estimated that the Initial Floor Space Commencement Date shall be on or about July 1, 2012. So long as this Amendment is signed by Tenant by March 7, 2012, and the Milestones as referenced in Article 3(b) are met, and absent any Tenant's Delay or force majeure event, if the Initial Floor Space Commencement Date does not occur by July 1, 2012, Tenant shall be entitled to a day for day Fixed Rent abatement for the Initial Floor Space for each day after July 1, 2012 until the Initial Floor Space Commencement Date occurs. Such abatement shall automatically apply to the first date following any free Fixed Rent period for the Initial Floor Space.

(c) The term of the Lease for the second floor of the New Premises to be occupied by Tenant

(i.e., the floor that Tenant occupies directly after the Initial Floor Space) ("Subsequent Floor Space") shall commence ("Subsequent Floor Space Commencement Date") on the date which is the earlier of (i) when Tenant, with Landlord's prior consent, assumes possession of the Subsequent Floor Space for its Permitted Uses, or (ii) upon substantial completion of the improvements required to be made to the Subsequent Floor Space by Landlord under Article 3(a). It is estimated that the Subsequent Floor Space Commencement Date shall be on or about September 1, 2012. So long as this Amendment is signed by Tenant by March 7, 2012, and the Milestones as referenced in Article 3(b) are met, and absent any Tenant's Delay or force majeure event, if the Subsequent Floor Space does not occur by September 1, 2012, Tenant shall be entitled to a day for day Fixed Rent abatement for the Subsequent Floor Space for each day after September 1, 2012 until the Subsequent Floor Space Commencement Date occurs. If the Subsequent Floor Space is still not substantially completed by September 30, 2012, Tenant shall be entitled to a two day Fixed Rent abatement for the Subsequent Floor Space for each day after September 30, 2012 until the Subsequent Floor Space Commencement Date occurs. Such abatement shall automatically apply to the first date following any free Fixed Rent period for the Subsequent Floor Space.

(d) The term of the Lease for the final floor of the New Premises to be occupied by Tenant ("Final Floor Space") shall commence ("Final Floor Space Commencement Date") on the date which is the earlier of (i) when Tenant, with Landlord's prior consent, assumes possession of the Final Floor Space for its Permitted Uses, or (ii) upon substantial completion of the improvements required to be made to the Final Floor Space by Landlord under Article 3(a). It is estimated that the Final Floor Space Commencement Date shall be on or about March 1, 2013.

(e) Tenant and its authorized agents, employees and contractors, shall have the right, at Tenant's own risk, expense and responsibility, at all reasonable times (to be coordinated with Landlord) two weeks prior to the Initial Floor Space Commencement Date, the Subsequent Floor Space Commencement Date and the Final Floor Space Commencement Date, whichever applies, to enter the relevant floor of the New Premises for the purpose of taking measurements and installing its furnishings, data and communications lines, fixtures and equipment.

(f) Substantial completion means that the initial improvements called for by this Amendment have been completed to the extent that the Initial Floor Space, Subsequent Floor Space or Final Floor Space, whichever is applicable, may be occupied by Tenant for its Permitted Uses, subject only to completion of minor finishing, adjustment of equipment, and other minor construction aspects which do not interfere with Tenant's access to the applicable space of the New Premises for its Permitted Uses, and Landlord has procured a temporary or permanent certificate of occupancy permitting the occupancy of Initial Floor Space, Subsequent Floor Space or Final Floor Space, whichever is applicable, if required by law (hereafter, "substantial completion").

(g) The expiration date of the Lease for the New Premises shall be on the last day of the calendar month, one hundred and eighty (180) months following the Initial Floor Space Commencement Date.

(h) It is the mutual intention of Landlord and Tenant that the New Premises shall be leased to and occupied by Tenant on and subject to all of the terms, covenants and conditions of the Lease except as otherwise expressly provided to the contrary in this Amendment.

(i) On or before eight (8) months following the Initial Floor Space Commencement Date (estimated to be on or about February 28, 2013), Tenant shall surrender the Original Premises in the condition required under the Lease. Upon Tenant's delivery of the Original Premises to Landlord in accordance with the requirements of the Lease, Landlord shall release any claims that it may have against Tenant with respect to any matters arising under the Lease relating to the Original Premises or the Original Building except for any Rent due for the period prior to the date that Tenant surrenders the Original Premises that has not yet been invoiced or billed or claims that may hereafter arise for indemnification with respect to injury to persons or property relating to the Original Premises or Original Building occurring on or prior to the date of Tenant's delivery of the Original Premises to Landlord in accordance with the requirements of the Lease. Upon Tenant's delivery of the Original Premises to Landlord in accordance with the requirements of the Lease, Tenant shall release any claims that it may have against Landlord with respect to any matters arising under the Lease relating to the Original Premises or the

Original Building, other than claims that may arise for indemnification with respect to injury to persons or property relating to the Original Premises or the Original Building occurring on or prior to the date of Tenant's delivery of the Original Premises to Landlord in accordance with the requirements of the Lease.

(j) Following the dual execution of this Amendment, Landlord shall market the Original Premises for lease to a new tenant. Should Landlord sign a lease with a new tenant for the Original Premises and construction is required to prepare the Original Premises for the new tenant's occupancy, then Landlord's Work to the Initial Floor Space, the Subsequent Floor Space and/or the Final Floor Space, at Landlord's option, shall be accelerated in accordance with Landlord's need to commence its work at the Original Premises. In this situation, the Final Floor Space shall be substantially completed by Landlord before Tenant is required to vacate the Original Premises.

(k) The Initial Floor Space Commencement Date, the Subsequent Floor Space Commencement Date, the Final Floor Space Commencement Date and the date that the Lease expires shall be confirmed by Landlord and Tenant by the execution of a Confirmation of Lease Term in the form attached hereto as Exhibit "B". If Tenant fails to execute or object to the Confirmation of Lease Term within ten (10) business days of its delivery, Landlord's determination of such dates shall be deemed accepted.

3. Landlord's Work.

(a) Landlord shall construct and do such other work (collectively, the "Landlord's Work") in substantial conformity with the plans and outline specifications of the plans prepared by and dated , which will be attached hereto, made a part hereof and collectively marked as Exhibit "C-1". Landlord shall only be responsible for payment of a maximum cost of $34.00 per rentable square foot for the design and construction of Landlord's Work (the "Landlord Allowance"). All costs of the Landlord's Work in excess of the Landlord Allowance shall be borne by Tenant, and shall be paid to Landlord within thirty (30) days of delivery of an invoice and reasonable documentation therefor. Should Landlord not require usage of the full amount of the Landlord Allowance in the performance of Landlord's Work, Tenant may choose to use up to $5.00 per RSF of any excess Landlord Allowance for the purchase of architectural fees, furniture, fixtures and equipment or towards the cost of Tenant's relocation from the Original Premises to the New Premises. No portion of any excess Landlord Allowance may be applied to Rent. Any excess Landlord Allowance used by Tenant for the purchase of architectural fees, furniture, fixtures and equipment or towards its relocation shall be paid to Tenant within 30 days of written request by Tenant but not sooner than the Initial Floor Space Commencement Date, but in any event shall be requested within six (6) months of the Final Floor Space Commencement Date or forfeited. Any excess Landlord Allowance shall be reimbursed to Tenant upon submission to Landlord of reasonable paid invoices. In addition to the Landlord's Work, the New Building and the New Premises shall be delivered to Tenant with the "Base Building Conditions" as set forth on Exhibit "C-2", attached hereto and made a part hereof. Tenant may request that Landlord use overtime labor to complete the Landlord's Work and/or the Base Building Conditions so long as Tenant pays for the increased costs to be incurred by Landlord for such overtime labor.

(b) Tenant's construction approval dates ("Milestones") are as follows:

(i) Tenant shall approve preliminary plans for the Initial Floor Space by February 29, 2012 (*Landlord acknowledges that the preliminary plans for the Initial Floor Space were approved by Tenant on February 29, 2012*);

(ii) Tenant shall approve preliminary plans for the Subsequent Floor Space by March 30, 2012, unless Landlord signs a lease with a new tenant for the Original Premises, in which case, Tenant shall approve preliminary plans for the Subsequent Floor Space within five (5) business days of Landlord's written notice to Tenant of such new lease for the Original Premises;

(iii) Tenant shall approve permitted plans for the Initial Floor Space by March 15, 2012 and permitted plans for the Subsequent Floor Space by April 15, 2012;

(iv) Tenant shall approve permitted plans for the Final Floor Space by the 120th day prior to the desired occupancy date of the Final Floor Space, but in no event later than November 30, 2012;

(v) Tenant shall deliver to Landlord signed/sealed Tele/Data plans for the Initial Floor Space by March 15, 2012 and signed/sealed Tele/Data plans for the Subsequent Floor Space by April 15, 2012. Tenant understands and acknowledges that its compliance with the Tele/Data requirements as set forth on Exhibit "D", attached hereto is a prerequisite to the substantial completion of Landlord's Work for the Initial Floor Space (and for the Subsequent Floor Space should Landlord sign a lease with a new tenant for the Original Premises). Tenant covenants that it will comply in good faith with the terms of Exhibit "D"; and

(vi) Tenant shall deliver to Landlord its finish specifications by March 15, 2012.

If Tenant misses any of the Milestones referenced in this Article 3(b), then notwithstanding anything to the contrary contained in Article 2, the date of the Final Floor Space Commencement Date shall be on March 1, 2013, the date of the Initial Floor Space Commencement Date shall be on July 1, 2012 and the date of the Subsequent Floor Space Commencement Date shall be on September 1, 2012; however, the dates in this paragraph are subject to change should Landlord require to enter the Original Premises earlier than the date intended herein due to Landlord executing a lease with a new tenant and needing to perform construction to the Original Premises. If Tenant misses any, of the Milestones referenced in this Article 3(b), then the Fixed Rent abatements referenced in Article 2(b) and (c) shall no longer be available to Tenant under this Amendment with respect to the specific floor or floors in which the Milestone or Milestones were missed.

(c) If any material revision or supplement to Landlord's Work is deemed necessary by Landlord, those revisions and supplements shall be submitted to Tenant for approval, which approval shall not be unreasonably withheld or delayed. If Landlord shall be delayed in such "substantial completion" as a result of (i) Tenant's request for materials, finishes or installations other than Landlord's standard; (ii) Tenant's changes in said plans; (iii) the performance or completion of any work, labor or services by a party employed by Tenant; (iv) Tenant's failure to approve final plans, working drawings or reflective ceiling plans within the time frame stated by Landlord in its reasonable discretion; or (v) Tenant's failure to meet any of the Milestones referenced in Article 3(b) above (each, a "Tenant's Delay"); then the Initial Floor Space Commencement Date, the Subsequent Floor Space Commencement Date, and/or the Final Floor Space Commencement Date, whichever is/are applicable and the payment of Fixed Rent hereunder shall be accelerated by the number of days of such delay. If any change, revision or supplement to the scope of Landlord's Work is requested by Tenant, then such increased costs associated with such requested change over and above the Landlord Allowance shall be paid by Tenant upfront and such occurrence shall not change the Initial Floor Space Commencement Date, the Subsequent Floor Space Commencement Date, and/or the Final Floor Space Commencement Dale, whichever is/are applicable, and shall not alter Tenant's obligations under the Lease. Notwithstanding anything to the contrary stated in Article 2(b), (c) or (d) above, the Initial Floor Space Commencement Date, the Subsequent Floor Space Commencement Date, and/or the Final Floor Space Commencement Date, whichever is/are applicable, shall commence on the date the Initial Floor Space, the Subsequent Floor Space and/or the Final Floor Space would have been delivered to Tenant but for Tenant's Delay or Tenant's change order. Landlord's Work constitutes an Alteration under Article 8 of the Lease.

4. Fixed Rent.

(a) Tenant shall pay to Landlord Fixed Rent for the Initial Floor Space as follows. Month 1 in this Article 4(a) commences on the Initial Floor Space Commencement Date and Month 180 in this Article 4(a) expires on the last day of the 180th calendar month following the Initial Floor Commencement Date:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	ANNUAL FIXED RENT
Months 1-12	$ 0.00	$ 0.00	$ 0.00
Months 13-24	$ 28.00	$ 73,374.00	$ 880,488.00
Months 25-36	$ 28.56	$ 74,841.48	$ 898,097,76
Months 37-48	$ 29.13	$ 76,335.17	$ 916,021.98
Months 49-60	$ 29.71	$ 77,855.06	$ 934,260.66
Months 61-72	$ 30.30	$ 79,401.15	$ 952,813.80
Months 73-84	$ 30.91	$ 80,999.66	$ 971,995.86
Months 85-96	$ 31.53	$ 82,624.37	$ 991,492.38
Months 97-108	$ 32.16	$ 84,275.28	$ 1,011,303.30
Months 109-120	$ 32.80	$ 85,952.40	$ 1,031,428.80
Months 121-132	$ 33.46	$ 87,681.93	$ 1,052,183.10
Months 133-144	$ 34.13	$ 89,437.66	$ 1,073,251.90
Months 145-156	$ 34.81	$ 91,219.60	$ 1,094,635.20
Months 157-168	$ 35.51	$ 93,053.95	$ 1,116,647.40
Months 169-180	$ 36.22	$ 94,914.51	$ 1,138,974.10

Tenant shall only be required to pay for electricity and gas utilities for the Initial Floor Space during Months I to 12. Commencing on Month 13 until the expiration of the Lease, Tenant shall be required to pay for utility charges pursuant to Article 5 herein and Recognized Expenses pursuant to Article 6 herein.

