As filed with the Securities and Exchange Commission on December 4, 2020.

Registration No. 333-249860

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

Amendment No. 2
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Upstart Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	7389	46-4332431
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Upstart Holdings, Inc.
2950 S. Delaware Street, Suite 300
San Mateo, California 94403
(650) 204-1000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Dave Girouard
Chief Executive Officer
Upstart Holdings, Inc.
2950 S. Delaware Street, Suite 300
San Mateo, California 94403
(650) 204-1000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jeffrey D. Saper Allison B. Spinner Shannon R. Delahaye Wilson Sonsini Goodrich & Rosati, P.C. 650 Page Mill Road Palo Alto, California 94304 (650) 493-9300	Alison Nicoll Christopher Ing Emily Sairafian Upstart Holdings, Inc. 2950 S. Delaware Street, Suite 300 San Mateo, California 94403 (650) 204-1000	John L. Savva Sullivan & Cromwell LLP 1870 Embarcadero Road Palo Alto, California 94303 (650) 461-5600

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Shares to be Registered(1)	Proposed Maximum Aggregate Offering Price Per Share(2)	Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common stock, par value $0.0001 per share	13,818,043	$22.00	$303,996,946.00	$33,166.07

(1) Includes an additional 1,802,353 shares of our common stock that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended. Includes the aggregate offering price of additional shares that the underwriters have the option to purchase, if any.
(3) The registrant previously paid $10,910 of this amount in connection with a prior filing of this registration statement.

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

Subject to Completion. Dated December 4, 2020.

12,015,690 Shares

Upstart Holdings, Inc.

Common Stock

This is the initial public offering of shares of common stock of Upstart Holdings, Inc. We are offering 9,000,000 shares of common stock. The selling stockholders identified in this prospectus are offering an additional 3,015,690 shares of common stock. We will not receive any of the proceeds from the sale of shares by the selling stockholders.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $20.00 and $22.00. We have been approved to list our common stock on the Nasdaq Global Select Market under the symbol "UPST".

We are an "emerging growth company" as that term is defined under the federal securities laws and, as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings.

See "Risk Factors" beginning on page 21 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 Upstart	$	$
Proceeds, before expenses, to the selling stockholders	$	$

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

To the extent that the underwriters sell more than 12,015,690 shares of our common stock, the underwriters have the option to purchase up to an additional 1,802,353 shares from certain selling stockholders at the initial public offering price less the underwriting discount.

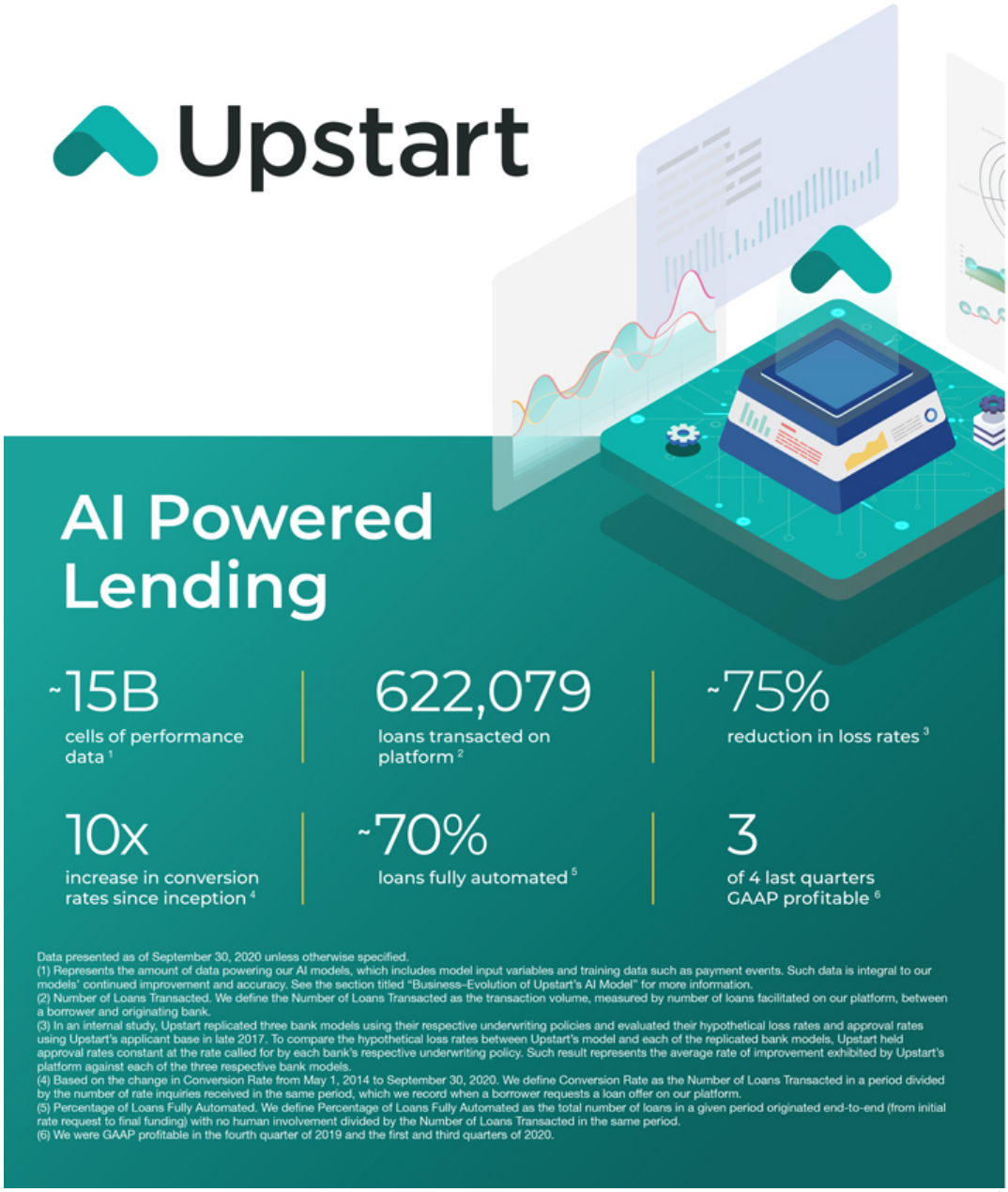
The underwriters expect to deliver the shares against payment in New York, New York on , 2020.

Goldman Sachs & Co. LLC **BofA Securities** **Citigroup**

Jefferies **Barclays**

JMP Securities **Blaylock Van, LLC**

Prospectus dated , 2020.


Upstart
AI Powered Lending
~15B
cells of performance data [1]
622,079
loans transacted on platform [2]
~75%
reduction in loss rates [3]
10x
increase in conversion rates since inception [4]
~70%
loans fully automated [5]
3
of 4 last quarters GAAP profitable [6]
Data presented as of September 30, 2020 unless otherwise specified.
(1) Represents the amount of data powering our AI models, which includes model input variables and training data such as payment events. Such data is integral to our models' continued improvement and accuracy. See the section titled "Business–Evolution of Upstart's AI Model" for more information.
(2) Number of Loans Transacted. We define the Number of Loans Transacted as the transaction volume, measured by number of loans facilitated on our platform, between a borrower and originating bank.
(3) In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart's applicant base in late 2017. To compare the hypothetical loss rates between Upstart's model and each of the replicated bank models, Upstart held approval rates constant at the rate called for by each bank's respective underwriting policy. Such result represents the average rate of improvement exhibited by Upstart's platform against each of the three respective bank models.
(4) Based on the change in Conversion Rate from May 1, 2014 to September 30, 2020. We define Conversion Rate as the Number of Loans Transacted in a period divided by the number of rate inquiries received in the same period, which we record when a borrower requests a loan offer on our platform.
(5) Percentage of Loans Fully Automated. We define Percentage of Loans Fully Automated as the total number of loans in a given period originated end-to-end (from initial rate request to final funding) with no human involvement divided by the Number of Loans Transacted in the same period.
(6) We were GAAP profitable in the fourth quarter of 2019 and the first and third quarters of 2020.

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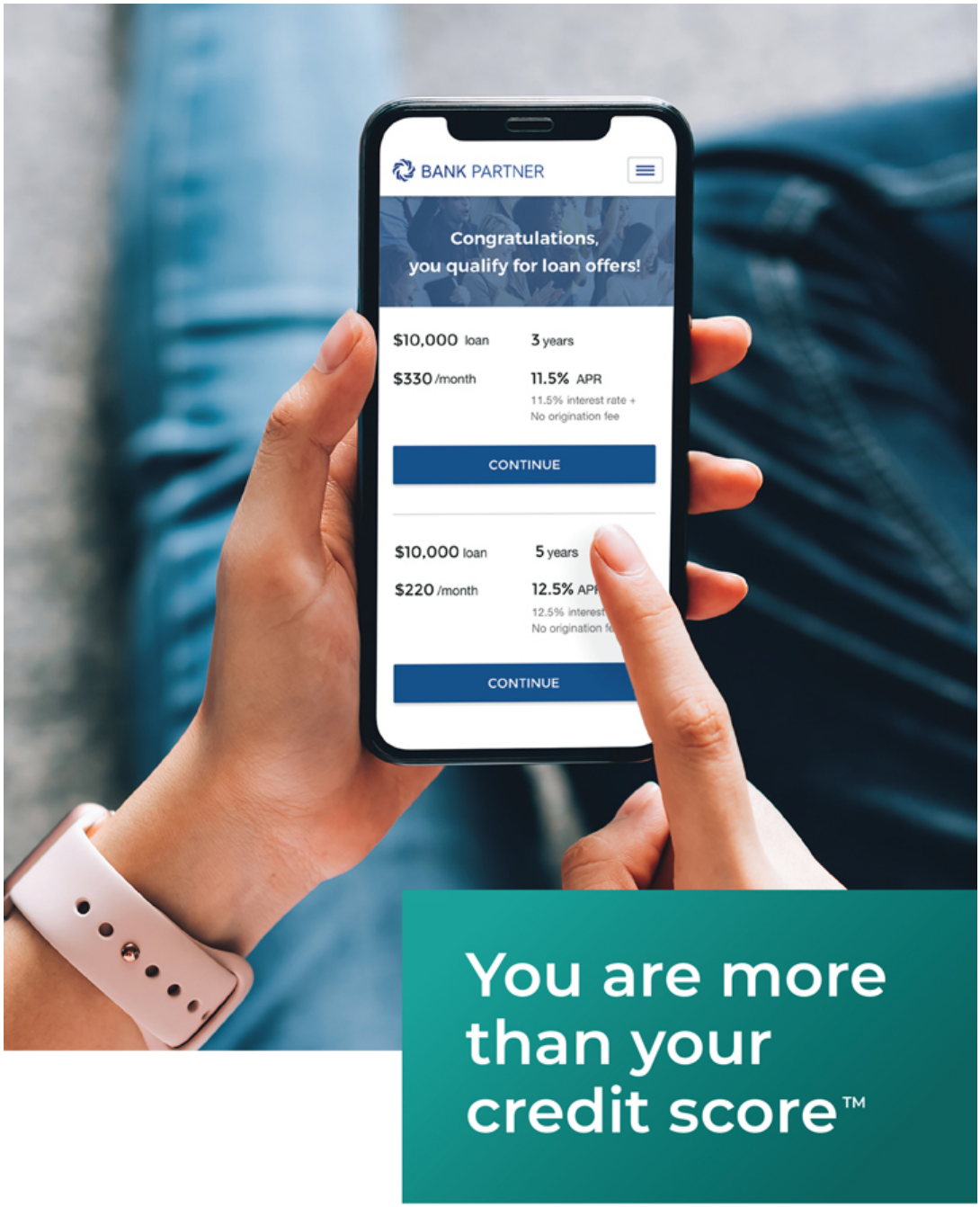

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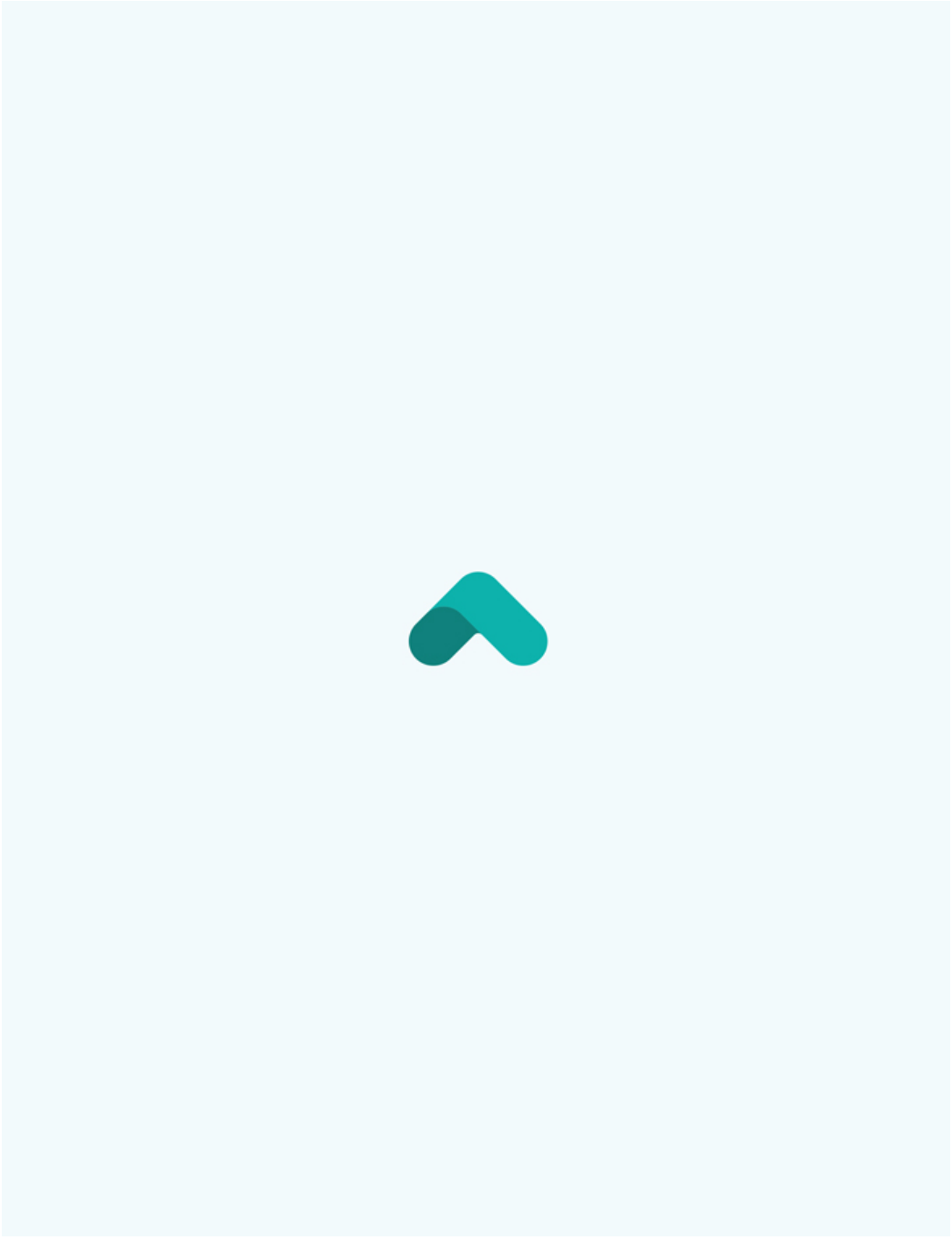

FOUNDERS' LETTER

I left Google in 2012 to found Upstart with Anna and Paul.