(b) Tenant shall pay to Landlord Fixed Rent for the Subsequent Floor Space as follows. Month 1 in this Article 4(b) commences on the Subsequent Floor Space Commencement Date and (notwithstanding anything to the contrary contained herein) Month 180 in this Article 4(b) expires on the last day of the 180th calendar month following the Initial Floor Commencement Date:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	ANNUAL FIXED RENT
Months 1-12	$ 0.00	$ 0.00	$ 0.00
Months 13-24	$ 28.00	$ 64,390.67	$ 772,688.00
Months 25-36	$ 28.56	$ 65,678.48	$ 788,141.76
Months 37-48	$ 29.13	$ 66,989.29	$ 803,871.48
Months 49-60	$ 29.71	$ 68,323.10	$ 819,877.16
Months 61-72	$ 30.30	$ 69,679.90	$ 836,158.80
Months 73-84	$ 30.91	$ 71,082.70	$ 852,992.36
Months 85-96	$ 31.53	$ 72,508.49	$ 870,101.88
Months 97-108	$ 32.16	$ 73,957.28	$ 887,487.36
Months 109-120	$ 32.80	$ 75,429.07	$ 905,148.80
Months 121-132	$ 33.46	$ 76,946.85	$ 923,362.16
Months 133-144	$ 34.13	$ 78,487.62	$ 941,851.48
Months 145-156	$ 34.81	$ 80,051.40	$ 960,616.76
Months 157-168	$ 35.51	$ 81,661.16	$ 979,933.96
Months 169-180	$ 36.22	$ 83,293.93	$ 999,527.12

Tenant shall only be required to pay for electricity and gas utilities for the Subsequent Floor Space during the first 12 months following the substantial completion of the Subsequent Floor Space. Commencing on the 13th month following the commencement of the Subsequent Floor Space, Tenant shall pay for utility charges pursuant to Article 5 herein and Recognized Expenses pursuant to Article 6 herein.

(c) Tenant shall pay to Landlord Fixed Rent for the Final Floor Space as follows. Month 180 in this Article 4(c) expires on the last day of the 180th calendar month following the Initial Floor Commencement Date:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	ANNUAL FIXED RENT
3/1/13*-2/28/14	$ 0.00	$ 0.00	$ 0.00
3/1/14-6/30/14	$ 28.00	$ 71,950.67	$ 863,408.00
7/1/14-6/30/15	$ 28.56	$ 73,389.68	$ 880,676.16
7/1/15-6/30/16	$ 29.13	$ 74,854.39	$ 898,252.68
7/1/16-6/30/17	$ 29.71	$ 76,344.80	$ 916,137.56
7/1/17-6/30/18	$ 30.30	$ 77,860.90	$ 934,330.80
7/1/18-6/30/19	$ 30.91	$ 79,428.40	$ 953,140.76
7/1/19-6/30/20	$ 31.53	$ 81,021.59	$ 972,259.08
7/1/20-6/30/21	$ 32.16	$ 82,640.48	$ 991,685.76
7/1/21-6/30/22	$ 32.80	$ 84,285.07	$ 1,011,420.80
7/1/22-6/30/23	$ 33.46	$ 85,981.04	$ 1,031,772.50
7/1/23-6/30/24	$ 34.13	$ 87,702.72	$ 1,052,432.60
7/1/24-6/30/25	$ 34.81	$ 89,450.09	$ 1,073,401.10
7/1/25-6/30/26	$ 35.51	$ 91,248.86	$ 1,094,986.30
7/1/26-Month 180	$ 36.22	$ 93,073.33	$ 1,116,879.90

Tenant shall only be required to pay for electricity and gas utility charges for the Final Floor Space between Tenant's occupancy of the Final Floor Space (* which is subject to change should Landlord require Tenant to move into the Final Floor Space prior to March 1, 2013 to commence construction for a new tenant of the Original Premises) and February 28, 2014. Commencing on March 1, 2014 and continuing until the expiration of the Lease, Tenant shall pay for utility charges pursuant to Article 5 herein and Recognized Expenses pursuant to Article 6 herein.

(d) Tenant shall pay to Landlord without notice or demand, and without set-off, the annual Fixed Rent payable in the monthly installments of Fixed Rent as set forth above, in advance on the first day of each calendar month during the term of the Lease for the New Premises by (i) check sent to Landlord c/o Brandywine Realty Trust, P.O. Box 11951, Newark, NJ 07101-4951 or (ii) wire transfer of immediately available funds to the account at Wells Fargo Bank, Salem NJ account no. 2030000359075 ABA #031201467; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant. **All payments must include the following information: Building #586 and Lease #** . The Lease number will be provided to Tenant by Landlord within a reasonable period of time following the execution of this Amendment.

(e) Notwithstanding anything to the contrary contained in this Amendment, Tenant shall remain obligated to pay Rent for the Original Premises for the first eight months following the Initial Floor Commencement Date.

5. Utilities. Article 5 of the Lease is hereby deleted and replaced with the following:

Landlord shall not be liable for any interruption or delay in electric or any other utility service for any reason unless caused by the negligence or willful misconduct of Landlord (or any third party acting on behalf of the Landlord). Landlord shall have the right, upon not less than thirty (30) days advanced written notice to Tenant, to change the electric, water, sewer, gas and other utility providers to the Project or New Building at any time, so long as any new provider is of the same commercially reasonable quality as the previous utility provider, and such change does not unreasonably disrupt Tenant's business operations. Unless specifically set forth to the contrary in this Amendment, Tenant shall pay to Landlord, as Additional Rent all charges incurred by Landlord, or its agent for electricity, water, sewer and gas; such charges for electricity to the New Premises shall be measured by meters installed by Landlord as a part of the Base Building Conditions as outlined in Exhibit "C-2" (two (2) meters per floor), such charges for the New Premises water, sewer and gas shall be based upon Tenant's Share and such charges for the New Building's common areas shall be based on Tenant's Share. The aforesaid electricity charges shall commence upon occupancy by Tenant of the New Premises. Landlord shall have the right to estimate the above referenced charges but shall be required to reconcile on an annual basis based on invoices received for such period. Notwithstanding anything to the contrary in the Lease, utility charges are not included as a Recognized Expenses under Article 6 of this Amendment.

6. Additional Rent. Article 4 of the Lease is hereby deleted and replaced with the following:

(a) Commencing on January 1, 2014, and in each calendar year thereafter during the term of the Lease, Tenant shall pay in advance on a monthly basis to Landlord, Tenant's Share of the "Recognized Expenses", without deduction, counterclaim or setoff, to the extent such Recognized Expenses exceed the Recognized Expenses in calendar year 2013 ("Base Year"). Tenant's Share of the Third Floor Space is 19.97%, which is 30,836/154,392, which Share may increase or decrease as the Building size increases or decreases. Tenant's Share of the Fourth Floor Space is 20.37%, which is 31,446/154,392, which Share may increase or decrease as the Building size increases or decreases. Tenant's Share of the Fifth Floor Space is 17.87%, which is 27,596/154,392, which Share may increase or decrease as the Building size increases or decreases. Tenant's Share of the New Premises (inclusive of the amounts for each of the spaces listed herein) is 58.21%, which is 89,878/154,392, which Share may increase or decrease as the New Building size increases or decreases. Recognized Expenses are (i) all reasonable operating costs and expenses related to the maintenance, operation and repair of the New Building incurred by Landlord, including but not limited to management and general administrative payroll fees not to exceed five (5%) percent of Rent; and capital expenditures and capital repairs and replacements shall be included as operating expenses solely to the extent

of the amortized costs of same over the useful life of the improvement in accordance with generally accepted accounting principles such useful life not to exceed five (5) years; (ii) all insurance premiums payable by Landlord for insurance with respect to the Project and (iii) Taxes payable on the Project (To the extent charges are incurred to the Project, such charges shall be equitably allocated to the New Building and thereafter to the Tenant, bases on Tenant's Share). Taxes shall be defined as all taxes, assessments and other governmental charges ("Taxes"), including special assessments for public improvements or traffic districts which are levied or assessed against the Project during the Term or, if levied or assessed prior to the Term, which properly are allocable to the Term, and real estate tax appeal expenditures incurred by Landlord to the extent of any reduction resulting thereby. Nothing herein contained shall be construed to include as Taxes: (A) any inheritance, estate, succession, transfer, gift, franchise, corporation, net income or profit tax or capital levy that is or may be imposed upon Landlord or (B) any transfer tax or recording charge resulting from a transfer of the Building or the Project; provided, however, that if at any time during the Term the method of taxation prevailing at the commencement of the Term shall be altered so that in lieu of or as a substitute for the whole or any part of the taxes now levied, assessed or imposed on real estate as such there shall be levied, assessed or imposed (i) a tax on the rents received from such real estate, or (ii) a license fee measured by the rents receivable by Landlord from the Premises or any portion thereof, or (iii) a tax or license fee imposed upon Premises or any portion thereof, then the same shall be included in the computation of Taxes hereunder.

(b) Each of the Recognized Expenses shall for all purposes be treated and considered as Additional Rent. Tenant shall pay, in monthly installments in advance, on account of Tenant's Share of Recognized Expenses, the estimated amount of the increase of such Recognized Expenses for such year in excess of the Base Year as determined by Landlord in its reasonable discretion. Prior to the end of the calendar year in which the Lease commences and thereafter for each successive calendar year (each, a "Lease Year"), or part thereof, Landlord shall send to Tenant a statement of projected increases in Recognized Expenses in excess of the Base Year and shall indicate what Tenant's Share of Recognized Expenses shall be. The Base Year shall be adjusted to exclude from the Base Year "extraordinary items" incurred in such calendar year. For purposes or this subparagraph, extraordinary items shall mean either (X) cost increases over the prior calendar year of eleven and one quarter percent (11.25%) or more, or (Y) items which increase Landlord's total expenses and such items have not been included in the determination of expenses by the Landlord (or the Landlord's predecessor in interest) for the prior three years of operating the Building. As soon as administratively available, Landlord shall send to Tenant a statement of actual for Recognized Expenses for the prior Lease Year showing the Share due from Tenant. In the event the amount prepaid by Tenant exceeds the amount that was actually due then Landlord shall issue a credit to Tenant in an amount equal to the over charge, which credit Tenant may apply to future payments on account of Recognized Expenses until Tenant has been fully credited with the over charge. If the credit due to Tenant is more than the aggregate total of future rental payments, Landlord shall pay to Tenant the difference between the credit in such aggregate total. In the event Landlord has undercharged Tenant, then Landlord shall send Tenant an invoice with the additional amount due, which amount shall be paid in full by Tenant within thirty (30) days of receipt.

(c) Tenant shall have the right, at its sole cost and expense, within ninety (90) days from receipt of Landlord's statement of Recognized Expenses, to audit or have its appointed accountant audit Landlord's records related to Recognized Expenses provided that any such audit may not occur more frequently than once each calendar year nor apply to any year prior to the year of the statement being reviewed. In the event Tenant's audit discloses any discrepancy, Landlord and Tenant shall use their best efforts to resolve the dispute and make an appropriate adjustment, failing which, they shall submit any such dispute to arbitration pursuant to the rules and under the jurisdiction of the American Arbitration Association in Philadelphia, Pennsylvania. The decision rendered in such arbitration shall be final, binding and non-appealable. The expenses of arbitration, other than individual legal and accounting expenses, which shall be the respective parties' responsibility, shall be divided equally between the parties. In the event, by agreement or as a result of an arbitration decision it is determined that the actual Recognized Expenses exceeded those claimed by the Landlord by more than ten percent (10%), the actual, reasonable hourly costs to Tenant of Tenant's audit (including legal and accounting costs) shall be reimbursed by Landlord. In the event Tenant utilizes a contingent fee auditor and Landlord is responsible for the payment of such auditor, Landlord shall only pay the reasonable hourly fee of such auditor. In the event, by agreement or as a result of an arbitration decision it is determined that the actual Recognized Expenses are less than those claimed by the

Landlord, then Tenant shall receive a credit of future Recognized Expenses. In the event it is determined that the amount paid by Tenant on account of Recognized Expenses was less than the amount to which Landlord is entitled hereunder for the applicable Lease Year, Tenant shall pay to Landlord such deficiency within thirty (30) days after such determination is made.

(d) In calculating the Recognized Expenses, if for thirty (30) or more days during the preceding Lease Year less than ninety-five (95%) percent of the rentable area of the New Building shall have been occupied by tenants, then the Recognized Expenses attributable to the New Building shall be deemed for such Lease Year to be amounts equal to the Recognized Expenses which would normally be expected to be incurred had such occupancy of the New Building been at least ninety-five (95%) percent throughout such year, as reasonably determined by New Landlord (i.e., taking into account that certain expenses depend on occupancy (e.g., janitorial) and certain expenses do not (e.g., landscaping)). Furthermore, if New Landlord shall not furnish any item or items of Recognized Expenses to any portions of the New Building because such portions are not occupied or because such item is not required by the tenant of such portion of the New Building, for the purposes of computing Recognized Expenses, an equitable adjustment shall be made so that the item of Recognized Expense in question shall be shared only by tenants actually receiving the benefits thereof; and

7. Tenant's Notice Address. After Tenant surrenders the Original Premises, Tenant's notice address shall be:

660 W. Germantown Pike, Suite 500
Plymouth Meeting, PA 19462

8. Relocation. Article 25 of the Lease is hereby deleted.

9. Brokerage Commission. Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal, with any real estate broker or sales representative in connection with this proposed transaction except for Site Selection Group, LLC (national broker) and Gola Corporate Real Estate (local broker.) Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation. Landlord will pay the local broker a commission pursuant to a separate agreement.

10. Representations: Landlord and Tenant each hereby confirm that (i) the Lease is in full force and effect and Tenant is currently in possession of the Original Premises; (ii) there are no defaults by Landlord or Tenant under the Lease; and Tenant's Security Deposit for the New Premises is $136,748.94. Notwithstanding anything in the Lease to the contrary, Tenant's Security Deposit shall not be reduced below $136,748.94 during the Lease term.

11. Early Termination.

Tenant shall have two (2) termination rights. The first termination right shall be the right to terminate the Lease for the New Premises on the last day of the 60th month following the Initial Floor Space Commencement Date ("First Termination Right"). The second termination right shall be the right to terminate the Lease for the New Premises on the last day of the 108th month following the Initial Floor Space Commencement Date ("Second Termination Right"). Both termination rights are subject to Tenant (i) not then being in an Event of Default (as defined in Article 18 of the Lease, as amended by Article 9 of the First Amendment to Lease) under the Lease beyond any applicable notice and cure period nor ever having been in an Event of Default under the Lease beyond any applicable notice and cure period, (ii) giving Landlord not less than eighteen (18) months prior written notice, and (iii) paying to Landlord, within thirty (30) days of such notice, a termination payment ("Termination Payment"). The Termination Payment consists of two parts: (a) New Premises - a pro rata percentage (based upon how much time is remaining in the Lease term) of free Fixed Rent received by Tenant, the unamortized architectural and legal fees, the unamortized Landlord Allowance and the unamortized cost of brokerage fees, all amortized at 8.4% interest plus 30 months of the then current Fixed Rent for the New Premises if Tenant is exercising the First Termination Right or 12 months of the then current Fixed Rent for the New Premises if Tenant is exercising the Second Termination Right, and (b) Original Premises- the unamortized free Fixed Rent and fifty percent (50%) of tenant improvement costs and broker commissions for the Lease for the Original

Premises, amortized at 10%. Upon the completion of Landlord's Work and the payment of all invoices related thereto, the unamortized costs of this transaction for the New Premises and the unamortized cost of the Lease for the Original Premises will be calculated and submitted to Tenant by way of an amortization schedule. Failure to provide written notice and payment within the prescribed time frames will be considered by Landlord, without the necessity of additional notice, as a waiver of this right to terminate. Tenant acknowledges and agrees that the Termination Payment is not a penalty and is fair and reasonable compensation to Landlord for the loss of expected rentals from Tenant over the remainder of the scheduled term.

12. Renewal.

Provided Tenant is not in default at the time of exercise, and Tenant is occupying 100% of the New Premises, and the Lease is in full force and effect, Tenant shall have the right to renew the Lease for two (2) term(s) of five (5) years each beyond the end of the current term (each, a "Renewal Term"). Tenant shall furnish written notice of intent to renew at least twelve (12) months prior to the expiration of the applicable term, failing which, such renewal right shall be deemed waived; time being of the essence. The terms and conditions of the Lease during each Renewal Term shall remain unchanged, except that the annual Fixed Rent for each Renewal Term shall be the lower of (i) the Fixed Rent for the term expiring, or (ii) 95% of Fair Market Rent (as such term is hereinafter defined). Anything herein contained to the contrary notwithstanding, Tenant shall have no right to renew the term hereof other than or beyond the two (2) consecutive five (5) year terms hereinabove described. It shall be a condition of each such Renewal Term that Landlord and Tenant shall have executed, not less than nine (9) months prior to the expiration of the then expiring term hereof, an appropriate amendment to the Lease, in form and content satisfactory to each of them, memorializing the extension of the term hereof for the next ensuing Renewal Term.

For purposes of this Lease, "Fair Market Rent" shall mean the base rent for comparable space. In determining the Fair Market Rent, Landlord, Tenant and any appraiser shall take into account applicable measurement and the loss factors, applicable lengths of lease term, differences in size of the space demised, the location of the Building and comparable buildings, amenities in the Building and comparable buildings, the ages of the Building and comparable buildings, differences in base years or stop amounts for operating expenses and tax escalations and other factors normally taken into account in determining Fair Market Rent. The Fair Market Rent shall reflect the level of improvement made or to be made by Landlord to the space and the Recognized Expenses and Taxes under this Lease. If Landlord and Tenant cannot agree on the Fair Market Rent, the Fair Market Rent shall be established by the following procedure: (1) Tenant and Landlord shall agree on a single MAI certified appraiser who shall have a minimum of ten (10) years experience in real estate leasing in the market in which the New Premises is located, (2) Landlord and Tenant shall each notify the other (but not the appraiser), of its determination of such Fair Market Rent and the reasons therefor, (3) during the next seven (7) days both Landlord and Tenant shall prepare a written critique of the other's determination and shall deliver it to the other party, (4) on the tenth (10th) day following delivery of the critiques to each other, Landlord's and Tenant's determinations and critiques (as originally submitted to the other party, with no modifications whatsoever) shall be submitted to the appraiser, who shall decide whether Landlord's or Tenant's determination of Fair Market Rent is more correct. The determinations so chosen shall be the Fair Market Rent. The appraiser shall not be empowered to choose any number other than the Landlord's or Tenant's. The fees of the appraiser shall be paid by the non-prevailing party.

13. Right of Expansion. Subject to (a) Tenant not being in default at the time of exercise; (b) Tenant being in occupancy of 100% of the New Premises; (c) the existing rights of other tenants within the New Building; (d) such limitations as are imposed by other existing tenant leases in the New Building; and (e) Tenant notifying Landlord in writing that it requires additional space, Landlord shall notify Tenant in writing with regard to space (other than space that is available at the time that this Amendment is executed) that is or Landlord expects to become vacant and available for lease in the New Building. Tenant shall have ten (10) days next following Landlord's delivery of such notice within which to accept such terms, time being of the essence. Should Tenant elect in writing to exercise this option and there remain at least eight (8) years left of the Lease, Tenant shall receive the same rental rate then in effect under the current Lease and a pro rata tenant improvement allowance based upon the remaining time left in the Lease. If less than eight years remain on the Lease term, Tenant shall have the right to lease such additional space at ninety five percent (95%) of Fair Market Rent (as defined in Article 12 above). In either case, the parties shall negotiate the terms of a new lease or an amendment to the Lease to memorialize their agreement. In the

absence of any further agreement by the parties, if less than 8 years remain on the Lease, such additional space shall be delivered in an "AS —IS" condition, except as expressly agreed by Landlord and Tenant, and subject to Landlord's representations and warranties in the Lease, and Rent for such additional space shall commence on that date which is the earlier of: (x) Tenant's occupancy thereof, and (y) five (5) days after Landlord delivers such additional space to Tenant free of other tenants and occupants. If Tenant shall not accept Landlord's terms within such ten (10) day period, or if the parties shall not have executed and delivered a mutually satisfactory new lease or lease amendment within sixty (60) days next following Landlord's original notice under this Article 13, then Tenant's right to lease such space shall lapse and terminate, and Landlord may, at its discretion, lease such space on such terms and conditions as Landlord shall determine. Tenant's rights hereunder shall not include the right to lease less than all of the space identified in Landlord's notice.

14. Signage. Landlord shall provide Tenant with standard identification signage on all New Building directories and at the entrance to the Third Floor Space, the Fourth Floor Space and the Fifth Floor Space. Tenant will be named as the top position on the New Building monument sign located outside of the New Building provided Tenant remains in occupancy of 100% of the New Premises. Should Tenant lease 100% of the New Building, Tenant, at Tenant's sole cost and expense, may erect a sign on the exterior of the New Building, so long as the sign is in accordance with township regulations and is approved by Landlord and the township. So long as Tenant leases 100% of the New Premises, Landlord shall not permit another tenant of the New Building to erect any signage on the exterior of the New Building. Additionally, should Tenant lease 100% of the New Premises, Landlord, at Tenant's expense, shall add the word "Accolade" and "660" on each traffic directional sign within the Project. No other signs shall be placed, erected or maintained by Tenant at any place upon the New Premises, New Building or Project.

15. Parking. Upon the Initial Floor Commencement Date, and so long as Tenant continues to Lease 100% of the New Premises, Tenant shall be entitled to ten (10) reserved parking spaces near the main entrance of the New Building, the exact locations of which to be mutually agreed upon by Landlord and Tenant. Tenant acknowledges and agrees that Landlord shall only provide signage for Tenant's reserved parking spaces and shall not have a duty to monitor or enforce who parks in such reserved spots. Tenant shall also have the right, in common with other tenants of the Building and Landlord, to use the designated parking areas of the New Building for the unreserved parking of automobiles of Tenant and its employees and business visitors, incident to Tenant's permitted use of the Premises; provided that Landlord shall have the right to restrict or limit Tenant's utilization of the parking areas in the event the same become overburdened and in such case to equitably allocate on proportionate basis or assign parking spaces among Tenant and the other tenants of the Building. Notwithstanding the foregoing, at no time shall Tenant be required to reduce its parking to less than 5 spaces per 1,000 RSF (this fraction is based upon Tenant leasing 89,878 RSF of space in the New Building) (this number excludes the aforementioned reserved parking spaces). Landlord represents that the total amount of parking spaces available for all of the tenants at the New Building as of the date that this Amendment is executed is 649. Landlord will endeavor, at no additional cost to Tenant, to expand the existing parking lot at the New Building so that Tenant will have six parking spaces per 1,000 RSF (this fraction is based upon Tenant leasing 89,878 RSF of space in the New Building).

16. Assignment and Subletting. Article 9 of the Lease is hereby amended as follows: Landlord shall not have the right to recapture on subleases of less than ninety percent (90%) of any of the Third Floor Space, the Fourth Floor Space or the Fifth Floor Space.

17. Permitted Use. Tenant's use of the New Premises shall be limited to general office use (including a 24 hour, 7 day per week call center) and storage incidental thereto ("Permitted Use").

18. Subordination; Rights of Mortgagee. The following shall be added to Article 15 of the Lease:

There is not currently a mortgage on the New Building. Landlord shall endeavor to deliver a subordination, attornment and nondisturbance agreement ("Nondisturbance Agreement") from any future Landlord's Mortgagee, on each such mortgagee's standard form, which shall provide, inter alia, that the leasehold estate granted to Tenant under the Lease will not be terminated or disturbed by reason of the foreclosure of the mortgage held by Landlord's Mortgagee, so long as Tenant shall not be in default under the Lease and shall pay all sums due under the

Lease without offsets or defenses thereto and shall fully perform and comply with all of the terms, covenants and conditions of the Lease on the part of Tenant to be performed and/or complied with, and in the event a mortgagee or its respective successor or assigns shall enter into and lawfully become possessed of the New Premises covered by the Lease and shall succeed to the rights of Landlord hereunder, Tenant will attorn to the successor as its landlord under the Lease and, upon the request of such successor landlord, Tenant will execute and deliver an attornment agreement in favor of the successor landlord.

19. Environmental Matters. The following paragraphs are hereby added to Article 7 of the Lease:

(a) Tenant shall defend, indemnify and hold harmless Landlord, Brandywine Realty Services Corp. and Brandywine Realty Trust and their respective employees and agents from and against any and all third-party claims, actions, damages, liability and expense (including all attorney's, consultant's and expert's fees, expenses and liabilities incurred in defense of any such claim or any action or proceeding brought thereon) arising from Tenant's storage and use of hazardous substances in the New Premises including, without limitation, any and all costs incurred by Landlord because of any investigation of the Project or any cleanup, removal or restoration of the Project to remove or remediate hazardous or hazardous wastes deposited by Tenant. Without limitation of the foregoing, if Tenant, its officers, employees, agents, contractors, licensees or invitees cause contamination of the New Premises by any hazardous substances, Tenant shall promptly at its sole expense, take any and all necessary actions to return the New Premises to the condition existing prior to such contamination, or in the alternative take such other remedial steps as may be required by law or recommended by Landlord's environmental consultant.

(b) Landlord has not used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or about the New Premises or transported to or from the New Premises, any hazardous substances or allowed any other entity or person to do so to its knowledge. Landlord has no knowledge that any hazardous substances has been produced, stored, released, discharged or disposed of on, under or about the New Building by any entity or person.

(c) Landlord shall defend, indemnify and hold harmless Tenant and its respective employees and agents from and against any and all third-party claims, actions, damages, liability and expense (including all attorney's, consultant's and expert's fees, expenses and liabilities incurred in defense of any such claim or any action or proceeding brought thereon) arising from Landlord (or its agents and contractors) use of hazardous substances in the New Premises, New Building or Project including, without limitation, any and all costs incurred by Tenant because of any investigation of the New Premises or any cleanup, removal or restoration of the New Premises to remove or remediate hazardous or hazardous wastes deposited by Landlord. Without limitation of the foregoing, if Landlord, its officers, employees, agents, contractors, licensees or invitees cause contamination of the New Premises, New Building or Project by any hazardous substances, Landlord shall promptly at its sole expense, take any and all necessary actions to return the New Premises, New Building and/or Project to the condition existing prior to such contamination, or in the alternative, take such other remedial steps as may be required by law or recommended by Tenant's environmental consultant.

20. Security System. The New Building has and shall continue to have for the duration of the term of this Amendment a perimeter access security system with swipe card access that is monitored by a central station security company. Tenant shall have the right at its cost, to install a proximity card security system for its exclusive use at the New Building. The system shall be a stand-alone system or one that can be linked with the New Building's proximity card security system. If linked with New Building's system, maintenance and monitoring shall be provided by Tenant.

22. Landlord Representations and Warranties. Landlord represents and warrants to Tenant that (i) the New Building has fiber optics installed for Verizon and AT&T as telecom provider(s), (ii) the New Building has and will continue to have during the term of this Amendment, fully redundant electrical service, and that the New Building has dual power feeds from the same substation, (iii) the New Building is serviced by two (2) 13,000 volt electric lines, and (iv) the New Building has a HVAC system in good operational condition operating via water source heat pumps.

23. Emergency Backup Generator. In accordance with the terms and conditions of the Fifth Amendment to Lease, Tenant may install emergency backup generators, fuels tanks and pad sites at mutually agreeable locations at or near the New Building.

24. CAD Drawings. Following the execution of this Amendment, Landlord shall, at Landlord's sole cost and expense, furnish to Tenant, New Building scaled CAD of the proposed New Premises, which shall depict among other things, the current configuration and ceiling heights.

25. Janitorial Services. Landlord shall provide Tenant with janitorial services for the New Premises Monday through Friday of each week in accordance with the guidelines set forth in Exhibit "E," attached hereto and made a part hereof.

26. Binding Effect. Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this Amendment, the term in this Amendment will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease as amended by Article 9 of the First Amendment to Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment on the date first above written.