We were convinced that technology and data science could improve access to affordable credit, but we were a little fuzzy on the details. It seemed obvious that there was room for improvement: Why should a credit score invented 30 years ago, prior to the emergence of cloud computing and modern data science, decide who is approved for a loan and who isn't?

I was confident that the types of technologies and analytics we were developing at Google for very different reasons could be useful to this vast but incredibly inefficient industry. And done properly, such a system could reduce the cost of borrowing for millions.

Why credit?

You don't go into credit to be loved. With five thousand years of colorful history, there's no shortage of reasons to be concerned for borrowers and suspicious of lenders. The business of lending suffers from self-inflicted reputational damage brought on by uncountable stories of borrower exploitation. For all the right reasons, it's among the most heavily regulated industries.

We can dream about living in a world where credit isn't necessary—where each of us has the money we need to live the life we want. But like it or not, money is a core ingredient of our lives, and the need to borrow money is a reality for virtually all Americans.

Despite its checkered past, it's clear that credit is a cornerstone of the economy and access to affordable credit is an enabler of the American dream. Purchasing a home or car, starting a business, pursuing a college degree, relocating to a new city—these are the building blocks of life that are out of reach for those without access to affordable credit.

Simply put, credit unlocks opportunity and mobility—and thus the price of credit equals the price of the American dream. **This is why we founded Upstart.**

Lending is broken

Considering how central lending is to the economy, it's stunning how ineffective current approaches to credit origination are. In June of 2020, commercial banks in the US issued almost $15 trillion in loans.[1] Yet the models used to predict whether a loan will be repaid are much closer to a roll of the dice than to an omniscient lending deity.

By way of example, four in five Americans have never defaulted on a loan, yet less than half have a credit score that would qualify them for the low rates that banks offer.[2] The implication is eye-opening: with a smarter credit model, lenders could approve almost twice as many borrowers, with fewer defaults.

Limitations of legacy credit systems affect most of us: First, they offer loans to many people who fail to pay them back, which is harmful to both consumers and lenders. Second, they decline to offer loans to people who would successfully pay them back if given the chance, also harmful to consumers and lenders. And finally, even those who repay their loans pay too much in interest, because they subsidize borrowers who default.

It's accepted as immutable that lending is a cyclical industry whose performance depends wholly on the macro-economic environment. A corollary of this belief holds that, aside from modest efficiency improvements, technology can't alter the fundamentals of lending. Lenders staffed by disciplined teams with solid analytics will do fine when times are good. But like gravity, it will all come crashing down at the next recession.

These beliefs lead to an intense and ultimately fruitless effort in boardrooms across the country to predict the timing of the next recession. When the first signs of a slowdown are evident, lenders are quick to raise the drawbridge and batten down the hatches. These impulsive reactions invariably mean that access to credit for consumers and businesses dries up just when it's needed most.

Artificial intelligence is the fix

AI has the potential to add $13 trillion to the global economy by 2030 and is broadly considered one of the most important developments in the history of technology.[3] Last year, Amazon's Jeff Bezos said "we're at the beginning of a golden age of AI. Recent advancements have already led to invention that previously lived in the realm of science fiction."

Credit is a compelling and obvious use case for AI. First, lending involves sophisticated decisioning for events that occur millions of times each day. Second, there is an almost unlimited supply of data that has the potential to improve the accuracy of credit decisions. Third, given the costs and risks associated with lending, as well as the scale of the industry, the potential economic wins from AI are dramatic.

1 Statista: Value of Loans of all Commercial Banks in the United States from March 2014 to August 2020, September 2018.
2 Based on an Upstart retrospective study completed in December 2019, which defined access to prime credit as individuals with credit reports with VantageScores of 720 or above.
3 McKinsey Global Institute, or McKinsey, Notes From the AI Frontier: Modeling the Impact of AI on the World Economy, September 2018.

How does AI change lending? It starts by vastly expanding the information used to inform a credit decision. Then, it utilizes sophisticated machine learning algorithms that can tease out the relationships between hundreds or even thousands of variables. And finally, the system learns and improves on its own, optimizing in response to daily loan-level repayment and delinquency data. Our own AI system is trained on almost 15 billion cells of performance data and predicts the specific likelihood of default or prepayment for each month of a loan term.[4]

As the number of variables and volume of training data in Upstart's model have grown over time, we've been able to implement increasingly sophisticated machine learning algorithms, which in turn improve the accuracy of our model and efficiency of our funnel. As good as our AI platform is today, it only scratches the surface of the accuracy gains that are possible.

Applied across the entire credit origination funnel, AI can reduce friction, eliminate costs, and mitigate risks associated with lending. The result is a superior customer experience and improved economics that can be shared between borrowers and lenders.

The wins from AI lending are compelling. Studies we completed with several large US banks suggested that Upstart's model could approve up to three times the number of borrowers at the same loss rates as traditional models.[5] Furthermore, improvements to our AI models have increased throughput of our borrower funnel by a factor of 10 since we began more than eight years ago, driving long-term reductions in acquisition cost and improvements to our unit economics. These improvements led to our first profitable quarter in Q4 2019 (and a net loss of $466,000 for the full-year 2019).

What about those ugly recessions? Lenders would do well to put away their crystal balls and instead focus on predicting which borrowers will pay them back in any environment. While the probability of default for a borrower may vary by as much as 2X[6] depending on the state of the economy, our experience suggests that risk associated with two borrowers with similar credit scores can vary by at least 10X.[7]

Furthermore, with an AI-based system, banks can lend responsibly in any environment, with a system that responds quickly and intelligently to changes in employment levels and economic output. This isn't just theory: during the employment shock of the recent COVID-19 pandemic, unemployment increased from about 4% to 14% in just a few weeks. While this led to a temporary decrease in loan originations and in the availability of loan funding as well as a potential for increased losses, Upstart partner banks experienced immaterial impact to the performance of their loans.[8]

4 Performance data is defined as a combination of payment events and model input variables.
5 In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart's applicant base in late 2017. To compare the hypothetical approval rates between Upstart's model and each of the replicated bank models, Upstart held loss rates constant at the rate called for by each bank's respective underwriting policy. Such result represents the average rate of improvement exhibited by Upstart's platform against each of the three respective bank models.
6 Based on a comparison of loss rates on 60 day past due credit card accounts from 2004-2006 and 2009 using data obtained from Canals-Cerda and Kerr, Working Paper No. 15-08 Credit Risk Modeling in Segmented Portfolios: An Application to Credit Cards, Federal Reserve Bank of Philadelphia, February 2015.
7 Based on an internal Upstart study conducted in June 2020 comparing annualized loss rates of all Upstart-powered loans originated in 2018 by segments based on the borrower's FICO credit score and the risk tier assigned by Upstart at origination.
8 Bureau of Labor Statistics, U.S. Department of Labor, News Release: The Employment Situation – August 2020, September 2020.

We don't expect every future cycle to behave the same in terms of government stimulus and consumer dynamics. And while our model has not yet been extensively tested in a down-cycle economy or recession without significant government assistance, we do expect the relative strengths of AI demonstrated during this cycle to persist. Nevertheless, it will take time for banks and capital markets to develop confidence necessary to continue lending through cycles, as evidenced by the fact that the COVID-19 pandemic led to a significant but temporary reduction in bank lending and loan funding on our platform.

While we expect AI to disrupt virtually all forms of credit globally, Upstart is focused today on the US consumer market (and on personal loans in particular). There were more than $4.2 trillion in credit outstanding in December 2019 across mortgages, HELOCs, auto loans, credit cards, personal loans, and student loans— and virtually all could have been improved with AI.[9]

In June 2020, we announced the expansion of our AI platform into auto lending, and the first Upstart-powered auto loan was originated in September 2020. The auto lending market is both large – at least five times the size of the personal loan market – and inefficient, with millions of borrowers paying interest rates that don't reflect their true risk.[10] This is an ideal next opportunity for Upstart.

Why now, why Upstart?

History is littered with companies who claimed to have built a "better mousetrap" in credit only to fail the test of time.[11] So it's fair to ask what's changed and why now is the time for AI lending.

First, the building blocks for this transformation came into place only in the last decade or so. The science underpinning AI has gone from research labs to mainstream in just a few years. And cloud computing has unlocked the ability to apply the enormous power of computation required by AI to a single credit decision in just a few seconds.

Second, change is hard, and change at the core of credit is really hard. The data science, the regulatory hurdles, the financial risk—add these up and it's no secret why the pre-eminent lending institutions in the US (banks) have yet to take on the challenge of building an AI model.

At Upstart, we built the right team to take on this challenge and paired it with the right mission to inspire us. Every single day, we focus maniacally on helping our bank partners approve more borrowers at lower rates while eliminating every bit of friction associated with the process. With our eight-year head start, we believe our AI lending platform is well-positioned to help power one of the largest transformations facing the financial services industry.

6 Based on a comparison of loss rates on 60 day past due credit card accounts from 2004-2006 and 2009 using data obtained from Canals-Cerda and Kerr, Working Paper No. 15-08 Credit Risk Modeling in Segmented Portfolios: An Application to Credit Cards, Federal Reserve Bank of Philadelphia, February 2015.
7 Based on an internal Upstart study conducted in June 2020 comparing annualized loss rates of all Upstart-powered loans originated in 2018 by segments based on the borrower's FICO credit score and the risk tier assigned by Upstart at origination.
8 Bureau of Labor Statistics, U.S. Department of Labor, News Release: The Employment Situation – August 2020, September 2020.
9 The Federal Reserve Board, Statistical Release: Consumer Credit, or Federal Reserve Consumer Credit, December 2019.
10 Based on an internal Upstart study conducted in July 2020. Market size data obtained from Matt Komos, TransUnion: Consumer Credit Origination, Balance and Delinquency Trends: Q1 2020, June 2020.
11 Hansell, Saul, Technology; U.S. Seizes Bank Business of Web Credit Card Issuer, The New York Times, February 2002.

A partner to banks

While many Fintech companies aspire to become the bank of the future, we're not one of them. Instead of competing with banks, we decided to partner with them, helping banks navigate and thrive through one of the most foundational technology transformations in history.

For our first four years, we worked with a single bank partner, Cross River Bank, to build our models and refine our processes. We decided at that point to partner with banks rather than to become one, so began to work with other banks. As of today, there are 10 banks on our platform, though Cross River Bank still originated 89% of our volume in 2019 and 72% in the first three quarters of 2020.

While a handful of our country's largest banks may aspire to build an AI-powered lending platform, thousands of others will look to form strong and reliable technology partnerships in order to secure their future. We aim to partner with them.

What motivates us

Eight years in, it's unusual for three founders to continue to lead a company day in and day out. But Paul, Anna and I are still here. We're different people, from different backgrounds and even different generations. But we figured out how to work together to build a company that none of us could have built alone. We do have some things in common—we each come from a modest background, where affordable credit was central to our unique pursuit of the American dream.

We have a "true north" at Upstart—to bring more people into the world where the credit system works, to unlock opportunity and mobility for them so that money isn't a daily concern, and to write a story about lending of which we can all be proud.

Dave on behalf of Paul and Anna

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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.

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

For investors outside the United States: Neither we, the selling stockholders 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 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 the United States.

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors" 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. Unless the context otherwise requires, the terms "Upstart," "the company," "we," "us" and "our" in this prospectus refer to Upstart Holdings, Inc. and its consolidated subsidiaries. Our fiscal year end is December 31, and our fiscal quarters end on March 31, June 30, September 30 and December 31.

Upstart Holdings, Inc.

Overview

Our mission is to enable effortless credit based on true risk.

We are a leading, cloud-based artificial intelligence lending platform. Artificial intelligence, or AI, lending enables a superior loan product with improved economics that can be shared between consumers and lenders. Our platform aggregates consumer demand for high-quality loans and connects it to our network of Upstart AI-enabled bank partners. Consumers on our platform benefit from higher approval rates, lower interest rates, and a highly automated, efficient, all-digital experience. Our bank partners benefit from access to new customers, lower fraud and loss rates, and increased automation throughout the lending process. Since inception, our bank partners have originated over 620,000 personal loans that have generated more than 9 million repayment events. In the nine months ended September 30, 2020, approximately 70% of Upstart-powered loans were entirely automated.

Credit is a cornerstone of the U.S. economy, and access to affordable credit is central to unlocking upward mobility and opportunity. The FICO score was invented in 1989 and remains the standard for determining who is approved for credit and at what interest rate.[12] While FICO is rarely the only input in a lending decision, most banks use simple, rules-based systems that consider only a limited number of variables. Unfortunately, because legacy credit systems fail to properly identify and quantify risk, millions of creditworthy individuals are left out of the system, and millions more pay too much to borrow money.[13]

The first generation of online lenders focused on bringing credit online. Analogous to earlier internet pioneers, these companies made shopping for and accessing credit simpler and easier for consumers and businesses. It was no longer necessary to stand in line at a bank branch, to sit across the desk from a loan officer and to wait weeks or months for a decision. These lenders enabled the emergence of personal loan products that were previously unprofitable for banks to offer. While they brought the credit process online, they inherited the decision frameworks that banks had used for decades and did not address the more rewarding and challenging opportunity of reinventing the credit decision.

We leverage the power of AI to more accurately quantify the true risk of a loan. Our AI models have been continuously upgraded, trained and refined for more than eight years. We have discrete AI

12 Rob Kaufman, myFico Blog: The History of the FICO Score, August 2018.
13 Patrice Ficklin and Paul Watkins, Consumer Financial Protection Bureau Blog: An Update on Credit Access and the Bureau's First No-Action Letter, August 2019.

models that target fee optimization, income fraud, acquisition targeting, loan stacking, prepayment prediction, identity fraud and time-delimited default prediction. Our models incorporate more than 1,600 variables and benefit from a rapidly growing training dataset that currently contains more than 9 million repayment events.[14] The network effects generated by our constantly improving AI models provide a significant competitive advantage—more training data leads to higher approval rates and lower interest rates at the same loss rate.

We have been able to demonstrate through several studies that AI lending works. First, in 2019 the Consumer Financial Protection Bureau, or CFPB, reported that a study by Upstart of its data using a methodology specified by the CFPB showed that our AI model approves 27% more borrowers than a high-quality traditional model, with a 16% lower average APR for approved loans.[15] Second, when compared to credit models from several large banks, our AI models approve approximately 2.7 times as many borrowers at the same loss rate.[16] Third, for pools of securitized loans, our realized loss rates were only approximately half of those predicted by Kroll, a prominent credit rating agency; over that same time period, realized losses for the same pool of loans were on average only 5% different than our internal forecasts.[17] And finally, we regularly monitor the accuracy of our AI models in comparison with simple credit score-based models and have observed higher model accuracy across a variety of statistical measures relating to each model's predictive accuracy.[18]

Our AI models are provided to bank partners within a consumer-facing cloud application that streamlines the end-to-end process of originating and servicing a loan. We have built a configurable, multi-tenant cloud application designed to integrate seamlessly into a bank's existing technology systems. Our highly configurable platform allows each bank to define its own credit policy and determine the significant parameters of its lending program. Our AI models use and analyze data from all of our bank partners. As a result, these models are trained by every Upstart-powered loan, and each bank partner benefits from participating in a shared AI lending platform.

Consumers can discover Upstart-powered loans in one of two ways: either via Upstart.com or through a white-labeled product on our bank partners' own websites.

Loans issued through our platform can be retained by our originating bank partners, distributed to our broad base of approximately 100 institutional investors and buyers that invest in Upstart-powered loans or funded by Upstart's balance sheet. In the third quarter of 2020, 22% of the loans funded through our platform were retained by the originating bank and 76% of loans were purchased by

14 References to variables in this prospectus refer to all raw variables and certain combined variables considered in our AI models.

15 Ficklin and Watkins; see the section titled "Industry, Market and Other Data."

16 In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart's applicant base in late 2017. Such result represents the average rate of improvement exhibited by Upstart's platform against each of the three respective bank models.

17 In an internal study, Upstart compared the actual realized loss rates of Upstart loans securitized in five securitization transactions between June 2017 and September 2019 and the loss rate predictions for those loans obtained from KBRA Surveillance Reports published by Kroll Bond Rating Agency in December 2019. As compared to Kroll's loss predictions, actual realized losses were approximately 31% to 71% lower, with an average deviation across all five securitization transactions of -48%. As compared to our internal forecasts, actual realized losses ranged from approximately 35% higher (for the earliest securitization transaction) to approximately 17% lower (for the most recent securitization transaction), with an average absolute deviation across all of five securitization transactions of approximately 13%.

18 Upstart compares on a monthly basis its AI models to (i) a FICO-only model and (ii) a "FICO+" model, which considers loan amount, debt-to-income ratio, monthly income, number of inquiries and number of trade accounts in addition to FICO score, which we believe is representative of the model many of our sophisticated competitors would use. To conduct a comparison of the Upstart AI models to the models described in (i) and (ii), we run applicant information through the Upstart AI models, the FICO-only model, and FICO+ model, comparing performance by analyzing five commonly-used statistical metrics, each of which measures the deviation between predicted losses and actual losses for each model. These metrics include: the root mean square error of net present value of losses, normalized logistic loss, ratio of the gini coefficients of predicted to observed rankings, the area under the receiver operating characteristics curve, and the Kolmogorov-Smirnov statistic.

institutional investors through our loan funding programs. Our institutional investors and buyers that participate in our loan funding programs, which include Goldman Sachs, PIMCO and funds managed by Morgan Stanley Investment Management, invest in Upstart-powered loans through whole loan purchases, purchases of pass-through certificates and investments in asset-backed securitizations. We enter into nonexclusive agreements with our whole loan purchasers and each of the grantor trust entities in our asset-backed securitizations, or ABS, under which our ABS investors benefit from our loan servicing capabilities.[19] The remaining 2% of loans funded through our platform in the third quarter of 2020 were funded through our balance sheet.

Our revenue is primarily comprised of fees paid by banks. We charge banks referral fees for each loan referred through Upstart.com and originated by a bank partner, platform fees for each loan originated (regardless of its source) and loan servicing fees as consumers repay their loans. Our agreements with our bank partners are nonexclusive, generally have 12-month terms that automatically renew, subject to certain early termination provisions and minimum fee amounts, and do not include any minimum origination obligation or origination limits. As a usage-based platform, we target positive unit economics on each transaction, resulting in a cash efficient business model that features both high growth rates and profitability. As of September 30, 2020, we had 10 bank partners. In the nine months ended September 30, 2020, Cross River Bank originated 72% of the loans facilitated on our platform and fees received from Cross River Bank accounted for 65% of our total revenue.[20] Our current agreement with Cross River Bank began on January 1, 2019 and has an initial four year term, with a renewal term for an additional two years following the initial four year term.

We have achieved rapid growth while improving our margin profile in recent years. The number of loans facilitated on our platform increased by 88% from 114,125 in 2018 to 215,122 in 2019, and 30% from 136,468 in the nine months ended September 30, 2019 to 176,983 over the same period in 2020. Our revenue for the nine months ended September 30, 2019 and 2020 was $101.6 million and $146.7 million, respectively, representing an increase of 44%. For the nine months ended September 30, 2019 and 2020, our net income (loss) was $(6.5) million and $5.0 million, respectively.[21]

Industry Overview

Affordable Credit is Critical to Unlocking Upward Mobility and Opportunity

With $3.6 trillion of consumer credit originated between April 2019 and March 2020,[22] credit is a cornerstone of the U.S. economy. Access to affordable credit is central to unlocking upward mobility and opportunity. Reducing the price of borrowing for consumers has the potential to dramatically improve the quality of life for millions of people. Studies have demonstrated a strong statistical link among access to affordable credit, personal well-being and income growth.[23] The average American has approximately $29,800 in personal debt.[24] While access to affordable credit has allowed Americans to purchase and improve their homes, buy cars, pay for college tuition and cover emergency expenses, high interest

19 See the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Term loans and revolving loan facilities”, “Business—Institutional Investors” and Note 7 to our consolidated financial statements for more information about our loan funding programs, including the role of our warehouse credit facilities and special purpose entities and our arrangements with institutional investors. See “Note 3. Securitizations and Variable Interest Entities” to our consolidated financial statements for additional information regarding transactions with our VIEs.
20 See the section titled “Business—Bank Partnerships” for more information about our arrangements with CRB and other bank partners.
21 Unless otherwise noted, “net loss” refers to “net loss attributable to Upstart Holdings, Inc. common stockholders.”
22 Based on loan origination dollar amounts published by TransUnion; see the section titled “Industry, Market and Other Data.”.
23 Kirsten Wysen, Open Source Solutions: Why Credit Scores and Payday Lending Matter for Health, October 2019.
24 Northwestern Mutual, 2019 Planning & Progress Study: The Debt Debacle, 2019.

rates can negatively impact a consumer's financial health. The U.S. Federal Reserve reports that on average, 10% of household disposable personal income is spent on debt repayment.[25] In addition, 16% of Americans spend 50% to 100% of their monthly income repaying debt.[26]

Affordable Credit Is Inaccessible for Millions because Existing Systems Fail to Accurately Quantify Risk

The FICO score was invented in 1989 and has not fundamentally changed since that time.[27] The FICO score is used by over 90% of lenders to determine who is approved for credit and at what interest rate.[28] While FICO is rarely used in isolation, many credit models are simple, rules-based systems. A leading expert found that bank credit models commonly incorporate eight to 15 variables, with the more sophisticated models using as many as 30.[29] Unsurprisingly, the world is more complicated than can be represented by these models, so they are limited in their ability to reliably estimate the probability of default.

Many borrowers suffer from the effects of inaccurate credit models. Many are approved for a loan that they ultimately will be unable to repay, negatively impacting both the consumer and the lender. Many others may be declined for a loan that they could have successfully repaid if given the opportunity—again doing harm to both consumer and lender. According to an Upstart retrospective study completed in December 2019, four out of five Americans who have taken out a loan have never defaulted, yet less than half of Americans have access to prime credit.[30] Even consumers with high credit scores tend to pay too much for loans because the rates they pay effectively subsidize the losses from borrowers who default.

25 The Federal Reserve Board, Household Debt Service and Financial Obligations Ratios, or Federal Reserve Household Debt, December 2019.
26 Northwestern Mutual; see the section titled "Industry, Market and Other Data."
27 Kaufman; see the section titled "Industry, Market and Other Data."
28 Kaufman; see the section titled "Industry, Market and Other Data."
29 Naeem Siddiqi, Intelligent Credit Scoring: Building and Implementing Better Credit Risk Scorecards—2nd Edition, 2017.
30 The study defined access to prime credit as individuals with credit reports with VantageScores of 720 or above.

Banks Will Continue to be at the Forefront of Consumer Lending

Banks have been at the forefront of consumer lending in the U.S. for more than a century. They benefit from long-term structural advantages, including a low cost of funding, a unique regulatory framework, and high levels of consumer trust. Through large and reliable deposit bases, banks are able to maintain a very low cost of funds—approximately 1% on average.[31] These cost savings are passed through to borrowers in the form of lower interest rates, a significant competitive advantage over non-depository lending institutions. Banks also benefit from a regulatory framework that allows them to create nation-wide lending programs that are largely uniform. Given these advantages, we believe that a partnership-based bank enablement approach will be more successful than a disruption strategy.

Banks Must Undergo a Digital Transformation to Remain Competitive

The largest four U.S. banks spend an estimated $38 billion on technology and innovation annually.[32] These four banks may attempt to build AI lending models over time, once general market acceptance has been achieved. However, outside the largest four banks, there are approximately 5,200 FDIC insured institutions[33] that are at risk of falling behind. Despite holding over $8 trillion in deposits,[34] we believe these banks, particularly small to medium-sized banks, have outdated technology and lack the technical resources of larger banks to fund the digitization process.

At the same time, consumers are increasingly seeking digital, personalized and automated experiences.[35] A 2017 Bain survey found that approximately 50% of the U.S. population would be comfortable buying financial products from technology companies.[36] We believe that as consumers, both young and old, move their financial lives online, small and medium-sized banks will be increasingly ill-equipped to serve them.

We believe that these trends have been accelerated by the COVID-19 pandemic, as the lack of access to physical bank branches has increased the banking industry's focus on digital capabilities. The performance of our platform through this crisis has also given existing and prospective bank partners an important new data point to underpin their growing confidence in our solution.

Increasing Recognition from Regulators

Many regulators including the Federal Deposit Insurance Corporation, or FDIC, the Office of the Comptroller of the Currency, or OCC, the Federal Reserve and the CFPB increasingly recognize the opportunity to modernize techniques used in lending.[37] In December 2019, these agencies issued an inter-agency report in support of the use of alternative data in lending decisions.[38] Additionally, in November 2019, the CFPB director noted that despite external uncertainty regarding how AI will fit into

31 Federal Home Loan Bank of San Francisco, Cost of Funds Index, December 2019.
32 Adrian D. Garcia, Bankrate: JPM, Big Banks Spend Billions on Tech but Innovation Lags, July 2018.
33 Federal Deposit Insurance Corporation, or FDIC, Statistics on Depository Institutions, December 2019.
34 The dollar amount of deposits held by banks, other than the largest four banks, was aggregated by Upstart using data provided by the FDIC; see the section titled "Industry, Market and Other Data."
35 Bain & Company, Inc., or Bain, Evolving the Customer Experience in Banking, 2017. PricewaterhouseCoopers LLP, or PwC, Experience Is Everything: Here's How To Get It Right, 2018. RedPoint Global and the Harris Poll, or RedPoint Global, Addressing the Gaps in Customer Experience: A Benchmark Study Exploring the Ever Evolving Customer Experience and How Marketers and Consumers Are Adapting, March 2019.
36 Bain; see the section titled "Industry, Market and Other Data."
37 Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, National Credit Union Administration and Office of the Comptroller of the Currency, Interagency Statement on the Use of Alternative Data in Credit Underwriting, or FDIC Interagency Statement, December 2019.
38 FDIC Interagency Statement; see the section titled "Industry, Market and Other Data."

regulatory frameworks, the CFPB is focused on ensuring a path to regulatory clarity because it recognizes the value AI lending products can offer consumers.[39] In fact, in 2017, in response to a request by Upstart, the CFPB issued Upstart the first no-action letter, which provides that the CFPB has no present intention to recommend enforcement action with regard to the application of the Equal Credit Opportunity Act against Upstart for its use of alternative variables and AI and machine learning in credit decision-making.[40] This no-action letter expired on December 1, 2020. On November 30, 2020, the CFPB issued a new no-action letter to Upstart under the CFPB's revised 2018 policy on no-action letters. This new no-action letter, which will expire on November 30, 2023, covers the use of our AI model to underwrite and price unsecured closed-end loans, and is conditional on our implementation of a Model Risk Assessment Plan that was developed with the CFPB.

The AI Opportunity

AI has the potential to add $13 trillion to the current global economic output by 2030, a 16% increase over today's output.[41] According to the McKinsey Global Institute, AI will be slowly adopted in its early stages, followed by steep acceleration as the technology matures and companies learn how to best deploy it.[42] We believe the lending industry will follow this path.

Lending is a compelling application for AI. First, it involves sophisticated decisioning for events that occur millions of times each day. Second, there is an almost unlimited supply of data that has the potential to be predictive and improve the accuracy of credit decisions. Third, given the costs and risks associated with lending, the economic wins from AI are dramatic for both banks and consumers. This means that the significant investment required to overcome the technical and regulatory hurdles is well worth the effort.

With our eight-year head start, our AI lending platform is well-positioned to power a significant portion of the U.S. credit market. To date, we have focused on the unsecured personal loan market, one of the fastest-growing segment of consumer credit.[43] From April 2019 to March 2020, there were $118 billion[44] in U.S. unsecured personal loan originations, representing 8% growth over the prior year. In the same period, we facilitated the origination of $3.5 billion in unsecured personal loans, or less than 5% of the total market.[45] We not only have a large opportunity to capture market share in unsecured personal loans, but by applying our AI models and technology to adjacent opportunities, we believe we are well-positioned to address the U.S. auto loan, credit card and mortgage markets. From April 2019 to March 2020, there were $625 billion in U.S. auto loan originations, $363 billion in U.S. credit card originations and $2.5 trillion in U.S. mortgage originations.[46] In June 2020, we began offering auto loans on our platform, and in September 2020, the first auto loan was originated through the Upstart platform. Over time, we believe we are also capable of capturing market share in student loans, point-of-sales loans and Home Equity Lines of Credit, or HELOCs.