WITNESS:

/s/ [ILLEGIBLE]
[ILLEGIBLE]

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

By: /s/ Daniel Palazzo
Name DANIEL PALAZZO
Title VICE PRESIDENT-ASSET MANAGER

ATTEST:

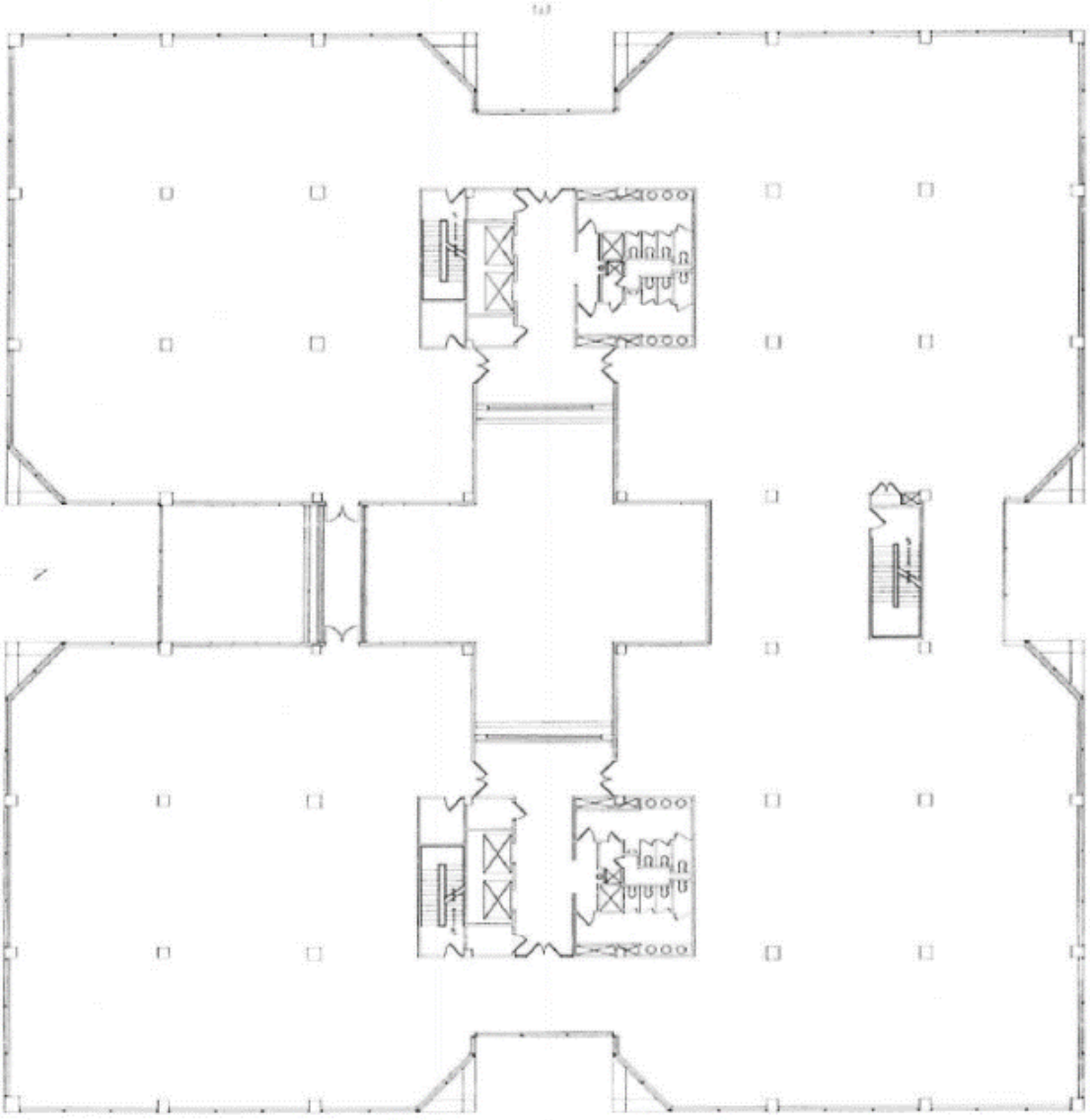
/s/ Jeff Smith
Name: Jeff Smith
Title: CFO

TENANT:
ACCOLADE, INC.

By: /s/ Thomas K. Spann
Name: THOMAS K. SPANN
Title: CEO

EXHIBIT "A-1"

SPACE PLAN OF THIRD FLOOR SPACE



MEYER DESIGN

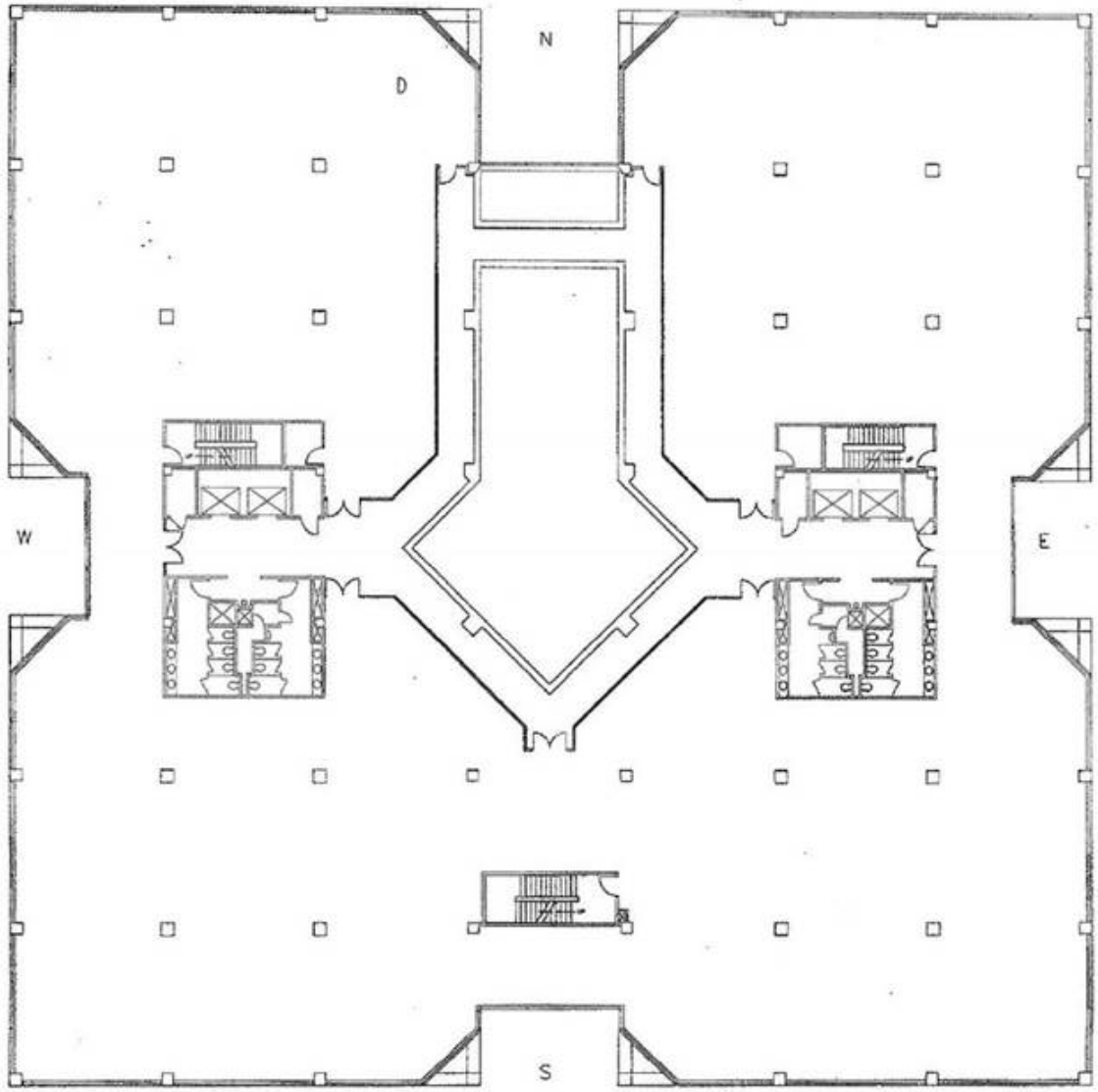
BRANDYWINE REALTY TRUST

BUILDING: 660 WEST GERMANTOWN PIKE
THIRD FLOOR

PROJECT NO: 02056
DATE: 1/09/12
SCALE: 1/8" = 1'-0"

EXHIBIT "A-2"

SPACE PLAN OF FOURTH FLOOR SPACE



BrandywineRealtyTrust

BRANDYWINE REALTY TRUST

BUILDING: 660 WEST GERMANTOWN PIKE

FOURTH FLOOR

DATE: 1/10/12

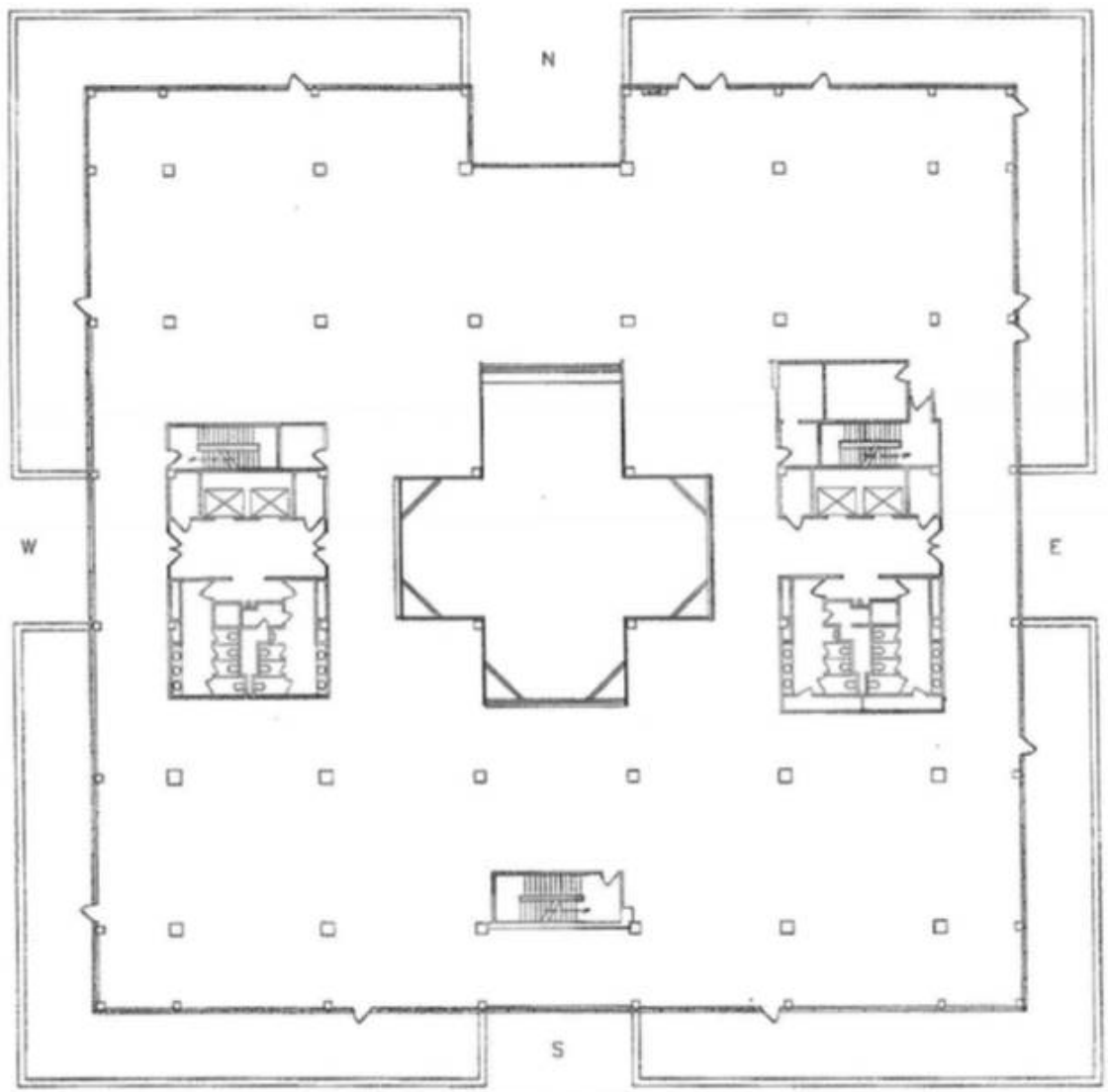
PROJECT NO: 02056

SCALE: 1/8" = 1'-0"

MEYER DESIGN

EXHIBIT "A-3"

SPACE PLAN OF FIFTH FLOOR SPACE



16

BRANDYWINE REALTY TRUST

BUILDING: 660 WEST GERMANTOWN PIKE

FIFTH FLOOR

DATE: 1/10/12

PROJECT NO: 03036

SCALE: 1/8" = 1'-0"

MEYER DESIGN

EXHIBIT "B"

Tenant: ACCOLADE, INC.
New Premises: Suite 500, 660 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462
Square Footage: 89,878 RSF

CONFIRMATION OF LEASE TERM

THIS MEMORANDUM is made as of the day of , 2013, between BRANDYWINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership, with an office at 555 E. Lancaster Avenue, Suite 100, Radnor, PA 19087 ("Landlord"), and ACCOLADE, INC., a Delaware corporation with an office ("Tenant"), who entered into a Sixth Amendment to Lease ("Amendment") dated for reference purposes as of , 2012, covering certain premises located at Suite 500, 660 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462. All capitalized terms, if not defined herein, shall be defined as they are defined in the Amendment.

1. The Parties to this Memorandum hereby agree that the date of is the Initial Floor Space Commencement Date, the date of is the Subsequent Floor Space Commencement Date, the date of is the Final Floor Space Commencement Date and the date of is the expiration date of the Lease.

2. Tenant hereby confirms the following:

(a) That it has accepted possession of the New Premises pursuant to the terms of the Amendment;

(b) That to the best of Tenant's knowledge, the improvements, including the Landlord's Work required to be furnished according to the Amendment by Landlord have been Substantially Completed;

(c) That to the best of Tenant's knowledge, Landlord has fulfilled all of its duties of an inducement nature or are otherwise set forth in the Amendment;

(d) That to the best of Tenant's knowledge, there are no offsets or credits against rentals;

(e) That to the best of Tenant's knowledge, there is no default by Landlord under the Lease and the Lease is in full force and effect.

3. Landlord hereby confirms to Tenant that its Building Number is 586 and its Lease Number is . This information must accompany each Rent check or wire payment.