39 Kathleen L. Kraninger, Consumer Financial Protection Bureau: Director Kraninger's Remarks at TCH-BPI Conference, November 2019.
40 Consumer Financial Protection Bureau, No-Action Letter to Upstart Network, Inc. dated September 14, 2017, and as modified on September 11, 2020, or the CFPB No-Action Letter.
41 McKinsey; see the section titled "Industry, Market and Other Data."
42 McKinsey; see the section titled "Industry, Market and Other Data."
43 Eldar Beiseitov, Federal Reserve Bank of St. Louis: Unsecured Personal Loans Get a Boost From Fintech Lenders, July 2019.
44 Based on loan origination dollar amounts published by TransUnion; see the section titled "Industry, Market and Other Data."
45 Based on loan origination dollar amounts published by TransUnion; see the section titled "Industry, Market and Other Data."
46 Based on loan origination dollar amounts published by TransUnion; see the section titled "Industry, Market and Other Data."

Our AI Lending Platform

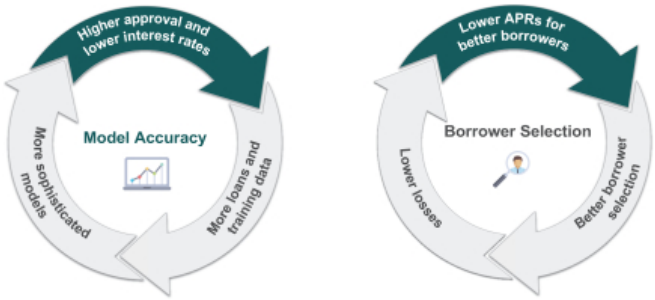
Our AI models are central to our value proposition and unique position in the industry. Our models incorporate more than 1,600 variables, which are analogous to the columns in a spreadsheet. They have been trained by more than 9 million repayment events, analogous to rows of data in a spreadsheet. Interpreting these almost 15 billion cells of data are increasingly sophisticated machine learning algorithms that enable a more predictive model.

These elements of our model are co-dependent; the use of hundreds or thousands of variables is impractical without sophisticated machine learning algorithms to tease out the interactions between them. And sophisticated machine learning depends on large volumes of training data. Over time, we have been able to deploy and blend more sophisticated modeling techniques, leading to a more accurate system. This co-dependency presents a challenge to others who may aim to short-circuit the development of a competitive model. While incumbent lenders may have vast quantities of historical repayment data, their training data lacks the hundreds of columns, or variables, that power our model. For more details regarding the variables, training data, and algorithms in our models, please see “Business—Evolution of Upstart’s AI Model.”

Despite their sophistication, our AI models are delivered to banks in the form of a simple cloud application that shields borrowers from the underlying complexity. Additionally, our platform allows banks to tailor lending applications based on their policies and business needs. Our bank partners can configure many aspects of their lending programs, including factors such as loan duration, loan amount, minimum credit score, maximum debt-to-income ratio and return target by risk grade. Within the construct of each bank’s self-defined lending program, our platform enables the origination of conforming and compliant loans at a low per-loan cost.

Our platform benefits from powerful flywheel effects that drive continuous improvements as our business scales. Our platform benefits first from increasingly sophisticated models, variable expansion and rapid growth of training data. Upgrades to our platform allow us to offer higher approval rates and lower interest rates to consumers, which increases the number of borrowers on our platform. Upgrades to our platform also lead to better borrower selection, which lowers losses and lowers interest rates to borrowers. The flywheel effect created by self-reinforcing AI increases the economic opportunity that can be shared by borrowers and lenders over time.

Upstart’s AI Flywheel



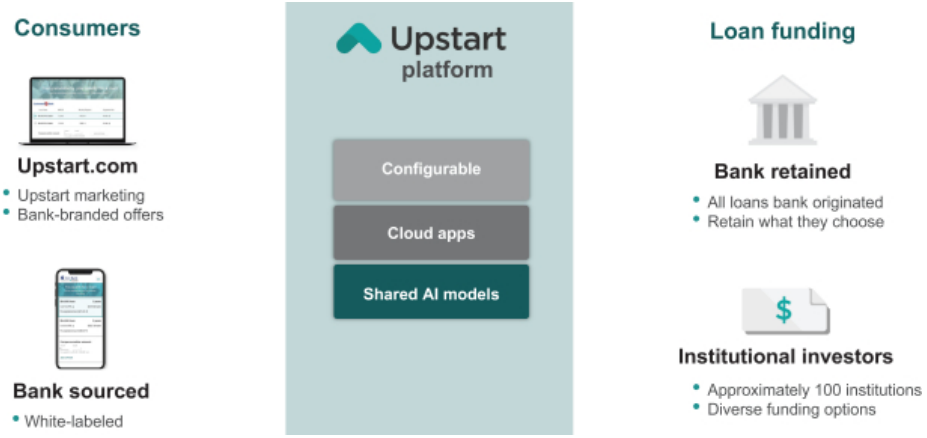
Our Ecosystem

Our platform connects consumers, banks and institutional investors through a shared AI lending platform. Because AI is a new and disruptive technology, and banking is a traditionally conservative industry, we have brought our technology to market in a way that allows us to grow rapidly and improve on our AI models, while allowing banks to take a prudent and responsible approach to assessing and adopting our platform.

On the consumer side, we aggregate demand on Upstart.com, where consumers are presented with bank-branded offers from our bank partners. In this way, we benefit banks who have adopted our AI lending technology. Bank partners can also offer Upstart-powered loans through a white-labeled interface on their own website or mobile application. Consumers on our platform are generally offered unsecured personal loans ranging from $1,000 to $50,000 in size, at APRs typically ranging from approximately 6.5% to 35.99%, with terms typically ranging from three to five years, with a monthly repayment schedule and no prepayment penalty.

On the funding side, our bank partners can retain loans that align with their business and risk objectives, while the remainder can be sold to our network of institutional investors, which have far broader and more diverse capacity to absorb and distribute risk. This flexible approach allows banks to adopt AI lending at their own pace, while we continue to grow and improve our platform.

Upstart's Ecosystem



Value Proposition to Consumers

- *Higher approval rates and lower interest rates*—The CFPB reported that a study by Upstart of its data using a methodology specified by the CFPB, showed that our AI model approves 27% more borrowers than high-quality traditional lending models with a 16% lower average APR for approved loans.[47] Our analyses suggest that our loan offers have improved significantly over time relative to those of competitors.[48]

47 Ficklin and Watkins; see the section titled "Industry, Market and Other Data."

48 Since 2017, Upstart has used a third-party service to perform quarterly comparative studies of the interest rates offered for Upstart-powered loans versus the interest rates offered by six other companies offering personal loans online.

- *Superior digital experience*—Whether consumers apply for a loan through Upstart.com or directly through a bank partner's website, the application experience is streamlined into a single application process and the loan offers provided are firm. In the third quarter of 2020, approximately 70% of Upstart-powered loans were instantly approved with no document upload or phone call required, an increase from 0% in late 2016. Such automation improvements were due in large part to improvements to our AI models and the application of such models to different aspects of the loan process, including data verification and fraud detection.

Value Proposition to Bank Partners

- *Competitive digital lending experience*—We provide regional banks and credit unions with a cost effective way to compete with the technology budgets of their much larger competitors. The Net Promoter Scores, or NPS, for our bank partners' lending programs are approximately 79, well above published benchmarks for the largest banks.[49]
- *Expanded customer base*—We refer customers that apply for loans through Upstart.com to our bank partners, helping them grow both loan volumes and number of customers. The most common age of Upstart-referred borrowers in the third quarter of 2020 was 28 years old, a compelling demographic that is often challenging for banks to access.
- *Lower loss rates*—An internal study comparing our model to that of several large U.S. banks found that our model could enable these banks to lower loss rates by almost 75% while keeping approval rates constant.[50]
- *New product offering*—Personal loans are one of the fastest-growing segment of credit in the U.S.[51] Our platform helps banks provide a product their customers want, rather than letting customers seek loans from competitors.
- *Institutional investor acceptance*—Analyses by credit rating agencies, loan and bond buying institutions, and credit underwriters help banks gain confidence that Upstart-powered loans are subject to significant and constant scrutiny from experts, the results of which are often publicly available.

Our Competitive Strengths

Constantly Improving AI Models

We have been building and refining our AI models for more than eight years, and they have led directly to our growth and profitability. Our models currently incorporate more than 1,600 variables and are trained by more than 9 million repayment events. Beyond the advantages accrued by our constantly growing volume of training data, our data science team continues to update our modeling

49 Upstart used a third-party service to administer surveys to loan applicants immediately following an applicant's acceptance of a loan on Upstart's platform. The disclosed figure represents the weighted average of the Net Promoter Scores of each of our bank partners in the third quarter of 2020. While the Net Promoter Score methodology used by Upstart's third-party service was designed to be consistent with the methodology used in the referenced benchmark study, any differences in the timing or method in which the surveys were administered could negatively impact the comparability of such Net Promoter Scores. For further information, see the section titled "Industry, Market and Other Data."

50 In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart's applicant base in late 2017. To compare the hypothetical loss rates between Upstart's model and each of the replicated bank models, Upstart held approval rates constant at the rate called for by each bank's respective underwriting policy. Such result represents the average rate of improvement exhibited by Upstart's platform against each of the three respective bank models.

51 Beiseitov; see the section titled "Industry, Market and Other Data."

techniques regularly. Model and technology improvements have increased our conversion rate from the initial rate inquiry to funded loan by a factor of ten since inception. We have a pipeline of potential model improvements that we expect will further increase our conversion rates in the future.

Flexible Two-Sided Ecosystem

We benefit from aggregating consumer demand on Upstart.com, referring consumers directly to our network of AI-enabled bank partners. Our consumer presence allows us to increase awareness of and interest in Upstart-powered loans, directly contributing to our own growth, as well as the growth and success of our bank partners' lending programs.

With an expanding list of bank partners, we can solve the borrowing needs of an increasingly diverse array of consumers. As more banks leverage the Upstart platform, consumers benefit from better offers of credit, while experiencing a consistently high-quality experience.

Capital Efficient Fee-Based Business

In the third quarter of 2020, we generated 96% of revenue from fees from banks and loan servicing. We have also achieved a high degree of automation, with approximately 70% of Upstart-powered loans approved instantly and fully automated in the third quarter of 2020, driving operating leverage and improving unit economics.

Regulatory Compliance

We have worked with regulators since our inception to ensure we operate in compliance with applicable laws and regulations. AI lending expands access to affordable credit by constantly finding new ways to identify qualified borrowers, yet AI models must avoid unlawful disparate impact or statistical bias that would be harmful to protected groups. We have demonstrated to the CFPB that our platform does not introduce unlawful bias to the credit decision, and we have developed sophisticated reporting procedures to ensure future versions of the model remain fair.[52]

In September 2017, we received the CFPB's first no-action letter.[53] The CFPB issues no-action letters to reduce potential regulatory uncertainty for innovative products that may offer significant consumer benefit.[54] On November 30, 2020, at the expiration of our first no-action letter, we received a new no-action letter from the CFPB, which expires on November 30, 2023. At this time, we do not know of any other lending platforms that have received similar no-action letters for fair lending from the CFPB.

Our Growth Strategy

Model Improvements

Our growth has historically been driven by AI model improvements and technology upgrades, and we expect this trend to continue for the foreseeable future. Model upgrades typically result in higher approval rates, better loan offers, higher degrees of automation and other improvements that increase our total number of funded loans. As our model accuracy increases, we are able to re-target and approve consumers who previously visited our site but were not eligible for a loan. A more efficient funnel also has the effect of enabling new marketing and acquisition channels that may not have been economical in the past, providing a second-order growth driver.

52 Ficklin and Watkins; see the section titled "Industry, Market and Other Data."
53 CFPB No-Action Letter; see the section titled "Industry, Market and Other Data."
54 Consumer Financial Protection Bureau, Policy on No-Action Letters, September 2019.

More Efficient Funding

Growth is also driven by a reduced cost of funding for Upstart-powered loans. This can happen because more banks adopt our platform, or existing partners increase their budget for Upstart-powered loans. Cost of funding can also be reduced as bank partners gain more confidence in our models and lower some of the constraints they choose to place on their lending program. The cost of funding through institutional investors can also improve regularly, as credit rating agencies and loan and residual buyers gain confidence in the credit performance of Upstart-powered loans.

Our internal data suggests that each 100 basis point reduction in interest rate offered to the consumer increases conversion by 15%.[55] Therefore, reduced cost of funding can be a direct driver of growth.

Bank Distribution

Today, the vast majority of borrowers are referred to our bank partners via Upstart.com. But these banks are also beginning to offer Upstart-powered loans through their own websites, supported by their own marketing programs. We expect the bank-driven distribution of Upstart-powered loans to grow over time, as more bank partners roll out white-labeled versions of Upstart to serve their new and existing customers directly.

New Products

Personal loans are one of the fastest-growing segment of consumer credit in the U.S., but they are far from the largest.[56] As we apply our AI models and technology to other credit verticals, we will be able to serve the needs of more consumers and to play a broader technology enablement role for our bank partners. There is significant opportunity to expand from personal loans to auto loans, credit cards, mortgages, student loans, point-of-sale loans and HELOCs. In June 2020, we began offering auto loans on our platform, and in September 2020, the first auto loan was originated through the Upstart platform.

Risk Factors Summary

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

- We are a rapidly growing company with a relatively limited operating history, which may result in increased risks, uncertainties, expenses and difficulties, and makes it difficult to evaluate our future prospects.
- Our revenue growth rate and financial performance in recent periods may not be indicative of future performance and such growth may slow over time.
- The COVID-19 pandemic has harmed and could continue to harm our business, financial condition and results of operations.
- If we fail to effectively manage our growth, our business, financial condition and results of operations could be adversely affected.
- We have incurred net losses in the past, and we may not be able to maintain or increase our profitability in the future.

55 In a series of internal studies conducted in April 2016, September 2016 and January 2018, Upstart compared changes in conversion rates between test groups of Upstart loan applicants when loan offer APRs were increased or decreased for certain groups. The average change in conversion rates across the three studies is presented.

56 Beiseitov; see the section titled “Industry, Market and Other Data.”

- Our quarterly results are likely to fluctuate and as a result may adversely affect the trading price of our common stock.
- If we are unable to continue to improve our AI models or if our AI models contain errors or are otherwise ineffective, our growth prospects, business, financial condition and results of operations would be adversely affected.
- If our existing bank partners were to cease or limit operations with us or if we are unable to attract and onboard new bank partners, our business, financial condition and results of operations could be adversely affected.
- Cross River Bank and one other bank partner account for a substantial portion of the total number of loans facilitated by our platform and our revenue.
- The sales and onboarding process of new bank partners could take longer than expected, leading to fluctuations or variability in expected revenues and results of operations.
- Our business may be adversely affected by economic conditions and other factors that we cannot control.
- Our AI models have not yet been extensively tested during down-cycle economic conditions. If our AI models do not accurately reflect a borrower's credit risk in such economic conditions, the performance of Upstart-powered loans may be worse than anticipated.
- If we are unable to maintain a diverse and robust loan funding program, our growth prospects, business, financial condition and results of operations could be adversely affected.
- Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure or perceived failure to comply with such laws and regulations could harm our business, financial condition and results of operations.
- We rely on strategic relationships with loan aggregators to attract applicants to our platform, and if we cannot maintain effective relationships with loan aggregators or successfully replace their services, our business could be adversely affected.
- Substantially all of our revenue is derived from a single loan product, and we are thus particularly susceptible to fluctuations in the unsecured personal loan market. We also do not currently offer a broad suite of products that bank partners may find desirable.

Channels for Disclosure of Information

Investors, the media and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the Securities and Exchange Commission, or the SEC, our corporate blog at Upstart.com/blog, the investor relations page on our website, press releases, our Twitter account (@Upstart), our Facebook page, our LinkedIn page, public conference calls or webcasts.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

Corporate Information

Upstart Network, Inc. was incorporated in Delaware in 2012. Pursuant to a restructuring, Upstart Holdings, Inc. was incorporated in December 2013 and became the holding company of Upstart Network, Inc. Our principal executive offices are located at 2950 S. Delaware Street, Suite 300, San Mateo, California 94403, and our telephone number is (650) 204-1000. Our website address is www.Upstart.com. Information contained on, or that can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only. You should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our common stock.

Upstart, our logo, and our other registered or common law trademarks, service marks, or trade names appearing in this prospectus are the property of Upstart Holdings, Inc. or one of its subsidiaries. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

JOBS Act

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of relief from certain reporting requirements and other burdens that are otherwise applicable generally to public companies. These provisions include:

- reduced obligations with respect to financial data, including presenting only two years of audited financial statements and only two years of selected financial data;
- an exception from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements, and registration statements; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation or golden parachute arrangements.

We may take advantage of these provisions for up to five years or such earlier time that we no longer qualify as an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenues, have more than $700 million in market value of our capital stock held by non-affiliates or issue more than $1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced reporting burdens.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards, and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies or that have opted out of using such extended transition period, which may make comparison of our financial statements with those of other public companies more difficult. We may take advantage of these reporting exemptions until we no longer qualify as an emerging growth company, or, with respect to adoption of certain new or revised accounting standards, until we irrevocably elect to opt out of using the extended transition period.

The Offering	
Common stock offered by us	9,000,000 shares
Common stock offered by the selling stockholders	3,015,690 shares
Common stock to be outstanding after this offering	72,460,881 shares
Option to purchase additional shares of common stock from certain selling stockholders	Certain selling stockholders have granted the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 1,802,353 additional shares.
Use of proceeds	We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately $166.9 million, based upon the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of common stock by the selling stockholders in this offering. The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock, and enable access to the public equity markets for us and our stockholders. We intend to use the net proceeds from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. Additionally, we may use a portion of the net proceeds to acquire or invest in businesses, products, services, or technologies. However, we do not have agreements or commitments for any material acquisitions or investments at this time. See the section titled “Use of Proceeds” for additional information.
Concentration of ownership	Upon completion of this offering, our executive officers, directors, and holders of 5% or more of our common stock will beneficially own, in the aggregate, approximately 62.7% of the outstanding shares of our common stock.
Risk factors	See “Risk Factors” and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Nasdaq Global Select Market trading symbol	“UPST”

The number of shares of our common stock that will be outstanding after this offering is based on 63,460,881 shares of our common stock outstanding as of September 30, 2020, and reflects:

- 15,044,707 shares of common stock outstanding;
- 47,349,577 shares of preferred stock that will automatically convert into shares of common stock immediately prior to the completion of this offering pursuant to the terms of our amended and restated certificate of incorporation, or the Capital Stock Conversion;
- 600,208 shares of our Series B preferred stock issued in November 2020 upon the exercise of a warrant that was outstanding as of September 30, 2020, which will automatically convert into shares of common stock in the Capital Stock Conversion; and
- 466,389 shares of our common stock to be issued upon exercise of options to purchase shares of our common stock by certain selling stockholders in connection with the sale of such shares by such selling stockholders in this offering.

The shares of our common stock outstanding after this offering exclude the following:

- 18,889,653 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of September 30, 2020, with a weighted-average exercise price of $3.17 per share;
- 319,669 shares of our common stock issuable upon the exercise of warrants outstanding as of September 30, 2020, with a weighted-average exercise price of $1.77 per share;
- 1,540,938 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock issued after September 30, 2020, with a weighted-average exercise price of $15.16 per share; and
- 10,765,271 shares of our common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 5,520,000 shares of our common stock reserved for future issuance under our 2020 Equity Incentive Plan, or our 2020 Plan, which will become effective prior to the completion of this offering;
  - 3,865,271 shares of our common stock reserved for future issuance under our 2012 Stock Plan, or our 2012 Plan, provided that we will cease granting awards under our 2012 Plan upon the effectiveness of the 2020 Plan; and
  - 1,380,000 shares of our common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, or our ESPP, which will become effective prior to the completion of this offering.

Each of our 2020 Plan and our ESPP provides for annual automatic increases in the number of shares reserved thereunder, and our 2020 Plan also provides for increases to the number of shares that may be granted thereunder based on awards under our 2012 Plan that expire, are forfeited, or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

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

- the Capital Stock Conversion will occur immediately prior to the completion of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the effectiveness of our amended and restated bylaws, will each occur immediately prior to the completion of this offering;

- no exercise or cancellation of outstanding stock options subsequent to September 30, 2020 (other than shares to be issued upon exercise of options to purchase common stock by certain selling stockholders in connection with the sale of such shares by such selling stockholders in this offering); and
- no exercise by the underwriters of their option to purchase an additional 1,802,353 shares of our common stock from certain selling stockholders.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated historical financial and other data. We have derived the summary consolidated statements of operations data for the years ended December 31, 2017, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data for the nine months ended September 30, 2019 and 2020 and the consolidated balance sheet data as of September 30, 2020 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data in this section are not intended to replace our consolidated financial statements and related notes, and our historical results are not necessarily indicative of the results that may be expected in the future. The following summary consolidated financial and other data should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus. The last day of our fiscal year is December 31. Our fiscal quarters end on March 31, June 30, September 30, and December 31.

Consolidated Statements of Operations Data

(In thousands, except share and per share amounts)	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
Revenue:					
Revenue from fees, net	$51,161	$ 88,482	$159,847	$ 98,699	$144,179
Interest income and fair value adjustments, net	6,128	10,831	4,342	2,918	2,527
Total revenue	57,289	99,313	164,189	101,617	146,706
Operating expenses:					
Sales and marketing[1]	33,838	63,633	93,175	61,236	65,113
Customer operations[1]	10,232	15,416	24,947	16,593	24,792
Engineering and product development[1]	5,324	8,415	18,777	11,480	24,651
General, administrative, and other[1]	15,431	19,820	31,865	20,399	30,778
Total operating expenses	64,825	107,284	168,764	109,708	145,334
(Loss) income from operations	(7,536)	(7,971)	(4,575)	(8,091)	1,372
Other income	330	487	1,036	832	5,497
Expense on warrants and convertible notes, net	(1,649)	(3,734)	(1,407)	(2,626)	(2,317)
Net (loss) income before income taxes	(8,855)	(11,218)	(4,946)	(9,885)	4,552
Provision for income taxes	6	—	74	—	—
Net (loss) income before attribution to noncontrolling interests	(8,861)	(11,218)	(5,020)	(9,885)	4,552
Net (loss) income attributable to noncontrolling interests	(1,144)	1,101	(4,554)	(3,368)	(404)
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$ (7,717)	$ (12,319)	$ (466)	$ (6,517)	$ 4,956

(In thousands, except share and per share amounts)	Year Ended December 31, 2017	2018	2019	Nine Months Ended September 30, 2019	2020
Net loss per common share attributable to Upstart Holdings, Inc. common stockholders, basic and diluted(2)	$ (0.56)	$ (0.87)	$ (0.03)	$ (0.46)	$ —
Weighted-average number of shares outstanding used in computing net loss per share attributable to Upstart Holdings, Inc. common stockholders, basic and diluted(2)	13,873,810	14,128,183	14,335,611	14,313,262	14,663,623
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic(2)			$ 0.06		$ 0.11
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic(2)			62,249,893		62,613,408
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted(2)			$ 0.05		$ 0.09
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted(2)			71,497,924		71,733,580

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

(In thousands)	Year Ended December 31, 2017	2018	2019	Nine Months Ended September 30, 2019	2020
Sales and marketing	$ 32	$ 183	$ 278	$ 157	$ 1,136
Customer operations	124	178	433	252	625
Engineering and product development	574	753	1,803	932	3,181
General, administrative, and other	560	931	1,292	863	2,160
Total stock-based compensation	$ 1,290	$ 2,045	$ 3,806	$ 2,204	$ 7,102

(2) See Note 16 to our consolidated financial statements for an explanation of the calculations of our basic and diluted net loss per share attributable to Upstart Holdings, Inc. common stockholders, pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders and the weighted-average number of shares used in the computation of the per share amounts.

Consolidated Balance Sheet Data

(In thousands)	As of September 30, 2020		
	Actual	Pro Forma[1]	Pro Forma as Adjusted[2][3][4]
Cash	$ 53,234	$ 53,240	$ 224,608
Loans (at fair value)	122,708	122,708	122,708
Total assets	309,804	309,810	476,293
Borrowings	100,588	100,588	100,588
Total liabilities	194,591	187,134	187,134
Convertible preferred stock	162,546	—	—
Accumulated deficit	(70,249)	(70,249)	(75,134)
Total stockholders' (deficit) equity	(47,333)	122,676	289,159
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	$309,804	$309,810	$ 476,293

(1) The pro forma column in the balance sheet data table above reflects (a) the Capital Stock Conversion, as if such conversions had occurred on September 30, 2020, (b) the preferred stock issued in November 2020 upon the exercise of a warrant to purchase Series B preferred stock and (c) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering.

(2) The pro forma as adjusted column in the balance sheet data table above gives effect to (a) the pro forma adjustments set forth above and (b) the sale and issuance by us of shares of our common stock in this offering, based upon the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (c) the issuance of 466,389 shares of common stock upon the exercise of options held by certain selling stockholders in connection with the sale of such shares by such selling stockholders in this offering.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the amount of our pro forma as adjusted cash, working capital, total assets, and total stockholders' equity by $8.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash, working capital, total assets, and total stockholders' equity by $19.5 million assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

(4) Pro forma as adjusted cash and total assets each excludes $4.2 million of deferred offering costs that had been paid as of September 30, 2020.

Key Operating Metrics

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

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
Number of Loans Transacted	70,457	114,125	215,122	136,468	176,983
Conversion Rate	8.1%	9.1%	13.1%	12.2%	14.0%
Percentage of Loans Fully Automated	34%	53%	66%	64%	69%

See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics” for a description of Number of Loans Transacted, Conversion Rate and Percentage of Loans Fully Automated.

Non-GAAP Financial Measures

	Year Ended December 31,			Nine Months Ended September 30,	
(In thousands)	2017	2018	2019	2019	2020
Contribution Profit	$ 9,265	$13,098	$48,940	$25,560	$63,697
Adjusted EBITDA	$(4,679)	$ (6,226)	$ 5,595	$ (1,363)	$16,006

See the section titled “Selected Consolidated Financial and Other Data—Non-GAAP Financial Measures” for a description of Contribution Profit and Adjusted EBITDA and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of such non-GAAP financial measures to certain directly comparable financial measures calculated in accordance with GAAP.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information 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, financial condition, results of operations, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Investing in our common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as fully described below. The principal factors and uncertainties that make investing in our common stock risky include, among others:

- We are a rapidly growing company with a relatively limited operating history, which may result in increased risks, uncertainties, expenses and difficulties, and makes it difficult to evaluate our future prospects.
- Our revenue growth rate and financial performance in recent periods may not be indicative of future performance and such growth may slow over time.
- The COVID-19 pandemic has harmed and could continue to harm our business, financial condition and results of operations.
- If we fail to effectively manage our growth, our business, financial condition and results of operations could be adversely affected.
- We have incurred net losses in the past, and we may not be able to maintain or increase our profitability in the future.
- Our quarterly results are likely to fluctuate and as a result may adversely affect the trading price of our common stock.
- If we are unable to continue to improve our AI models or if our AI models contain errors or are otherwise ineffective, our growth prospects, business, financial condition and results of operations would be adversely affected.
- If our existing bank partners were to cease or limit operations with us or if we are unable to attract and onboard new bank partners, our business, financial condition and results of operations could be adversely affected.
- Cross River Bank and one other bank partner account for a substantial portion of the total number of loans facilitated by our platform and our revenue.
- The sales and onboarding process of new bank partners could take longer than expected, leading to fluctuations or variability in expected revenues and results of operations.
- Our business may be adversely affected by economic conditions and other factors that we cannot control.
- Our AI models have not yet been extensively tested during down-cycle economic conditions. If our AI models do not accurately reflect a borrower's credit risk in such economic conditions, the performance of Upstart-powered loans may be worse than anticipated.

- If we are unable to maintain a diverse and robust loan funding program, our growth prospects, business, financial condition and results of operations could be adversely affected.
- Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure or perceived failure to comply with such laws and regulations could harm our business, financial condition and results of operations.
- We rely on strategic relationships with loan aggregators to attract applicants to our platform, and if we cannot maintain effective relationships with loan aggregators or successfully replace their services, or if loan aggregators begin offering competing products, our business could be adversely affected.
- Substantially all of our revenue is derived from a single loan product, and we are thus particularly susceptible to fluctuations in the unsecured personal loan market. We also do not currently offer a broad suite of products that bank partners may find desirable.