4. Tenant's Notice Address is: Tenant's Billing Address is:

5. This Memorandum, each and all of the provisions hereof, shall inure to the benefit, or bind, as the case may require, the parties hereto, and their respective successors and assigns, subject to the restrictions upon assignment and subletting contained in the Lease.

WITNESS:

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

_____

By: _____
Name
Title

ATTEST:

TENANT:
ACCOLADE, INC.

_____

By: _____
Name:
Title: Secretary

Name:
Title:

EXHIBIT “C-1”

LANDLORD’S WORK

19

EXHIBIT “C-2”

BASE BUILDING CONDITIONS

The New Building and New Premises shall be delivered with the following Base Building Conditions:

1, The New Building and the New Premises shall be delivered in conformance with the American’s with Disabilities Act (“ADA”) and all applicable local, federal and state building codes, which shall include but shall not be limited to all common areas, ingress / egress to and from the New Premises and the front entrance, elevators, parking areas, ramps and restrooms. Such compliance with regard to the New Premises shall be the responsibility of Landlord prior to Tenant’s occupancy of the specific floors of the New Premises. Notwithstanding the foregoing, following the Initial Floor Space Commencement Date, the Subsequent Floor Commencement Date and/or the Final Floor Space Commencement Date, whichever has/have occurred, Tenant shall not be required to make any structural changes or system repairs, replacements or alterations to the New Premises as a result of any changes to the ADA, unless the need for the same results from Tenant’s specific use of the New Premises, as opposed to general office use.

2. The New Premises shall be delivered with electric capacity of at least five (5) watts per rentable square foot including code compliant distribution panels, which electric service shall be exclusive of HVAC and any other New Building systems.

3. All windows, windowsills, exterior walls and floors shall be delivered free of leaks and seepage in good working order and condition. Landlord will patch all windowsills that were previously interrupted by a partition wall. Refinishing the windowsills on the third, fourth and fifth floors will be part of the tenant work. The stain on the third and fourth floors will match the building standard doors. The stain on the windowsills on the fifth floor, will be darker and will be a selection mutually agreed to by Landlord and Tenant. Landlord shall replace any scratched or defective glass if required by Tenant.

4. All window blinds shall be in good condition or shall be replaced by the Landlord.

5. Prior to Tenant’s occupancy of the New Premises, Landlord shall insure the New Building meets current code requirements including fire/life safety systems.

6. Landlord shall remove all abandoned voice/data cabling and inactive electrical outlets within the ceiling, walls and floor. Removal and patching of tele/data jacks (if not reused by Tenant) will be part of the tenant work.

7. Landlord will provide New Building common area signage to meet all applicable codes (i.e. restroom signage, exiting signage). Landlord shall deliver the New Premises with all New Building systems including the HVAC system in good working condition.

8. Landlord will install 2 meters per floor to measure the New Premises' electrical usage.

In addition, Landlord will have completed the following base New Building items prior to Tenant's occupancy:

· Demo of all interior partitions, ceilings, lights, and bathrooms on all six (6) floors;

· The entire parking lot will be resurfaced and striped. Curbing will be installed throughout the Project;

· Clean up the existing landscaping;

· Pressure wash the entire New Building and seal coat the exterior brick;

· Repaint the existing roof screen;

· Install a new water source heat pump system, replacing the primary central plant and heat pumps;

· Upgrade the existing elevator system including new cabs and drop existing shaft to the lower level on the west side of the elevator cabs

· Construct an amenities area on the terrace level including a fitness center, cafe, conference center and multimedia room ("Amenities"). Landlord to complete construction of such New Building Amenities within four (4) months after the Initial Floor Space Commencement Date (estimated to be October 31, 2012). So long as this Amendment is executed by Tenant on or before March 7, 2012, and absent any Tenant Delay or force majeure event, and subject to receiving all approvals from any applicable governmental entity with respect to the plans and permits to operate a cafe in the New Building, if the Amenities are not substantially completed by October 31, 2012, Tenant shall be entitled one (1) business day Fixed Rent abatement for each two (2) business day after October 31, 2012 until the Amenities are substantially completed. Notwithstanding the foregoing, Landlord makes no representation that the café will be operating as a food service area, just substantially completed, provided, however, that the fitness center, conference center and multimedia room shall be fully operational.

EXHIBIT “D”

TENANT’S TELE/DATA REQUIREMENTS:

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant for the Initial Floor Space no later March 15, 2012 and for the Subsequent Floor Space by April 15, 2012.

EXHIBIT “E”

CLEANING SPECIFICATIONS

DAILY

- Empty Trash and Recycle
- Remove Spots/Spills from Carpet
- Remove Visible Debris/Litter from Carpet
- Spot Clean Desks and Tables
- Straighten Chair — Furniture
- Turn Off Lights

TWICE PER WEEK

- Vacuum Carpet

WEEKLY

- Dust Desks and Computer Monitors
- Clean Wastebaskets
- Clean Light Fixtures and Vents
- Clean Telephones
- Clean Walls, Switch Plates and Baseboards
- Dust File Cabinets, Partitions and Bookshelves
- Clean Chairs
- Clean Doors
- Clean Tables
- Dust Pictures and Surfaces Over 5’
- Dust Window Sills, Ledges and Radiators
- Spot Clean Side Light Glass

RESTROOM CLEANING SPECIFICIATIONS

THREE TIMES DAILY

- Sinks
- Floors

Counters
Trash Receptacle
Toilet/Urinals
Dispensers
Door
Spot Clean Walls
Spot Clean Partitions

WEEKLY

Dust Lights
Dust Surfaces Over 5’
Ceiling Vents
Clean Walls
Clean Partitions

FLOOR CARE SPECIFICIATIONS

DAILY

Spot Clean Carpet

WEEKLY

Burnish Polished Surfaces

MONTHLY

Machine Scrub Restroom Floors
Scrub and Recoat Copy Room Floors
Scrub and Recoat Kitchenette Floors

ONCE EVERY FOUR MONTHS

Shampoo Conference Room Carpets

YEARLY

Strip and Refinish all vinyl tile

THE COST FOR ANY CLEANING OVER AND ABOVE THE STANDARD CLEANING SPECIFICATIONS IS TO BE BORNE BY THE TENANT.

Exhibit 10.20

SEVENTH AMENDMENT TO LEASE

This Seventh Amendment to Lease ("Amendment") made and entered into this 23rd day of October, 2012, between and among BRANDYWINE OPERATING PARTNERSHIP, L.P. ("Landlord") and ACCOLADE, INC. ("Tenant").

WHEREAS, Landlord leases certain premises consisting of 30,617 rentable square feet ("RSF") of space commonly referred to as Suites 300 and 450 (collectively, "Original Premises-1") located at 600 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 ("Building-1") and 89,878 RSF of space ("Original Premises-2"), located on the third, fourth and fifth floors of 660 W. Germantown Pike, Plymouth Meeting, PA 19462 ("Building-2"), to Tenant pursuant to that certain Lease dated February 22, 2007, as amended by First Amendment to Lease dated July 24, 2008, as amended by Second Amendment to Lease dated March 3, 2009, as amended by Third Amendment to Lease dated August 5, 2010, as amended by Fourth Amendment to Lease dated August 10, 2011, as amended by Fifth Amendment to Lease dated January 31, 2012 and as amended by Sixth Amendment to Lease dated March 7, 2012, hereinafter collectively referred to as "Lease";

NOW, THEREFORE, in consideration of these presents, the agreement of each other and intending to be legally bound hereby, Landlord and Tenant agree that the Lease shall be and the same is hereby amended as follows:

1. Incorporation of Recitals. The recitals set forth above, the Lease, and the exhibits attached hereto are hereby incorporated herein by reference as if set forth in full in the body of this Amendment. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Lease.

2. Lease of Additional Premises. The Lease is hereby amended to provide that Landlord hereby demises and lets unto Tenant, and Tenant hereby leases and hires from Landlord, 29,778 RSF of space with a suite number of 200 located on the second floor of Building-2 (the "Additional Premises"), as shown on Exhibit "A, attached hereto and made a part hereof. It is the mutual intention of Landlord and Tenant that the Additional Premises shall be leased to and occupied by Tenant on and subject to all of the terms, covenants and conditions of the Lease except as otherwise expressly provided to the contrary in this Amendment.

3. Term. The Term of the Lease for the Additional Premises shall commence on September 1, 2013 ("Additional Premises Commencement Date") and shall terminate coterminously with the Original Premises-2 on June 30, 2027. It is estimated that Tenant will surrender the Original Premises-1 to Landlord on or before February 28, 2013.

4. Landlord's Work/Early Occupancy.

(a) Landlord shall construct and do such other work to the Additional Premises (collectively, the "Landlord's Work") in substantial conformity with the plans and outline specifications of the plans prepared by and dated , which will be attached hereto, made a part hereof and collectively marked as Exhibit "B". It is estimated that the Landlord's Work to the Additional Premises will be completed within four (4) months following Landlord's receipt of final permit set plans approved and provided by Tenant. The Landlord's Work schedule is currently based on limiting Building structure modifications. Landlord shall only be responsible for payment of a maximum cost of $34.00 per RSF of the Additional Premises for the design and construction of Landlord's Work (the "Landlord Allowance"). All costs of the Landlord's Work in excess of the Landlord Allowance shall be borne by Tenant, and shall be paid to Landlord within thirty (30) days of delivery of an invoice and reasonable documentation therefor. Should Landlord not require usage of the full amount of the Landlord Allowance to perform the Landlord's Work, Tenant may choose to use up to $5.00 per RSF of any excess Landlord Allowance for the purchase of architectural fees, furniture, fixtures and equipment. No portion of any excess Landlord Allowance may be applied to Rent. Any excess Landlord Allowance used by Tenant for the purchase of architectural fees, furniture, fixtures and/or equipment, shall be paid to Tenant within thirty (30) days of written request accompanied by reasonable paid invoices therefore, but not sooner than the commencement of the Early Occupancy Period as defined in subparagraph (b) below, but in any event, must be requested by Tenant within six (6) months of the Additional Premises Commencement Date or forfeited. Tenant understands and acknowledges

that its compliance with the Tele/Data requirements as set forth on Exhibit "C", attached hereto, is a prerequisite to the completion of Landlord's Work. Tenant covenants that it will comply in good faith with the terms of Exhibit "C".

(b) Notwithstanding anything to the contrary contained in Article 3 above, subject to Landlord's Work being completed to the extent that the Additional Premises may be occupied by Tenant for its Permitted Uses, minus only completion of minor finishing, adjustment of equipment, and other minor construction aspects, and subject to Landlord being in receipt of a temporary or permanent certificate of occupancy permitting the occupancy of the Additional Premises, Tenant may occupy the Additional Premises prior to the Additional Premises Commencement Date ("Early Occupancy Period") upon providing Landlord with five (5) days prior written notice. Tenant's Fixed Rent during the Early Occupancy Period shall be $0.00, but Tenant shall be required to pay for utility charges for the Additional Premises pursuant to Article 5 of the Sixth Amendment to Lease and Recognized Expenses for the Additional Premises in the amount of $6.88 per square foot. Tenant and its authorized agents, employees and contractors, shall have the right, at Tenant's own risk, expense and responsibility, at all reasonable times (to be coordinated with Landlord) two weeks prior to the commencement of the Early Occupancy Period, to enter the Additional Premises for the purpose of taking measurements, and installing its furnishings, data and communication lines, fixtures and equipment.

(c) In addition to the Landlord Allowance, upon Tenant's written request, which must be submitted to Landlord no later than six months following the Additional Premises Commencement Date or the commencement of the Early Occupancy Period (whichever occurs first) or forfeited, Landlord shall make available to Tenant an additional allowance of up to $340,000.00 ("Additional Allowance"), which may be used by Tenant for preparing the Original Premises-2 and/or the Additional Premises for Tenant's occupancy. Notwithstanding the foregoing, all costs of the "Landlord's Work" as defined in the Sixth Amendment to Lease in excess of the "Landlord Allowance" as defined in the Sixth Amendment to Lease and all costs of the Landlord's Work under this (Seventh) Amendment in excess of the Landlord Allowance under this (Seventh) Amendment shall be deducted from the Additional Allowance (should the Additional Allowance be timely requested by Tenant under this Article 4(c)), notwithstanding the language in Article 4(a) that Tenant pay for the Landlord's Work in excess of the Landlord Allowance). The Additional Allowance shall be reimbursed to Tenant within thirty (30) days of submission to Landlord of reasonable paid invoices.

(d) Landlord, at Landlord's expense, shall install a screen to cover Tenant's generator located in the Project. The installation of such screen shall be in addition to the Landlord's Work and shall not be deducted from the Landlord Allowance or Additional Allowance.

5. Fixed Rent.

(a) Tenant shall pay to Landlord Fixed Rent for the Additional Premises (29,778 RSF) as follows:

TIME PERIOD	PER RSF	MONTHLY INSTALLMENT	ANNUAL FIXED RENT
9/1/13-12/31/13	$ 0.00,*	$ 0.00	$ 0.00
1/1/14-6/30/14	$ 28.00,*	$ 69,482.00	$ 416,892.00 (6 months)
7/1/14-6/30/15	$ 28.56,*	$ 70,871.64	$ 850,459.68
7/1/15-6/30/16	$ 29.13,*	$ 72,286.10	$ 867,433.14
7/1/16-6/30/17	$ 29.71,*	$ 73,725.37	$ 884,704.38
7/1/17-6/30/18	$ 30.30,*	$ 75,189.45	$ 902,273.40
7/1/18-6/30/19	$ 30.91,*	$ 76,703.17	$ 920,437.98
7/1/19-6/30/20	$ 31.53,*	$ 78,241.70	$ 938,900.34
7/1/20-6/30/21	$ 32.16,*	$ 79,805.04	$ 957,660.48
7/1/21-6/30/22	$ 32.80,*	$ 81,393.20	$ 976,718.40
7/1/22-6/30/23	$ 33.46,*	$ 83,030.99	$ 996,371.88
7/1/23-6/30/24	$ 34.13,*	$ 84,693.59	$ 1,016,323.10
7/1/24-6/30/25	$ 34.81,*	$ 86,381.01	$ 1,036,572.10
7/1/25-6/30/26	$ 35.51,*	$ 88,118.06	$ 1,057,416.70
7/1/26-6/30/27	$ 36.22,*	$ 89,879.93	$ 1,078,559.10

*Commencing on January 1, 2014, Tenant shall be required to pay for utility charges for the Additional Premises pursuant to Article 5 of the Sixth Amendment to Lease and Recognized Expenses for the Additional Premises pursuant to Article 6 of the Sixth Amendment to Lease.