We are a rapidly growing company with a relatively limited operating history, which may result in increased risks, uncertainties, expenses and difficulties, and makes it difficult to evaluate our future prospects.

We were founded in 2012 and have experienced rapid growth in recent years. Our limited operating history may make it difficult to make accurate predictions about our future performance. Assessing our business and future prospects may also be difficult because of the risks and difficulties we face. These risks and difficulties include our ability to:

- improve the effectiveness and predictiveness of our AI models;
- maintain and increase the volume of loans facilitated by our AI lending platform;
- enter into new and maintain existing bank partnerships;
- successfully maintain a diversified loan funding strategy, including bank partnerships and whole loan sales and securitization transactions that enhance loan liquidity for the bank partners that use our loan funding capabilities;
- successfully fund a sufficient quantity of our borrower loan demand with low cost bank funding to help keep interest rates offered to borrowers competitive;
- maintain competitive interest rates offered to borrowers on our platform, while enabling our bank partners to achieve an adequate return over their cost of funds, whether through their own balance sheets or through our loan funding programs;
- successfully build our brand and protect our reputation from negative publicity;
- increase the effectiveness of our marketing strategies, including our direct consumer marketing initiatives;
- continue to expand the number of potential borrowers;
- successfully adjust our proprietary AI models, products and services in a timely manner in response to changing macroeconomic conditions and fluctuations in the credit market;
- comply with and successfully adapt to complex and evolving regulatory environments.
- protect against increasingly sophisticated fraudulent borrowing and online theft;
- successfully compete with companies that are currently in, or may in the future enter, the business of providing online lending services to financial institutions or consumer financial services to borrowers;
- enter into new markets and introduce new products and services;

- effectively secure and maintain the confidentiality of the information received, accessed, stored, provided and used across our systems;
- successfully obtain and maintain funding and liquidity to support continued growth and general corporate purposes;
- attract, integrate and retain qualified employees; and
- effectively manage and expand the capabilities of our operations teams, outsourcing relationships and other business operations.

If we are not able to timely and effectively address these risks and difficulties as well as those described elsewhere in this "Risk Factors" section, our business and results of operations may be harmed.

Our revenue growth rate and financial performance in recent periods may not be indicative of future performance and such growth may slow over time.

We have grown rapidly over the last several years, and our recent revenue growth rate and financial performance may not be indicative of our future performance. In 2017, 2018 and 2019, our revenue was $57.3 million, $99.3 million and $164.2 million, respectively, representing a 73% growth rate from 2017 to 2018 and a 65% growth rate from 2018 to 2019. For the nine months ended September 30, 2019 and 2020, our revenue was $101.6 million and $146.7 million, respectively, representing a period-over-period growth rate of 44%. You should not rely on our revenue for any previous quarterly or annual period as any indication of our revenue or revenue growth in future periods. As we grow our business, our revenue growth rates may slow, or our revenue may decline, in future periods for a number of reasons, which may include slowing demand for our platform offerings and services, increasing competition, a decrease in the growth of our overall credit market, increasing regulatory costs and challenges and our failure to capitalize on growth opportunities. Further, we believe our growth over the last several years has been driven in large part by our AI models and our continued improvements to our AI models. Future incremental improvements to our AI models may not lead to the same level of growth as in past periods. In addition, we believe our growth over the last several years has been driven in part by our ability to rapidly streamline and automate the loan application and origination process on our platform. The Percentage of Loans Fully Automated on our platform was 34% in 2017 and increased to 66% in 2019.[57] We expect the Percentage of Loans Fully Automated to level off and remain relatively constant in the long term, and to the extent we expand our loan offerings beyond unsecured personal loans, we expect that such percentage may decrease in the short term. As a result of these factors, our revenue growth rates may slow, and our financial performance may be adversely affected.

The COVID-19 pandemic has harmed and could continue to harm our business, financial condition and results of operations.

The COVID-19 pandemic has caused extreme societal, economic, and financial market volatility, resulting in business shutdowns, an unprecedented reduction in economic activity and significant dislocation to businesses, the capital markets, and the broader economy. In particular, the impact of the COVID-19 pandemic on the finances of borrowers on our platform has been profound, as many have been, and will likely continue to be, impacted by unemployment, reduced earnings and/or elevated economic disruption and insecurity.

57 See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information on how we define Percentage of Loans Fully Automated.

The magnitude and duration of the resulting decline in business activity cannot currently be estimated with any degree of certainty and has had several effects on our business and results of operations, including, among other things:

- decreased origination volumes on our platform;
- the potential for increased losses for new and existing originations using our AI models resulting from a rapid rise in U.S. unemployment;
- a temporary reduction in the availability of loan funding from institutional investors and the capital markets; and
- restricted sales operations and marketing efforts, and a reduction in the effectiveness of such efforts in some cases.

The COVID-19 pandemic may lead to a continued economic downturn, which is expected to decrease technology spending generally and could adversely affect demand for our platforms and services, in addition to prolonging the foregoing challenges in our business.

In response to the impact of the COVID-19 pandemic, we have undertaken a number of initiatives to support borrowers on our platform who have suffered income loss or other hardships as a result of the pandemic. We worked with our bank partners to offer revised hardship and temporary relief plans to support borrowers impacted by the COVID-19 pandemic and adjust credit and underwriting processes and standards. While these changes to our hardship and temporary relief plans were designed to help borrowers impacted by the COVID-19 pandemic, the changes were implemented quickly and may not have had all the intended effects or desired impact. We continue to actively monitor the situation, assess possible implications to our business and take appropriate actions in an effort to mitigate the adverse consequences of the COVID-19 pandemic. However, there can be no assurances that the initiatives we take will be sufficient or successful.

We have also taken precautionary measures intended to reduce the risk of the virus spreading to our employees, partner banks, vendors, and the communities in which we operate, including temporarily closing our offices and virtualizing, postponing, or canceling partner bank, employee, or industry events, which may negatively impact our business. Furthermore, as a result of the COVID-19 pandemic, we have required all employees who are able to do so to work remotely through the end of the first quarter of 2021. It is possible that widespread remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other employees necessary to conduct our business, and on third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business practices necessitated by the outbreak and related governmental actions. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in increased consumer privacy, data security, and fraud risks, and our understanding of applicable legal and regulatory requirements, as well as the latest guidance from regulatory authorities in connection with the COVID-19 pandemic, may be subject to legal or regulatory challenge, particularly as regulatory guidance evolves in response to future developments.

Further, in response to the market conditions caused by the COVID-19 pandemic, we made certain operational changes, including increases to the fees we charge our bank partners and reductions in our sales and marketing activities and certain operational expenses. We continue to evaluate market and other conditions and may make additional changes to our fees or marketing activities, or implement additional operational changes, in the future.

The extent to which the COVID-19 pandemic continues to impact our business and results of operations will also depend on future developments that are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the disease, the duration and spread of the outbreak, the scope of travel restrictions imposed in geographic areas in which we operate, mandatory or voluntary business closures, the impact on businesses and financial and capital markets, and the extent and effectiveness of actions taken throughout the world to contain the virus or treat its impact. An extended period of economic disruption as a result of the COVID-19 pandemic could have a material negative impact on our business, results of operations, and financial condition, though the full extent and duration is uncertain. To the extent the COVID-19 pandemic continues to adversely affect our business and financial results, it is likely to also have the effect of heightening many of the other risks described in this "Risk Factors" section.

If we fail to effectively manage our growth, our business, financial condition and results of operations could be adversely affected.

Over the last several years, we have experienced rapid growth in our business and the Number of Loans Transacted on our AI lending platform, and we expect to continue to experience growth in the future. The Number of Loans Transacted on our platform increased from 70,457 in 2017 to 215,122 in 2019, representing a compound annual growth rate of 75%. The Number of Loans Transacted on our platform increased from 136,468 to 176,983 in the nine months ended September 30, 2019 and 2020, respectively, representing a growth rate of 30%.[58] This rapid growth has placed, and may continue to place, significant demands on our management, processes and operational, technological and financial resources. Our ability to manage our growth effectively and to integrate new employees and technologies into our existing business will require us to continue to retain, attract, train, motivate and manage employees and expand our operational, technological and financial infrastructure. From time to time, we rely on temporary independent contractor programs to scale our operations team. Failure to effectively implement and manage such programs could result in misclassification or other employment related claims or inquiries by governmental agencies. Continued growth could strain our ability to develop and improve our operational, technological, financial and management controls, enhance our reporting systems and procedures, recruit, train and retain highly skilled personnel and maintain user satisfaction. Any of the foregoing factors could negatively affect our business, financial condition and results of operations.

We have incurred net losses in the past, and we may not be able to maintain or increase our profitability in the future.

For the years ended December 31, 2017, 2018 and 2019, we have experienced net losses of $7.7 million, $12.3 million and $0.5 million, respectively. For the nine months ended September 30, 2019 and 2020, we have experienced net losses of $6.5 million and net income of $5.0 million, respectively. We intend to continue to expend significant funds to continue to develop and improve our proprietary AI models, improve our marketing efforts to increase the number of borrowers on our platform, enhance the features and overall user experience of our platform, expand the types of loan offerings on our platform and otherwise continue to grow our business, and we may not be able to increase our revenue enough to offset these significant expenditures. We may incur significant losses in the future for a number of reasons, including the other risks described in this section, and unforeseen expenses, difficulties, complications and delays, macroeconomic conditions and other unknown events. For example, increases in our common stock price could cause us to incur significant losses related to our liability-classified warrants, which would negatively impact our profitability. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from maintaining or improving profitability on a consistent basis. If we are unable to

[58] See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information on how we define Number of Loans Transacted.

successfully address these risks and challenges as we encounter them, our business, financial condition and results of operations could be adversely affected.

Our quarterly results are likely to fluctuate and as a result may adversely affect the trading price of our common stock.

Our quarterly results of operations, including the levels of our revenue, net income and other key metrics, are likely to vary significantly in the future, and period-to-period comparisons of our results of operations may not be meaningful. Accordingly, the results for any one quarter are not necessarily an accurate indication of future performance. Our quarterly financial results may fluctuate due to a variety of factors, many of which are outside of our control. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to improve the effectiveness and predictiveness of our AI models;
- our ability to attract new bank partners and investors of our loan funding programs;
- our ability to maintain relationships with existing bank partners and investors of our loan funding programs;
- our ability to maintain or increase loan volumes, and improve loan mix and the channels through which the loans, bank partners and loan funding are sourced;
- our ability to maintain effective relationships with loan aggregators from which prospective borrowers access our website;
- general economic conditions, including economic slowdowns, recessions and tightening of credit markets, including due to the economic impact of the COVID-19 pandemic;
- improvements to our AI models that negatively impact transaction volume, such as lower approval rates;
- the timing and success of new products and services;
- the effectiveness of our direct marketing and other marketing channels;
- the amount and timing of operating expenses related to maintaining and expanding our business, operations and infrastructure, including acquiring new and maintaining existing bank partners and investors and attracting borrowers to our platform;
- our cost of borrowing money and access to loan funding sources;
- the number and extent of loans facilitated on our platform that are subject to loan modifications and/or temporary assistance due to disasters or emergencies;
- the number and extent of prepayments of loans facilitated on our platform;
- changes in the fair value of assets and liabilities on our balance sheet;
- network outages or actual or perceived security breaches;
- our involvement in litigation or regulatory enforcement efforts (or the threat thereof) or those that impact our industry generally;
- the length of the onboarding process related to acquisitions of new bank partners;
- changes in laws and regulations that impact our business; and
- changes in the competitive dynamics of our industry, including consolidation among competitors or the development of competitive products by larger well-funded incumbents.

In addition, we experience significant seasonality in the demand for Upstart-powered loans, which is generally lower in the first quarter. This seasonal slowdown is primarily attributable to high loan

demand around the holidays in the fourth quarter and the general increase in borrowers' available cash flows in the first quarter, including cash received from tax refunds, which temporarily reduces borrowing needs. While our growth has obscured this seasonality in our overall financial results, we expect our results of operations to continue to be affected by such seasonality in the future. Such seasonality and other fluctuations in our quarterly results may also adversely affect and, increase the volatility of, the trading price of our common stock.

If we are unable to continue to improve our AI models or if our AI models contain errors or are otherwise ineffective, our growth prospects, business, financial condition and results of operations would be adversely affected.

Our ability to attract potential borrowers to our platform and increase the number of Upstart-powered loans will depend in large part on our ability to effectively evaluate a borrower's creditworthiness and likelihood of default and, based on that evaluation, offer competitively priced loans and higher approval rates. Further, our overall operating efficiency and margins will depend in large part on our ability to maintain a high degree of automation in our loan application process and achieve incremental improvements in the degree of automation. If our AI models fail to adequately predict the creditworthiness of borrowers due to the design of our models or programming or other errors, and our AI models do not detect and account for such errors, or any of the other components of our credit decision process fails, we may experience higher than forecasted loan losses. Any of the foregoing could result in sub-optimally priced loans, incorrect approvals or denials of loans, or higher than expected loan losses, which in turn could adversely affect our ability to attract new borrowers and bank partners to our platform, increase the number of Upstart-powered loans or maintain or increase the average size of loans facilitated on our platform.

Our AI models also target and optimize other aspects of the lending process, such as borrower acquisition, fraud detection, default timing, loan stacking, prepayment timing and fee optimization, and our continued improvements to such models have allowed us to facilitate loans inexpensively and virtually instantly, with a high degree of consumer satisfaction and with an insignificant impact on loan performance. However, such applications of our AI models may prove to be less predictive than we expect, or than they have been in the past, for a variety of reasons, including inaccurate assumptions or other errors made in constructing such models, incorrect interpretations of the results of such models and failure to timely update model assumptions and parameters. Additionally, such models may not be able to effectively account for matters that are inherently difficult to predict and beyond our control, such as macroeconomic conditions, credit market volatility and interest rate fluctuations, which often involve complex interactions between a number of dependent and independent variables and factors. Material errors or inaccuracies in such AI models could lead us to make inaccurate or sub-optimal operational or strategic decisions, which could adversely affect our business, financial condition and results of operations.

Additionally, errors or inaccuracies in our AI models could result in any person exposed to the credit risk of Upstart-powered loans, whether it be us, our bank partners or investors in our loan funding programs, experiencing higher than expected losses or lower than desired returns, which could impair our ability to retain existing or attract new bank partners and investors to participate in our loan funding programs, reduce the number, or limit the types, of loans bank partners and investors are willing to fund, and limit our ability to increase commitments under our warehouse and other debt facilities. Any of these circumstances could reduce the number of Upstart-powered loans and harm our ability to maintain a diverse and robust loan funding program and could adversely affect our business, financial condition and results of operations.

Continuing to improve the accuracy of our AI models is central to our business strategy. However, such improvements could negatively impact transaction volume, such as by lowering approval rates.

For example, an upgrade to our AI models in the fourth quarter of 2018 related to prepayment predictions led to a temporary decrease in the total number of loans approved. While we believe that continuing to improve the accuracy of our AI models is key to our long-term success, those improvements could, from time to time, lead us to reevaluate the risks associated with certain borrowers, which could in turn cause us to lower approval rates or increase interest rates for any borrowers identified as a higher risk, either of which could negatively impact our growth and results of operations in the short term.

If our existing bank partners were to cease or limit operations with us or if we are unable to attract and onboard new bank partners, our business, financial condition and results of operations could be adversely affected.

In the nine months ended September 30, 2020, approximately 98% of our revenue was generated from platform, referral and servicing fees that we receive from our bank partners. Our bank partners include Cross River Bank, Customers Bank, FinWise Bank, First Federal Bank of Kansas City, First National Bank of Omaha, KEMBA Financial Credit Union, TCF Bank, Apple Bank for Savings and Ridgewood Savings Bank. If any of our bank partners were to suspend, limit or cease their operations or otherwise terminate their relationships with us, the number of loans facilitated through our platform could decrease and our revenue and revenue growth rates could be adversely affected. Our sales and onboarding process with new bank partners can be long and unpredictable. If we are unable to timely onboard our bank partners, or if our bank partners are not willing to work with us to complete a timely onboarding process, our results of operations could be adversely affected.

We have entered into separate agreements with each of our bank partners. Our agreements with our bank partners are nonexclusive, generally have 12-month terms that automatically renew, subject to certain early termination provisions and minimum fee amounts, and do not include any minimum origination obligations or origination limits. Our bank partners could decide to stop working with us, ask to modify their agreement terms in a cost prohibitive manner when their agreement is up for renewal or enter into exclusive or more favorable relationships with our competitors. In addition, their regulators may require that they terminate or otherwise limit their business with us, or impose regulatory pressure limiting their ability to do business with us. If the bank partners listed above or any of our other bank partners were to stop working with us, suspend, limit or cease their operations or otherwise terminate their relationship with us, the number of loans facilitated through our platform could decrease and our revenue and revenue growth rates could be adversely affected. We could in the future have disagreements or disputes with any of our bank partners, which could negatively impact or threaten our relationship with them. In our agreements with bank partners, we make certain representations and warranties and covenants concerning our compliance with specific policies of a bank partner, our compliance with certain procedures and guidelines related to laws and regulations applicable to our bank partners, as well as the services to be provided by us. If those representations and warranties were not accurate when made or if we fail to perform a covenant, we may be liable for any resulting damages, including potentially any losses associated with impacted loans, and our reputation and ability to continue to attract new bank partners would be adversely affected. Additionally, our bank partners may engage in mergers, acquisitions or consolidations with each other, our competitors or with third parties, any of which could be disruptive to our existing and prospective relationships with our bank partners.

In addition, our bank partners have generally increasingly retained loans for their own customer base and balance sheet. In the third quarter of 2020, approximately 22% of Upstart-powered loans were retained by the originating bank, while about 76% of Upstart-powered loans were purchased by institutional investors through our loan funding programs. The percentage of Upstart-powered loans retained by the originating banks has fluctuated from quarter-to-quarter, but generally increased over the last few years. In general, banks can fund loans at lower rates due to the lower cost of funds available to them from their deposit base than is otherwise available in the broader institutional investment markets. Accordingly, loans retained by the originating bank generally carry lower interest

rates for borrowers, which leads to better conversion rates and faster growth for our platform. Separately, as our number of bank partners grows, such banks will increasingly source new prospective borrowers from their own existing customer base and provide an incremental channel to attract borrowers. If we are unable to attract new bank partners or if we are unable to maintain or expand the number of loans held on their balance sheets, our financial performance would suffer.

Cross River Bank and one other bank partner account for a substantial portion of the total number of loans facilitated by our platform and our revenue.

Cross River Bank, or CRB, a New Jersey-chartered community bank, originates a substantial majority of the loans on our platform. In the year ended December 31, 2019 and the nine months ended September 30, 2020, CRB originated approximately 89% and 72%, respectively, of the loans facilitated on our platform. CRB also accounts for a large portion of our revenues. In the year ended December 31, 2019 and the nine months ended September 30, 2020, fees received from CRB accounted for 81% and 65%, respectively, of our total revenue. CRB funds a certain portion of these originated loans by retaining them on its own balance sheet, and sells the remainder of the loans to us, which we in turn sell to institutional investors and to our warehouse trust special purpose entities. Our most recent commercial arrangement with CRB began on January 1, 2019 and has a term of four years with an automatic renewal provision for an additional two years following the initial four year term. Either party may choose to not renew by providing the other party 120 days' notice prior to the end of the initial term or any renewal term. In addition, even during the term of our arrangement, CRB could choose to reduce the volume of Upstart-powered loans that it chooses to fund and retain on its balance sheet or to originate at all. We or CRB may terminate our arrangement immediately upon a material breach and failure to cure such breach within a cure period, if any representations or warranties are found to be false and such error is not cured within a cure period, bankruptcy or insolvency of either party, receipt of an order or judgement by a governmental entity, a material adverse effect, or a change of control whereby such party involved in such change of control provides 90 days' notice to the other and payment of a termination fee of $450,000. If we are unable to continue to increase the number of other bank partners on our platform or if CRB or one of our other bank partners were to suspend, limit or cease their operations or otherwise terminate their relationship with us, our business, financial condition and results of operations would be adversely affected.

In the nine months ended September 30, 2020, one of our other bank partners originated approximately 19% of the loans facilitated on our platform. In the nine months ended September 30, 2020, the fees received from this bank partner accounted for 15% of our total revenue.

The sales and onboarding process of new bank partners could take longer than expected, leading to fluctuations or variability in expected revenues and results of operations.

Our sales and onboarding process with new bank partners can be long and typically takes between six to 15 months. As a result, revenues and results of operations may vary significantly from period to period. Prospective bank partners are often cautious in making decisions to implement our platform and related services because of the risk management alignment and regulatory uncertainties related to their use of our AI models, including their oversight, model governance and fair lending compliance obligations associated with using such models. In addition, prospective banks undertake an extensive diligence review of our platform, compliance and servicing activities before choosing to partner with us. Further, the implementation of our AI lending model often involves shifts by the bank partner to a new software and/or hardware platform or changes in their operational procedures, which may involve significant time and expense to implement. Delays in onboarding new bank partners can also arise while prospective bank partners complete their internal procedures to approve expenditures and test and accept our applications. Consequently, we face difficulty predicting the quarter in which new bank partners will begin using our platform and the volume of fees we will receive, which can lead to fluctuations in our revenues and results of operations.

Our business may be adversely affected by economic conditions and other factors that we cannot control.

Uncertainty and negative trends in general economic conditions, including significant tightening of credit markets, historically have created a difficult operating environment for our industry. Many factors, including factors that are beyond our control, may impact our results of operations or financial condition and our overall success by affecting a borrower's willingness to incur loan obligations or willingness or capacity to make payments on their loans. These factors include interest rates, unemployment levels, conditions in the housing market, immigration policies, gas prices, energy costs, government shutdowns, trade wars and delays in tax refunds, as well as events such as natural disasters, acts of war, terrorism, catastrophes and pandemics.

For example, in response to the COVID-19 pandemic, bank partners tightened their credit requirements or paused originations, and investors in our loan funding programs temporarily suspended making investments in Upstart-powered loans, which resulted in a decrease in the Number of Loans Transacted by 71% and a decrease in our revenue of 47%, each, in the second quarter of 2020 compared to the same period of the prior year. Furthermore, nearly all personal loans presently facilitated through our platform are issued with fixed interest rates. If interest rates rise, potential borrowers could seek to defer loans as they wait for interest rates to stabilize. As a result of these circumstances, bank partners, investors and borrowers may be discouraged from engaging with our platform and as a result, reduce the volume of Upstart-powered loans.

Many new consumers on the Upstart platform have limited or no credit history. Accordingly, such borrowers have historically been, and may in the future become, disproportionately affected by adverse macroeconomic conditions, such as the disruption and uncertainty caused by the COVID-19 pandemic. In addition, major medical expenses, divorce, death or other issues that affect borrowers could affect a borrower's willingness or ability to make payments on their loans. If borrowers default on loans facilitated on our platform, the cost to service these loans may also increase without a corresponding increase in our servicing fees or other related fees and the value of the loans held on our balance sheet could decline. Higher default rates by these borrowers may lead to lower demand by our bank partners and institutional investors to fund loans facilitated by our platform, which would adversely affect our business, financial condition and results of operations.

During periods of economic slowdown or recession, our current and potential investors in our loan funding programs may reduce the number of loans or interests in loans they purchase or demand terms that are less favorable to us, to compensate for any increased risks. A reduction in the volume of the loans and loan financing products we sell would negatively impact our ability to maintain or increase the number of loans facilitated by our platform. Any sustained decline in demand for loans or loan financing products, or any increase in delinquencies, defaults or foreclosures that result from economic downturns, may harm our ability to maintain a robust loan funding program, which would adversely affect our business, financial condition and results of operations.

For example, the COVID-19 pandemic and other related adverse economic events led to a significant increase in unemployment, comparable, and at times surpassing, the unemployment rates during the peak of the financial crisis in 2008. There can be no assurance that levels of unemployment or underemployment will improve in the near term. The increase in the unemployment rate could increase the delinquency rate of borrowers of Upstart-powered loans or increase the rate of borrowers declaring bankruptcy, any of which could adversely affect the attractiveness of Upstart-powered loans to the investors in our loan funding programs. If we are unable to improve our AI platform to account for events like the COVID-19 pandemic and the resulting rise in unemployment, or if our AI platform is unable to more successfully predict the creditworthiness of potential borrowers compared to other lenders, then our business, financial condition and results of operations could be adversely affected.

Furthermore, the COVID-19 pandemic has caused some borrowers on our platform to request a temporary extension or modification of the payment schedules of their loans under the temporary relief

or loan modification programs, or hardship programs, offered by our bank partners and investors in our loan funding programs. If a large number of borrowers seek to participate in such hardship programs, the investment returns of our bank partners and investors in our loan funding programs could decline. Further, if the rate of borrowers that participate in such hardship programs is greater than those experienced by our competitors, then our bank partners and the investors in our loan funding programs may become less interested in purchasing or investing in Upstart-powered loans, which could negatively impact our diversified loan funding strategy or significantly increase the cost of obtaining loan funding. Any of the foregoing could adversely affect our business, financial condition and results of operations.

If there is an economic downturn that affects our current and prospective borrowers or our bank partners and institutional investors, or if we are unable to address and mitigate the risks associated with any of the foregoing, our business, financial condition and results of operations could be adversely affected.

Our AI models have not yet been extensively tested during down-cycle economic conditions. If our AI models do not accurately reflect a borrower's credit risk in such economic conditions, the performance of Upstart-powered loans may be worse than anticipated.

The performance of loans facilitated by our platform is significantly dependent on the effectiveness of our proprietary AI models used to evaluate a borrower's credit profile and likelihood of default. While our AI models have been refined and updated to account for the COVID-19 pandemic, the bulk of the data gathered and the development of our AI models have largely occurred during a period of sustained economic growth, and our AI models have not been extensively tested during a down-cycle economy or recession and have not been tested at all during a down-cycle economy or recession without significant levels of government assistance. There is no assurance that our AI models can continue to accurately predict loan performance under adverse economic conditions. If our AI models are unable to accurately reflect the credit risk of loans under such economic conditions, our bank partners, investors in our loan funding programs and we may experience greater than expected losses on such loans, which would harm our reputation and erode the trust we have built with our bank partners and investors in our loan funding programs. In addition, the fair value of the loans on our balance sheet may decline. Any of these factors could adversely affect our business, financial condition and results of operations.

Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure or perceived failure to comply with such laws and regulations could harm our business, financial condition and results of operations.

The legal and regulatory environment surrounding our AI lending platform is relatively new, susceptible to change and may require clarification or interpretive guidance with respect to existing laws and regulations. The body of laws and regulations applicable to our business are complex and subject to varying interpretations, in many cases due to the lack of specificity regarding the application of AI and related technologies to the already highly regulated consumer lending industry. As a result, the application of such laws and regulations in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state and local administrative agencies.

Since we launched our AI lending platform, we have been proactively working with the federal government and regulatory bodies to ensure that our AI lending platform and other services are in compliance with applicable laws and regulations. For example, after significant collaboration with the Consumer Financial Protection Bureau, or CFPB, the CFPB issued Upstart the first no-action letter in 2017 and, upon its expiration, we received a second no-action letter regarding the use of our AI model to underwrite and price unsecured closed-end loans. The current no-action letter expires on

November 30, 2023, unless terminated by the CFPB earlier for one of the bases provided for by the no-action letter, and we can provide no assurance that the CFPB will continue to permit us to operate under its current no-action letter policies beyond that date, or will not change its position regarding supervisory or enforcement action against us in the future. Further, this no-action letter does not extend to other credit products offered on Upstart's platform. We plan to continue working and collaborating closely with regulators to provide visibility into AI and related emerging technologies and the potential benefits such technologies can have on the consumer lending industry, while also addressing the related risks. New laws and regulations and changes to existing laws and regulations continue to be adopted, implemented and interpreted in response to our industry and the emergence of AI and related technologies. As we expand our business into new markets, introduce new loan products on our platform and continue to improve and evolve our AI models, regulatory bodies or courts may claim that we are subject to additional requirements. Such regulatory bodies could reject our applications for licenses or deny renewals, delay or impede our ability to operate, charge us fees or levy fines or penalties, or otherwise disrupt our ability to operate our AI lending platform, any of which could adversely affect our business, financial condition and results of operations.

Recent financial, political and other events may increase the level of regulatory scrutiny on financial technology companies. Regulatory bodies may enact new laws or promulgate new regulations or view matters or interpret laws and regulations differently than they have in the past, or commence investigations or inquiries into our business practices. For example, in February 2020, we received a letter from five members of the U.S. Senate asking questions in connection with claims of discriminatory lending made by an advocacy group. We responded to this inquiry, and in July 2020, three of the Senators issued their findings from this inquiry, writing a letter to the Director of the CFPB recommending the CFPB further review Upstart's use of educational variables in its model and requesting that the CFPB stop issuing no-action letters related to the Equal Credit Opportunity Act, or ECOA. We have been subject to other governmental inquiries on this topic including an inquiry in June 2020 from the North Carolina Department of Justice. See the section titled "—We have been in the past and may in the future be subject to federal and state regulatory inquiries regarding our business" for more information. Any such investigations or inquiries, whether or not accurate or warranted, or whether concerning us or one of our competitors, could negatively affect our brand and reputation and the overall market acceptance of and trust in our AI lending platform. Any of the foregoing could harm our business, financial condition and results of operations.