(b) Tenant shall pay to Landlord without notice or demand, and without set-off, the annual Fixed Rent payable in the monthly installments of Fixed Rent as set forth above, in advance on the first day of each calendar month during the term of the Lease for the Additional Premises by (i) check sent to Landlord c/o Brandywine Realty Trust, P.O. Box 11951, Newark, NJ 07101-4951 or (ii) wire transfer of immediately available funds to the account at Wells Fargo Bank, N.A., Salem NJ account no. 2030000359075 ABA #1210002488; such transfer to be confirmed by Landlord's accounting department upon written request by Tenant**. All payments must include the following information: Building #586 and Lease #** . The Lease number will be provided to Tenant by Landlord within a reasonable period of time following the execution of this Amendment.

6. Tenant's Share of the Additional Premises. On the Additional Premises Commencement Date, Tenant's Share of the Additional Premises shall be 19.29%, which is 29,778/154,392, which Share may increase or decrease as the Building-2 size increases or decreases. On the Additional Premises Commencement Date, Tenant's Share of the combined Original Premises-2 and the Additional Premises shall be is 77.50%, which is 119,656/154,392, which Share may increase or decrease as the Building-2 size increases or decreases.

7. Brokerage Commission. Landlord and Tenant mutually represent and warrant to each other that they have not dealt, and will not deal, with any real estate broker or sales representative in connection with this Amendment. Each party agrees to indemnify, defend and hold harmless the other and their directors, officers and employees from and against all threatened or asserted claims, liabilities, costs and damages (including reasonable attorney's fees and disbursements) which may occur as a result of a breach of this representation.

8. Representations: Landlord and Tenant each hereby confirm that (i) the Lease is in full force and effect and Tenant is currently in possession of the Original Premises-1 and the fourth floor (31,446 RSF) at Building- 2; (ii) there are no defaults by Landlord or Tenant under the Lease; and Tenant's Security Deposit is $136,748.94.

9. Early Termination. Tenant's early termination right as per Article 11 of the Sixth Amendment to Lease with regard to the "New Premises" shall apply to and include the Additional Premises.

10. Renewal. The renewal rights set forth in Article 12 of the Sixth Amendment to Lease shall apply to and include the Additional Premises.

11. Signage. In addition to Landlord's signage obligation under Article 14 of the Sixth Amendment to Lease, Landlord shall provide Tenant with standard identification signage at the entrance to the Additional Premises.

12. Parking. No sooner than October 31,2014, and provided additional parking is approved by Plymouth Township, Tenant shall be entitled to utilize five (5) parking spaces per 1,000 RSF of space of the Additional Premises (the "Required Parking"). If, due to permitting delays with Plymouth Township, Landlord will be unable to provide the Required Parking to Tenant by October 31, 2013, it shall be Landlord's responsibility, at Landlord's cost to provide a temporary and mutually, reasonably acceptable alternative to Tenant commencing on October 31, 2013 until the Required Parking becomes available. Prior to October 31, 2013, Tenant may utilize three (3) parking spaces per 1,000 RSF of the Additional Premises.

13. Janitorial Services. The janitorial services provided by Landlord to Tenant under Article 25 of the Sixth Amendment to Lease shall apply to and include the Additional Premises.

14. Assignment and Subletting. Article 9 of the Lease (as further amended by Article 16 of the Sixth Amendment to Lease) is hereby further amended as follows: Landlord shall not have the right to recapture on subleases of less than ninety percent (90%) of the Additional Premises.

15. Fitness Center. Tenant acknowledges that individual employees will be required to sign a waiver of liability (the "Waiver") before being provided access to the Building's fitness center via fob key. Landlord shall grant access to the Fitness Center to each employee who signs the Waiver. Tenant shall pay to Landlord $2,000 per month for the first six months for its employees to use the fitness center in the Building. At the end of the sixth month (and after every six months thereafter) Landlord will credit or debit, as appropriate, Tenant's future monthly fitness center payments in an amount to reflect the actual average number of employees that have used the gym in each of the past six months and use that number of employees multiplied by $10 to determine the new monthly fee to be charged to Tenant.

16. Binding Effect. Except as expressly amended hereby, the Lease remains in full force and effect in accordance with its terms. If any term of the Lease conflicts with any term in this Amendment, the term in this Amendment will control. **Tenant specifically acknowledges and agrees that Article 18 of the Lease as amended by Article 9 of the First Amendment to Lease concerning Confession of Judgment is and shall remain in full force and effect in accordance with its terms.**

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment on the date first above written.

WITNESS:

/s/ [ILLEGIBLE]

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust,
its general partner

By: /s/ Daniel Palazzo
Name DANIEL PALAZZO
Title VICE PRESIDENT-ASSET MANAGER

ATTEST:

/s/ John D. Rollins
Name: John D. Rollins
Title: Secretary

TENANT:
ACCOLADE, INC

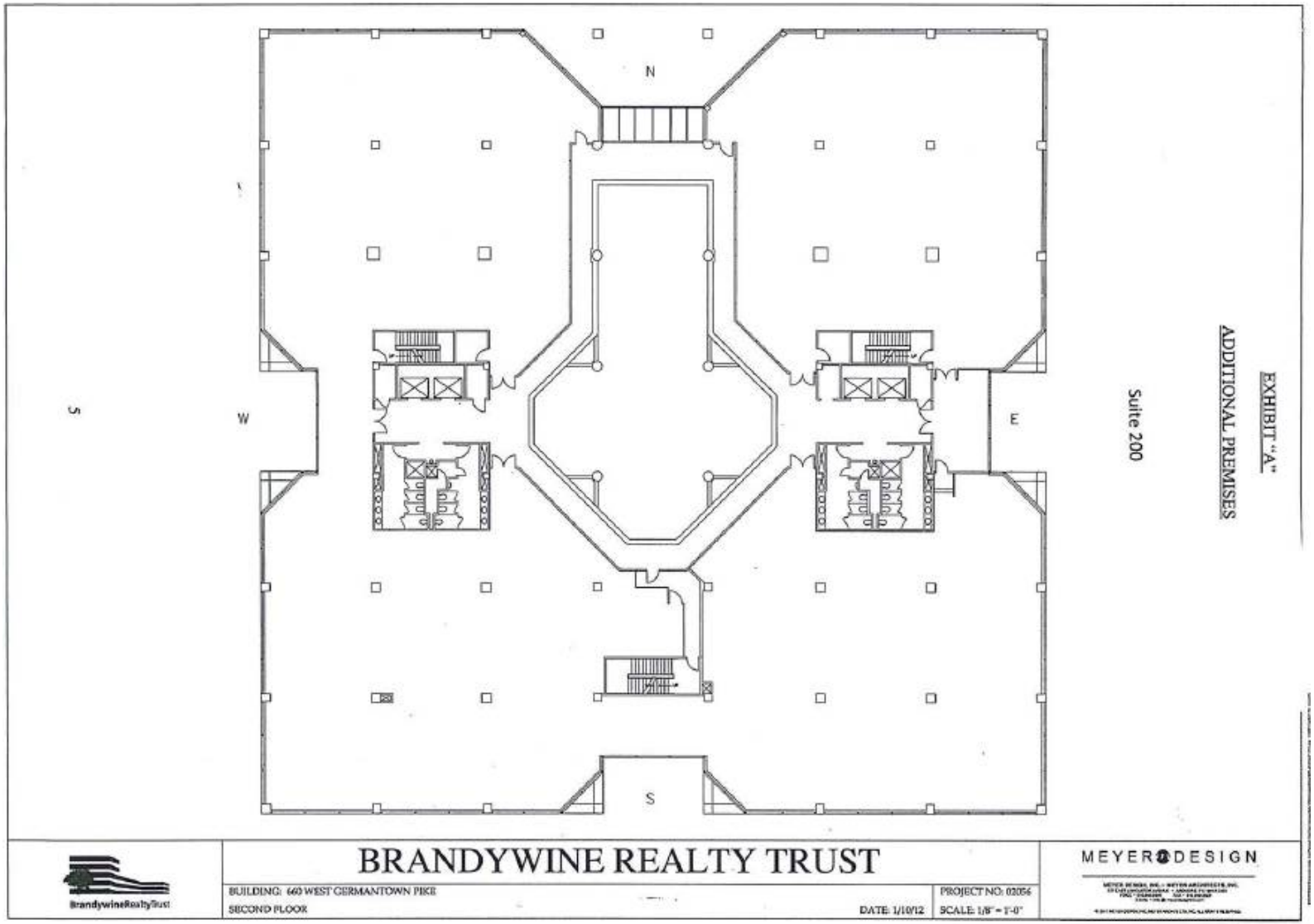
By: /s/ Thomas K. Spann
Name: Thomas K. Spann

IF THIS AMENDMENT IS NOT SIGNED BY TENANT BY OCTOBER 23, 2012, IT WILL AUTOMATICALLY BECOME NULL AND VOID.

EXHIBIT "A"

ADDITIONAL PREMISES

Suite 200



BrandywineRealtyTrust

BRANDYWINE REALTY TRUST

BUILDING: 660 WEST GERMANTOWN PIKE

SECOND FLOOR

DATE: 1/10/12

PROJECT NO: 02056

SCALE: 1/8" = 1'-0"

MEYER DESIGN

EXHIBIT “B”

LANDLORD’S WORK

EXHIBIT “C”

TENANT’S TELE/DATA REQUIREMENTS:

Tenant’s requirements for installing voice and data cabling in commercial offices in Plymouth Township are outlined in detail by the Code Enforcement Office for Plymouth Township. This information is available on-line at www.plymouthtownship.org or by calling the Plymouth Township Code Enforcement Office at 610-277-4104.

Tenant shall provide Landlord with its signed and sealed Tele/Data drawings and a copy of its contract with the Tele/Data vendor retained by Tenant no later than two (2) weeks after submitting the permit set to Landlord.

****

Tenant: Accolade, Inc.
Premises: 660 West Germantown Pike, Suites 300, 400 and 500

EIGHTH AMENDMENT TO LEASE

THIS EIGHTH AMENDMENT TO LEASE ("Amendment") is made and entered into as of Dec, 1, 2017 ("Effective Date") by and between **BRANDYWINE OPERATING PARTNERSHIP, L.P.,** a Delaware limited partnership ("Landlord"), and **ACCOLADE, INC.,** a Delaware limited liability company ("Tenant").

A. Landlord and Tenant, as successor-in-interest by name change to Accretive Care, LLC, are parties to certain Lease dated February 22, 2007 ("Original Lease"), as amended by First Amendment to Lease dated July 24, 2008, as amended by Second Amendment to Lease dated March 3, 2009, as amended by Third Amendment to Lease dated August 5, 2010, as amended by Fourth Amendment to Lease dated August 10,2011, as amended by Fifth Amendment to Lease ("Fifth Amendment") dated January 31, 2012, as amended by Sixth Amendment to Lease ("Sixth Amendment") dated March 7, 2012, and as amended by Seventh Amendment to Lease ("Seventh Amendment") dated October 23, 2012 (the Original Lease as so amended is referred to herein as the "Current Lease"), for the premises deemed to contain 119,656 rentable square feet of space presently known as Suite 200 (consisting of approximately 29,778 rentable square feet); Suite 300 (consisting of approximately 30,836 rentable square feet; Suite 400 (consisting of approximately 31,446 rentable square feet), and Suite 500 (consisting of approximately 27,596 rentable square feet) in the Building located at 660 West Germantown Pike, Plymouth Meeting, Pennsylvania 19462. The Current Lease as amended by this Amendment is referred to herein as the "Lease".

B. Tenant desires to partially assign the Current Lease ***with respect to Suite 200 only*** to Inovio Pharmaceuticals, Inc. ("Inovio"); Inovio will assume all of Tenant's rights and obligations ***with respect to Suite 200 only,*** and Tenant shall remain obligated for all terms under the Current Lease for Suites 300, 400 and 500 ("New Premises").

C. Landlord and Tenant wish to amend the Current Lease to release Tenant from all of its obligations under the Current Lease ***with respect to Suite 200 only*** as described herein and to continue all rights and obligations with respect to the New Premises upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Landlord and Tenant hereby agree as follows:

1. Incorporation of Recitals; Definitions. The recitals set forth above are hereby incorporated herein by reference as if set forth in full in the body of this Amendment. Capitalized terms used but not otherwise defined in this Amendment have the respective meanings given to them in the Current Lease.

2. Assignment and Assumption with Respect to Suite 200. By an Assignment and Assumption Agreement ("Assignment") dated on the Effective Date, Tenant partially assigned the Current Lease ***with respect to Suite 200 only*** to Inovio Pharmaceuticals, Inc. ("Inovio") and Inovio assumed Tenant's obligations ***with respect to Suite 200 only.*** By Landlord's Consent to the Assignment ("Landlord's Consent") dated on the Effective Date, Landlord granted its consent to such Assignment.

3. New Premises.

(a) Commencing on the Effective Date, ("New Premises Commencement Date"). Landlord shall continue to lease to Tenant and Tenant shall continue to lease from Landlord the New Premises, Tenant shall have no further obligations as to Suite 200, except those obligations that arose prior to the Assignment that expressly survive the Assignment with respect to Suite 200, including Section 19(a) of the Sixth Amendment.

(b) By the Confirmation of Lease Term substantially in the form of Exhibit B attached hereto ("COLT"), Landlord will notify Tenant of the New Premises Commencement Date, rentable square footage of the New Premises, the Fixed Rent for the remainder of the Term, and all other matters stated therein. The COLT will be conclusive and binding on Tenant as to all matters set forth therein unless, within 10 days following delivery of the COLT to Tenant, Tenant contests any of the matters contained therein by notifying Landlord in writing of Tenant's objections.

(c) Effective on the New Premises Commencement Date: (i) the "Premises" means the New Premises; (ii) the New Premises is deemed to contain 89,878 rentable square feet, and (iii) Tenant's Share" means 58.21%.

4. Term.

(a) The Term for the New Premises ends on June 30, 2027. Except as provided in Section 8 of this Amendment, any and all options of Tenant to extend or reduce the Term or expand or reduce the size of the Premises, including without limitation rights of first refusal, offer, and negotiation, are hereby deleted in their entireties and are of no further force and effect.

5. Condition of Premises. Tenant acknowledges and agrees that Landlord has no obligation under the Lease to make any improvements to or perform any work in the New Premises, or provide any improvement allowance, and Tenant accepts the New Premises in their current "AS IS" condition. Neither Landlord, nor anyone acting on Landlord's behalf, has made any representation, warranty, estimation, or promise of any kind or nature whatsoever relating to the physical condition or suitability, including without limitation, the fitness for Tenant's intended use, of the New Premises.

6. Utilities and Janitorial. Tenant shall continue to pay all Recognized Expenses and utility costs for the New Premises as per the Current Lease. Section 13 of the Seventh Amendment regarding janitorial services to Suite 200 shall not apply after the New Premises Commencement Date.

7. Termination Option. As of the New Premises Commencement Date, the Early Termination Option as provided in Section 11 of the Sixth Amendment shall be reinstated and remain in full force and effect with respect to the New Premises. All termination rights and obligations with respect to Suite 200 (including the Early Termination Option as provided in Section 11 of the Sixth Amendment, as amended by Section 9 of the Seventh Amendment (Early Termination)) have been assigned to and assumed by Inovio under the Assignment.

8. Renewal. As of the New Premises Commencement Date, the renewal rights set forth in Section 12 of the Sixth Amendment, shall be reinstated and remain in full force and effect with respect to the New Premises, and shall not apply to or include Suite 200.

9. Right of Expansion. The Right of Expansion as provided in Section 13 of the Sixth Amendment shall remain in full force and effect.

10. Signage. Section 14 of the Sixth Amendment shall remain in full force and effect, except that Landlord shall not provide any standard identification for Tenant with regard to Suite 200.

11. Parking. Section 15 of the Sixth Amendment shall remain in full force and effect as to the New Premises and Tenant shall be provided with 504 unreserved, non-exclusive parking spaces, plus an additional 10 exclusive, reserved parking spaces in locations agreed by Landlord and Tenant; provided, however, Landlord shall have no obligation to monitor or patrol such reserved parking spaces and provided further that if the number of rentable square feet contained within the Premises is reduced, the number of unreserved, non-exclusive parking spaces shall be reduced at the rate of 5.2 parking spaces per each 1,000 rentable square feet of such reduction. Landlord shall have the option of relocating the reserved parking spaces from time to time by delivery of written notice to Tenant provided the relocated parking spaces are substantially as accessible to the New Premises as the originally granted spaces. Upon the New Premises Commencement Date, Section 12 of the Seventh Amendment shall be of no further force and effect..

12. Generator. Tenant shall remain fully responsible to perform all work and to pay all costs associated with the installation, operation, repair, maintenance, and replacement of any emergency backup generator installed by Tenant as described in Sections 2 - 4 of the Fifth Amendment and Section 23 of the Sixth Amendment, including any removal, restoration or environmental compliance work or costs. Tenant, at its sole cost, may remove any generator service to Suite 200, subject to Landlord's approval of any such work in accordance with the terms of the Current Lease and any access rights reserved under the Assignment.

13. Security System. Tenant shall remain fully responsible to perform all work and to pay all costs associated with the installation, operation, repair, maintenance, and replacement of any security system installed by Tenant and Tenant, at its sole cost, may remove any security system service to Suite 200, subject to Landlord's approval of any such work in accordance with the terms of the Current Lease and any access rights reserved under the Assignment.

14. Security Deposit. The Security Deposit (in the amount of $136,784.94) will continue to secure the obligations of Tenant for the New Premises and will be returned to Tenant if and when required by the terms of the Lease.

15. Brokers. Landlord and Tenant each represents and warrants to the other that such representing party has had no dealings, negotiations, or consultations with respect to the Premises or this transaction with any broker or finder other than a Landlord affiliate. Each party must indemnify, defend, and hold harmless the other from and against any and all liability, cost, and expense (including reasonable attorneys' fees and court costs), arising out of or from or related to its misrepresentation or breach of warranty under this Section. This Section will survive the expiration or earlier termination of the Term.

16. Effect of Amendment; Ratification. Landlord and Tenant hereby acknowledge and agree that, except as provided in this Amendment, the Current Lease has not been modified, amended, canceled, terminated, released, superseded, or otherwise rendered of no force or effect. The Current Lease is hereby ratified and confirmed by the parties hereto, and every provision, covenant, condition, obligation, right, term, and power contained in and under the Current Lease continues in full force and effect, affected by this Amendment only to the extent of the amendments and modifications set forth herein. In the event of any conflict between the terms and conditions of this Amendment and those of the Current Lease, the terms and conditions of this Amendment control. To the extent permitted by applicable law, Landlord and Tenant hereby waive trial by jury in any action, proceeding, or counterclaim brought by either against the other on any matter arising out of or in any way connected with the Lease, the relationship of Landlord and Tenant, or Tenant's use or occupancy of the Building, any claim or injury or damage, or any emergency or other statutory remedy with respect thereto. Tenant specifically acknowledges and agrees that Section 18 of the Original Lease concerning Confession of Judgment is hereby deleted and replaced by the following:

In addition to, and not in lieu of any of the foregoing rights granted to Landlord:

(1) TENANT HEREBY EMPOWERS ANY PROTHONOTARY, CLERK OF COURT OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT FOR ANY RENT, OR ANY CHARGES HEREBY RESERVED OR DESIGNATED AS RENT OR ANY OTHER SUM PAYABLE BY TENANT TO LANDLORD UNDER OR BY REASON OF THIS LEASE (INCLUDING, WITHOUT LIMITATION, ANY SUM PAYABLE UNDER SUBPARAGRAPHS (a) THROUGH (h) OF THIS SECTION, AND TO SIGN FOR TENANT AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION OR ACTIONS FOR THE RECOVERY OF SAID RENT, CHARGES AND OTHER SUMS, AND IN SAID SUIT OR IN SAID) ACTION OR ACTIONS TO CONFESS JUDGMENT AGAINST TENANT FOR ALL OR ANY PART OF THE RENT SPECIFIED IN THIS LEASE AND THEN UNPAID INCLUDING, AT LANDLORD'S OPTION, THE RENT FOR THE ENTIRE UNEXPIRED BALANCE OF THE TERM OF THIS LEASE, AND ALL OR ANY PART OF ANY OTHER OF SAID CHARGES OR SUMS, AND FOR INTEREST AND COSTS TOGETHER WITH REASONABLE ATTORNEY'S FEES OF 5%. SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY OF SAID RENT OR SUCH OTHER SUMS, CHARGES, PAYMENTS, COSTS AND EXPENSES SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE EXPIRATION OF THE TERM OR DURING ANY EXTENSION OR RENEWAL OF THIS LEASE.

(2) WHEN THIS LEASE OR TENANT'S RIGHT OF POSSESSION SHALL BE TERMINATED BY COVENANT OR CONDITION BROKEN, OR FOR ANY OTHER REASON, EITHER DURING THE TERM OF THIS LEASE OR ANY RENEWAL OR EXTENSION THEREOF, AND ALSO WHEN AND AS SOON AS THE TERM HEREBY CREATED OR ANY EXTENSION THEREOF SHALL

HAVE EXPIRED, IT SHALL BE LAWFUL FOR ANY ATTORNEY AS ATTORNEY FOR TENANT TO FILE AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT, WHEREUPON, IF LANDLORD SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OF PROCEEDINGS, WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES HEREBY DEMISED REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON THE TERMINATION OF THIS LEASE AS HEREINBEFORE SET FORTH, TO BRING ONE OR MORE ACTION OR ACTIONS AS HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE SAID PREMISES.

In any action to confess judgment in ejectment or for rent in arrears, Landlord shall first cause to be filed in such action an affidavit made by it or someone acting for it setting forth the facts necessary to authorize the entry of judgment, of which facts such affidavit shall be conclusive evidence, and if a true copy of this Lease (and of the truth of the copy such affidavit shall be sufficient evidence) be filed in such action, it shall not be necessary to file the original as a warrant of attorney, any rule of Court, custom or practice to the contrary notwithstanding.

TENANT WAIVER. TENANT SPECIFICALLY ACKNOWLEDGES THAT TENANT HAS VOLUNTARILY, KNOWINGLY, AND INTELLIGENTLY WAIVED CERTAIN DUE PROCESS RIGHTS TO A PREJUDGMENT HEARING BY AGREEING TO THE TERMS OF THE FOREGOING PARAGRAPHS REGARDING CONFESSION OF JUDGMENT. TENANT FURTHER SPECIFICALLY AGREES THAT IN THE EVENT OF DEFAULT, LANDLORD MAY PURSUE MULTIPLE REMEDIES INCLUDING OBTAINING POSSESSION PURSUANT TO A JUDGMENT BY CONFESSION AND ALSO OBTAINING A MONEY JUDGMENT FOR PAST DUE AND ACCELERATED AMOUNTS AND EXECUTING UPON SUCH JUDGMENT. IN SUCH EVENT AND SUBJECT TO THE TERMS SET FORTH HEREIN, LANDLORD SHALL PROVIDE FULL CREDIT TO TENANT FOR ANY MONTHLY CONSIDERATION WHICH LANDLORD RECEIVES FOR THE LEASED PREMISES IN MITIGATION OF ANY OBLIGATION OF TENANT TO LANDLORD FOR THAT MONEY. FURTHERMORE, TENANT SPECIFICALLY WAIVES ANY CLAIM AGAINST LANDLORD AND LANDLORD'S COUNSEL FOR VIOLATION OF TENANT'S CONSTITUTIONAL RIGHTS IN THE EVENT THAT JUDGMENT IS CONFESSED PURSUANT TO THIS LEASE.

TENANT: ACCOLADE, INC.

By: /s/ Stephen H. Barnes
Name: Stephen H. Barnes
Title: CFO
Date:

17. Representations. Each of Landlord and Tenant represents and warrants to the other that the individual executing this Amendment on such party's behalf is authorized to do so. Tenant hereby represents and warrants to Landlord that there are no defaults by Landlord or Tenant under the Current Lease, nor any event that with the giving of notice or the passage of time, or both, will constitute a default under the Current Lease. Tenant acknowledges that Brandywine Realty Trust and Brandywine Operating Partnership, L.P. (collectively, "Owner REITs") are taxable as real estate investment trusts within the meaning of Sections 856 through 860 of the United States of America Internal Revenue Code of 1986, as amended ("IRS Code"). Tenant represents and warrants to Landlord that neither it nor any Affiliate is a related party to any of the Owner REITs within the meaning of Section 856(d)(2)(B) of the IRS Code.

18. Press Releases; Confidentiality. Landlord shall have the right, to the extent required to be disclosed by Landlord or Landlord's affiliates in connection with filings required by applicable Laws, including without limitation the Securities and Exchange Commission ("SEC"), without notice to Tenant to include in such securities filings general information relating to the Lease, including, without limitation, Tenant's name, the

Building, and the square footage of the Premises. Except as set forth in the preceding sentence, neither Tenant nor Landlord shall issue, or permit any broker, representative, or agent representing either party in connection with the Lease to issue, any press release or other public disclosure regarding the specific terms of the Lease (or any amendments or modifications hereof), without the prior written approval of the other party. The parties acknowledge that the transaction described in the Lease and the terms thereof (but not the existence thereof) are of a confidential nature and shall not be disclosed except to such party's employees, attorneys, accountants, consultants, advisors, affiliates, and actual and prospective purchasers, lenders, investors, subtenants and assignees (collectively, "Permitted Parties"), and except as, in the good faith judgment of Landlord or Tenant, may be required to enable Landlord or Tenant to comply with its obligations under Law or under laws and regulations of the SEC. Neither party may make any public disclosure of the specific terms of the Lease, except as required by Law, including without limitation SEC laws and regulations, or as otherwise provided in this paragraph. In connection with the negotiation of the Lease and the preparation for the consummation of the transactions contemplated thereby, each party acknowledges that it will have had access to confidential information relating to the other party. Each party shall treat such information and shall cause its Permitted Parties to treat such confidential information as confidential, and shall preserve the confidentiality thereof, and not duplicate or use such information, except by Permitted Parties.

19. Counterparts; Electronic Transmittal. This Amendment may be executed in any number of counterparts, each of which when taken together will be deemed to be one and the same instrument. The parties acknowledge and agree that notwithstanding any law or presumption to the contrary, the exchange of copies of this Amendment and signature pages by electronic transmission will constitute effective execution and delivery of this Amendment for all purposes, and signatures of the parties hereto transmitted and/or produced electronically will be deemed to be their original signature for all purposes.

20. OFAC. Each party hereto represents and warrants to the other that such party is not a party with whom the other is prohibited from doing business pursuant to the regulations of the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. Each party hereto is currently in compliance with, and must at all times during the Term remain in compliance with, the regulations of OFAC and any other governmental requirement relating thereto. Each party hereto must defend, indemnify, and hold harmless the other from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorneys' fees and costs) incurred by the other to the extent arising from or related to any breach of the foregoing certifications. The foregoing indemnity obligations will survive the expiration or earlier termination of the Lease.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the date first-above written.

LANDLORD:
BRANDYWINE OPERATING PARTNERSHIP, L.P.

By: Brandywine Realty Trust, its general partner

By:	/s/ George Johnstone
Name:	George Johnstone
Title:	EVP Operations
Date:	

TENANT:
ACCOLADE, INC.

By:	/s/ Stephen H. Barnes
Name:	Stephen H. Barnes
Title:	CFO
Date:	

EXHIBIT A

LOCATION PLAN OF NEW PREMISES (NOT TO SCALE)

EXHIBIT B

CONFIRMATION OF LEASE TERM

THIS CONFIRMATION OF LEASE TERM ("COLT") is made as of between ("Landlord") and ("Tenant").

1. Landlord and Tenant are parties to that certain lease dated ("Lease Document"), with respect to the premises described in the Lease Document, known as Suite consisting of approximately rentable square feet ("Premises"), located at .

2. All capitalized terms, if not defined in this COLT, have the meaning give such terms in the Lease Document.

3. Tenant has accepted possession of the Premises in their "AS IS" "WHERE IS" condition and all improvements required to be made by Landlord per the Lease Document have been completed.

4. The Lease Document provides for the commencement and expiration of the Term of the lease of the Premises, which Term commences and expires as follows:

a. Commencement of the Term of the Premises:

b. Expiration of the Term of the Premises:

5. The required amount of the Security Deposit and/or Letter of Credit per the Lease Document is $. Tenant has delivered the Security Deposit and/or Letter of Credit per the Lease Document in the amount of $.

6. The Building Number is and the Lease Number is . This information must accompany every payment of Rent made by Tenant to Landlord per the Lease Document.

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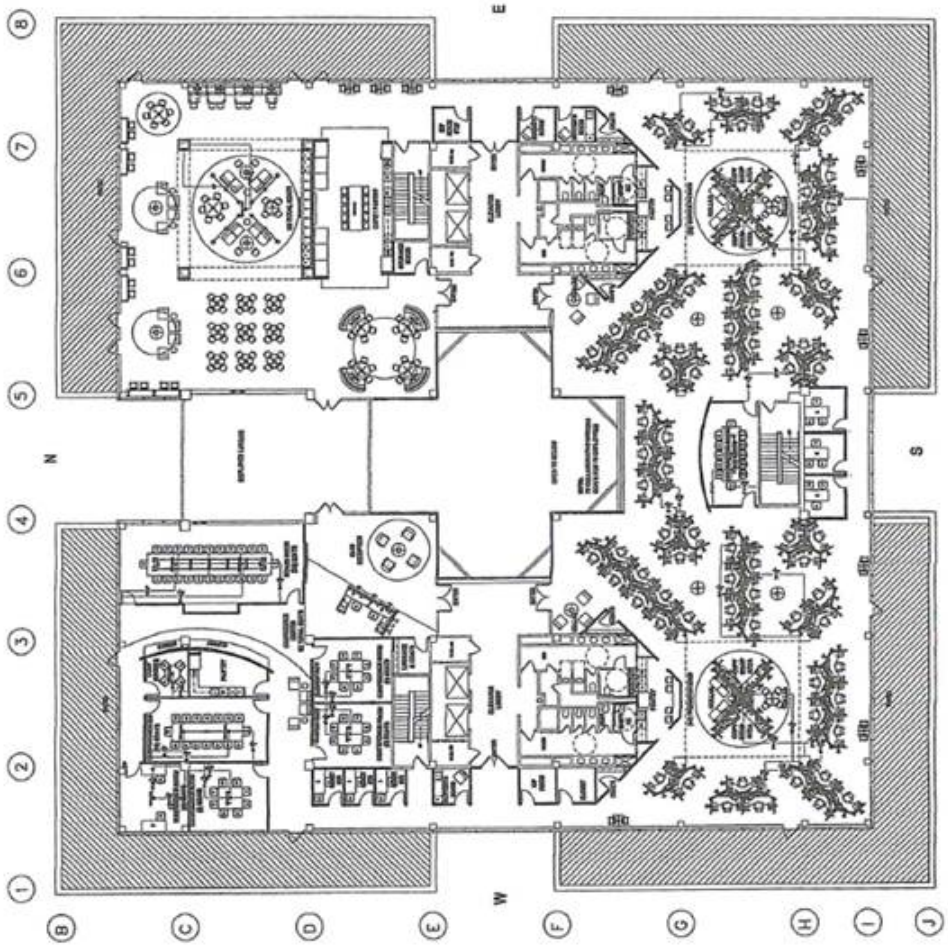
By:		By:	
Name:		Name:	
Title:		Title:	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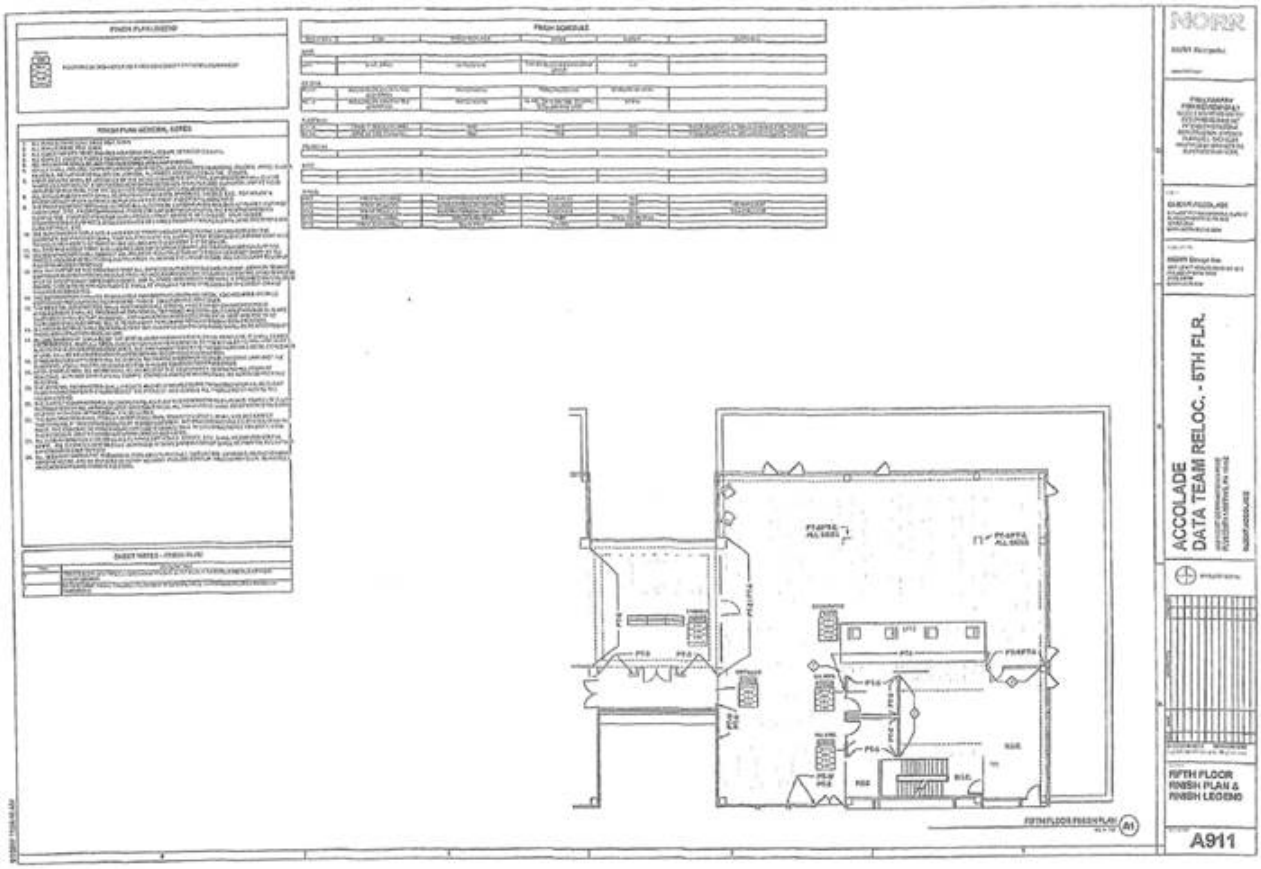
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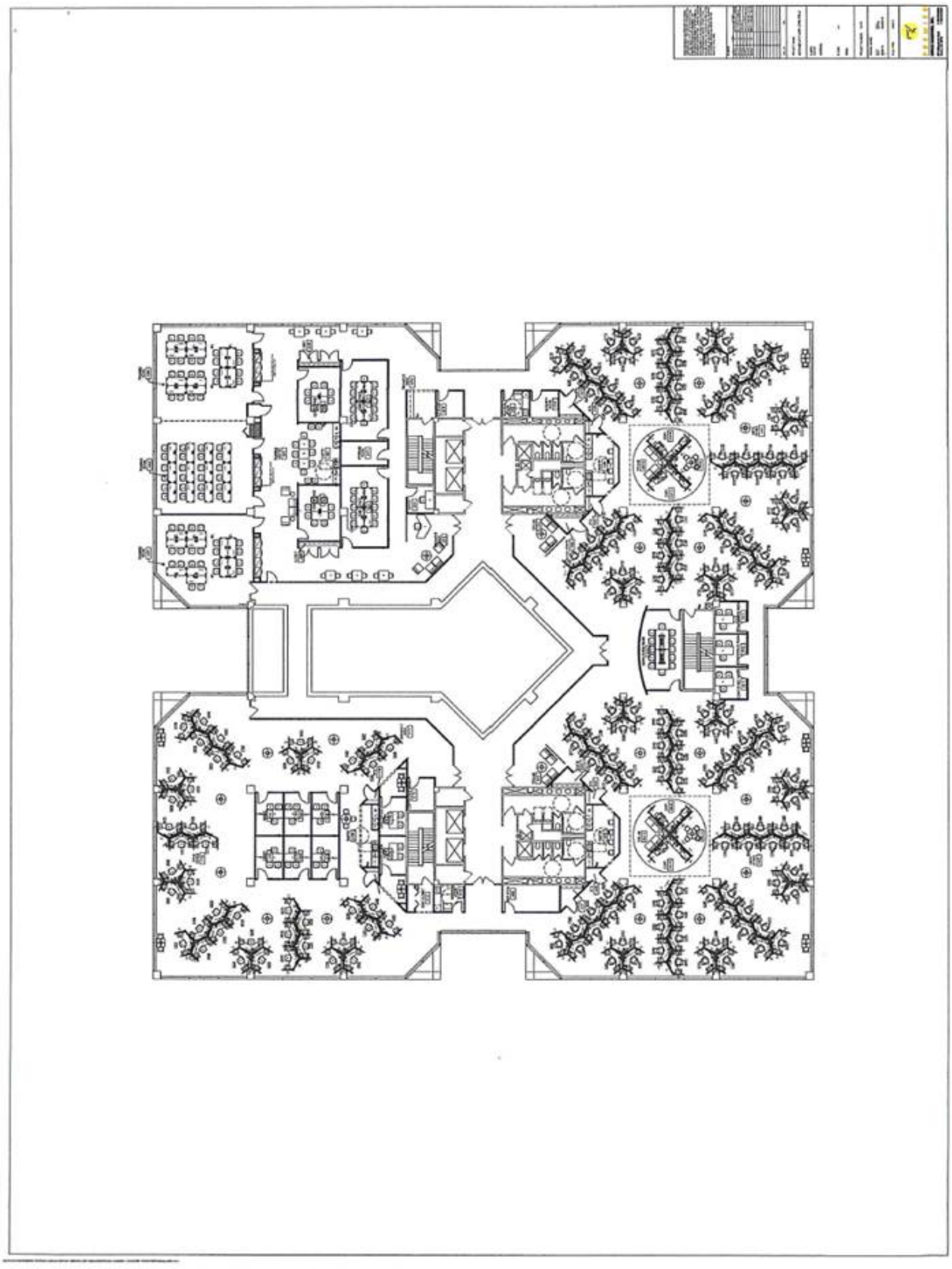

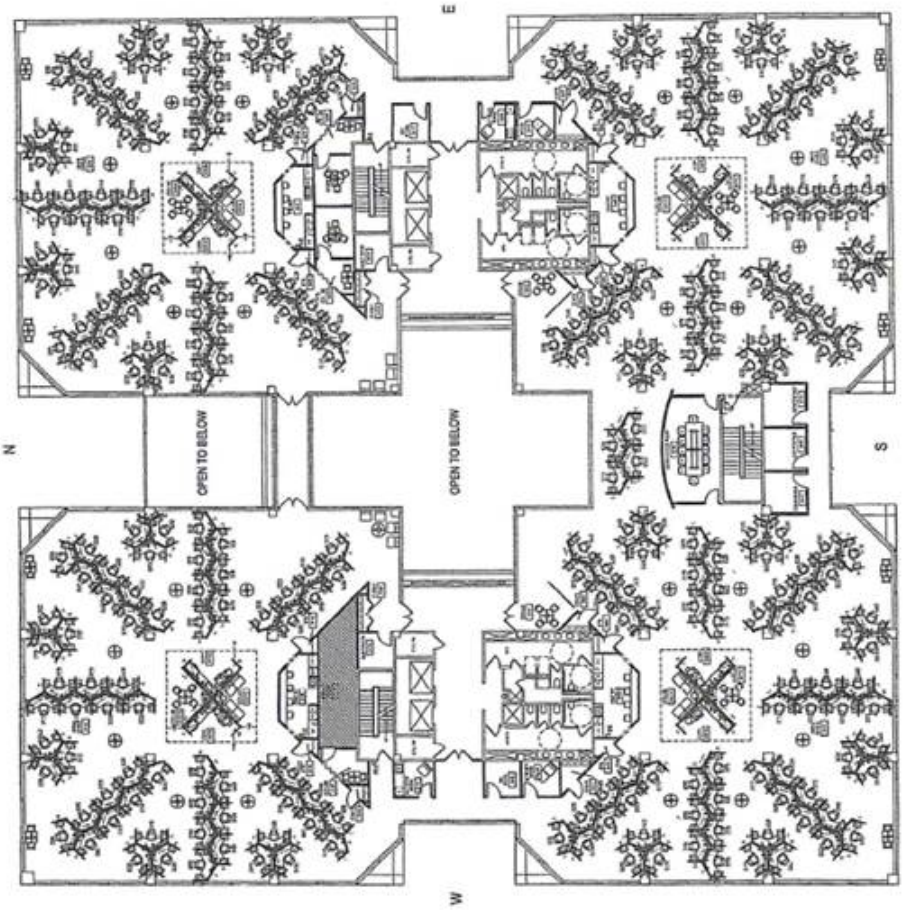
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