Substantially all of our revenue is derived from a single loan product, and we are thus particularly susceptible to fluctuations in the unsecured personal loan market. We also do not currently offer a broad suite of products that bank partners may find desirable.

While we recently expanded the type of loan products offered on our platform to include auto loans, the vast majority of loan originations facilitated through our platform are unsecured personal loans. The market for unsecured personal loans has grown rapidly in recent years, and it is unclear to what extent such market will continue to grow, if at all. A wide variety of factors could impact the market for unsecured personal loans, including macroeconomic conditions, competition, regulatory developments and other developments in the credit market. For example, FICO has recently changed its methodology in calculating credit scores in a manner that potentially penalizes borrowers who take out personal loans to pay off or consolidate credit card debt. This change could negatively affect the overall demand for personal loans. Our success will depend in part on the continued growth of the unsecured personal loan market, and if such market does not further grow or grows more slowly than we expect, our business, financial condition and results of operations could be adversely affected.

In addition, bank partners may in the future seek partnerships with competitors that are able to offer them a broader array of credit products. Over time, in order to preserve and expand our relationships with our existing bank partners, and enter into new bank partnerships, it may become

increasingly important for us to be able to offer a wider variety of products than we currently provide. We are also susceptible to competitors that may intentionally underprice their loan products, even if such pricing practices lead to losses. Such practices by competitors would negatively affect the overall demand for personal loans facilitated on our platform.

Further, because such personal loans are unsecured, there is a risk that borrowers will not prioritize repayment of such loans, particularly in any economic downcycle. For example, the economic downcycle resulting from the COVID-19 pandemic may cause borrowers to incur additional debt. To the extent borrowers have or incur other indebtedness that is secured, such as a mortgage, a home equity line of credit or an auto loan, borrowers may choose to repay obligations under such secured indebtedness before repaying their Upstart-powered loans. In addition, borrowers may not view Upstart-powered loans, which were originated through an online lending platform, as having the same significance as other credit obligations arising under more traditional circumstances, such as loans from banks or other commercial financial institutions. Any of the forgoing could lead to higher default rates and decreased demand by our bank partners and institutional investors to fund loans facilitated by our platform, which would adversely affect our business, financial condition and results of operations.

We are also more susceptible to the risks of changing and increased regulations and other legal and regulatory actions targeted towards the unsecured personal loan market. It is possible that regulators may view unsecured personal loans as high risk for a variety of reasons, including that borrowers will not prioritize repayment of such loans due to the unsecured nature of such loans or because existing laws and regulations may not sufficiently address the benefits and corresponding risks related to financial technology as applied to consumer lending. If we are unable to manage the risks associated with the unsecured personal loan market, our business, financial condition and results of operations could be adversely affected.

We are continuing to develop new loan products and services offerings, and if we are unable to manage the related risks, our growth prospects, business, financial condition and results of operations could be adversely affected.

We recently began offering auto loans and a credit decision application programming interface to allow our bank partners to utilize our AI underwriting models to support their loan origination process for personal, auto, and student loans. We are continuing to invest in developing new loan products and service offerings, such as credit cards, mortgages, student loans, point-of-sale loans and HELOCs. New initiatives are inherently risky, as each involves unproven business strategies, new regulatory requirements and new financial products and services with which we, and in some cases our bank partners, have limited or no prior development or operating experience.

We cannot be sure that we will be able to develop, commercially market and achieve market acceptance of any new products and services. In addition, our investment of resources to develop new products and services may either be insufficient or result in expenses that are excessive in light of revenue actually derived from these new products and services. If the profile of loan applicants using any new products and services is different from that of those currently served by our existing loan products, our AI models may not be able to accurately evaluate the credit risk of such borrowers, and our bank partners and investors in our loan funding programs may in turn experience higher levels of delinquencies or defaults. Failure to accurately predict demand or growth with respect to our new products and services could have an adverse impact on our reputation and business, and there is always risk that new products and services will be unprofitable, will increase our costs, decrease operating margins or take longer than anticipated to achieve target margins. In addition, any new products or services may raise new and potentially complex regulatory compliance obligations, which would increase our costs and may cause us to change our business in unexpected ways. Further, our

development efforts with respect to these initiatives could distract management from current operations and will divert capital and other resources from our existing business.

We may also have difficulty with securing adequate funding for any such new loan products and services, and if we are unable to do so, our ability to develop and grow these new offerings and services will be impaired. If we are unable to effectively manage the foregoing risks, our growth prospects, business, financial condition and results of operations could be adversely affected.

Our reputation and brand are important to our success, and if we are unable to continue developing our reputation and brand, our ability to retain existing and attract new bank partners, our ability to attract borrowers to our platform and our ability to maintain and improve our relationship with regulators of our industry could be adversely affected.

We believe maintaining a strong brand and trustworthy reputation is critical to our success and our ability to attract borrowers to our platform, attract new bank partners and maintain good relations with regulators. Factors that affect our brand and reputation include: perceptions of artificial intelligence, our industry and our company, including the quality and reliability of our AI lending platform; the accuracy of our AI models; perceptions regarding the application of artificial intelligence to consumer lending specifically; our loan funding programs; changes to the Upstart platform; our ability to effectively manage and resolve borrower complaints; collection practices; privacy and security practices; litigation; regulatory activity; and the overall user experience of our platform. Negative publicity or negative public perception of these factors, even if inaccurate, could adversely affect our brand and reputation.

For example, consumer advocacy groups, politicians and certain government and media reports have, in the past, advocated governmental action to prohibit or severely restrict consumer loan arrangements where banks contract with a third-party platform such as ours to provide origination assistance services to bank customers. These arrangements have sometimes been criticized as "renting-a-bank charter." Such criticism has frequently been levied in the context of payday loan marketers, though other entities operating programs through which loans similar to Upstart-powered loans are originated have also faced criticism. The perceived improper use of a bank charter by these entities has been challenged by both governmental authorities and private litigants, in part because of the high rates and fees charged to consumers in certain payday and small-dollar lending programs. Bank regulators have even required banks to exit third-party programs that the regulators determined involved unsafe and unsound practices. The payday or "small-dollar" loans that have been subject to more frequent criticism and challenge are fundamentally different from Upstart-powered loans in many ways, including that Upstart-powered loans typically have lower interest rates and longer terms, and Upstart-powered loans do not renew. In particular, interest rates of Upstart-powered loans have always been and are currently less than 36%, as compared to the triple-digit interest rates of many payday or small dollar loans that have been subject to such criticism. If we are nevertheless associated with such payday or small-dollar consumer loans, or if we are associated with increased criticism of non-payday loan programs involving relationships between bank originators and non-bank lending platforms and program managers, demand for Upstart-powered loans could significantly decrease, which could cause our bank partners to reduce their origination volumes or terminate their arrangements with us, impede our ability to attract new bank partners or delay the onboarding of bank partners, impede our ability to attract institutional investors to participate in our loan funding programs or reduce the number of potential borrowers who use our platform. Any of the foregoing could adversely affect our results of operations and financial condition.

Any negative publicity or public perception of Upstart-powered loans or other similar consumer loans or the consumer lending service we provide may also result in us being subject to more restrictive laws and regulations and potential investigations and enforcement actions. In addition,

regulators may decide they are no longer supportive of our AI lending platform if there is enough negative perception surrounding such practices. We may also become subject to lawsuits, including class action lawsuits, or other challenges such as government enforcement or arbitration, against our bank partners or us for loans originated by our bank partners on our platform, loans we service or have serviced. If there are changes in the laws or in the interpretation or enforcement of existing laws affecting consumer loans similar to those offered on our platform, or our marketing and servicing of such loans, or if we become subject to such lawsuits, our business, financial condition and results of operations would be adversely affected.

Artificial intelligence and related technologies are subject to public debate and heightened regulatory scrutiny. Any negative publicity or negative public perception of artificial intelligence could negatively impact demand for our AI lending platform, hinder our ability to attract new bank partners or slow the rate at which banks adopt our AI lending platform. From time to time, certain advocacy groups have made claims that unlawful or unethical discriminatory effects may result from the use of AI technology by various companies, including ours. Such claims, whether or not accurate, and whether or not concerning us or our AI lending platform, may harm our ability to attract prospective borrowers to our platform, retain existing and attract new bank partners and achieve regulatory acceptance of our business.

For example, in February 2020, we received a letter from five members of the U.S. Senate asking questions in connection with claims of discriminatory lending made by an advocacy group. We responded to this inquiry, and in July 2020, three of the Senators issued their findings from this inquiry, writing a letter to the Director of the CFPB recommending the CFPB further review Upstart's use of educational variables in its model and requesting that the CFPB stop issuing no-action letters related to ECOA. On December 1, 2020, in connection with these inquiries, we entered into an agreement with the NAACP Legal Defense and Education Fund, or LDF, and the Student Borrower Protection Center, or SBPC, in which we agree to participate in fair lending reviews of our AI model, including, but not limited to, its use of educational variables. The agreement provides for our engagement of a neutral third-party firm to perform periodic fair lending assessments over a two year period. Under the agreement, we have agreed to cooperate with, and provide data to, the third-party firm to conduct fair lending testing of our underwriting model, and we, the LDF and the SBPC will provide input to the third-party firm on, among other things, the testing methodologies to be employed. The fair lending testing will be designed to assess lending outcomes from our underwriting model to determine if the model causes or results in a disparate impact on any protected class, and if so, whether there are less discriminatory alternative practices that maintain the model's predictiveness. We have also agreed to implement the auditor's recommendations, for modifications to our AI model that may promote more equitable outcomes while maintaining the model's predictiveness and meet any other legitimate business needs of Upstart. The third-party firm will also prepare and make public periodic reports that summarize any general findings, recommendations and best practices, as well as any aspects of our AI model that raise particular fair lending concerns or implicate novel insights on educational equity that serve the public interest. While we will have input on these reports, and the agreement provides that the third-party firm and the parties to the agreement will collaborate to reach agreement on any recommendations, we could become involved in disagreements with the third-party firm, the LDF or the SBPC regarding the contents of the reports or particular recommendations that may be made, the manner in which they should be implemented, if at all, and whether they would maintain the predictiveness of our AI model. It is possible, however, that changes implemented in our AI model could negatively impact its predictiveness. In addition, if we are not able to reach agreement in a timely manner, or at all, with the third-party firm to perform the audit, or we do not implement any recommendation, the LDF and/or the SBPC could terminate the agreement with us. Although we believe that this agreement will support our objective of providing visibility into AI and related emerging technologies and the potential benefits such technologies can have for the consumer lending industry, if reports under the agreement were to raise significant fair lending concerns, or the third-party firm

terminates its agreement with us and/or the agreement with the LDF and/or the SBPC is terminated for any reason, our brand and reputation and the overall market acceptance of, and trust in, our AI lending platform could suffer, and we could be subject to increased regulatory and litigation risk. In addition, the publication of information arising from our agreement with the LDF or the SBPC could lead to additional regulatory scrutiny for our bank partners.

We have been subject to other governmental inquiries on this topic including an inquiry in June 2020 from the North Carolina Department of Justice. See the section titled "—We have been in the past and may in the future be subject to federal and state regulatory inquiries regarding our business" for more information. Negative public perception, actions by advocacy groups or legislative and regulatory interest groups could lead to lobbying for and enactment of more restrictive laws and regulations that impact the use of AI technology in general, AI technology as applied to lending operations generally or as used in our applications more specifically. Any of the foregoing could negatively impact our business, financial condition and results of operations.

Harm to our reputation can also arise from many other sources, including employee or former employee misconduct, misconduct by outsourced service providers or other counterparties, failure by us or our bank partners to meet minimum standards of service and quality, and inadequate protection of borrower information and compliance failures and claims. If we are unable to protect our reputation, our business, financial condition and results of operations would be adversely affected.

If we do not compete effectively in our target markets, our business, results of operations and financial condition could be harmed.

The consumer lending market is highly competitive and increasingly dynamic as emerging technologies continue to enter into the marketplace. With the introduction of new technologies and the influx of new entrants, competition may persist and intensify in the future, which could have an adverse effect on our operations or business.

Our inability to compete effectively could result in reduced loan volumes, reduced average size of loans facilitated on our platform, reduced fees, increased marketing and borrower acquisition costs or the failure of the Upstart platform to achieve or maintain more widespread market acceptance, any of which could have an adverse effect on our business and results of operations.

Consumer lending is a vast and competitive market, and we compete to varying degrees with all other sources of unsecured consumer credit. This can include banks, non-bank lenders including retail-based lenders and other financial technology lending platforms. Because personal loans often serve as a replacement for credit cards, we also compete with the convenience and ubiquity that credit cards represent. Many of our competitors operate with different business models, such as lending-as-a-service or point-of-sale lending, have different cost structures or regulatory obligations, or participate selectively in different market segments. They may ultimately prove more successful or more adaptable to new regulatory, economic, technological and other developments, including utilizing new data sources or credit models. We may also face competition from banks or companies that have not previously competed in the consumer lending market, including companies with access to vast amounts of consumer-related information that could be used in the development of their own credit risk models. Our current or potential competitors may be better at developing new products due to their large and experienced data science and engineering teams, who are able to respond more quickly to new technologies. Many of our current or potential competitors have significantly more resources, such as financial, technical and marketing resources, than we do and may be able to devote greater resources to the development, promotion, sale and support of their platforms and distribution channels. We face competition in areas such as compliance capabilities, commercial financing terms and costs of capital, interest rates and fees (and other financing terms) available to consumers from our bank

partners, approval rates, model efficiency, speed and simplicity of loan origination, ease-of-use, marketing expertise, service levels, products and services, technological capabilities and integration, borrower experience, brand and reputation, and terms available to our loan funding investor base. Our competitors may also have longer operating histories, lower commercial financing costs or costs of capital, more extensive borrower bases, more diversified products and borrower bases, operational efficiencies, more versatile or extensive technology platforms, greater brand recognition and brand loyalty, broader borrower and partner relationships, more extensive and/or more diversified loan funding investor bases than we have, and more extensive product and service offerings than we have. Furthermore, our existing and potential competitors may decide to modify their pricing and business models to compete more directly with us. Our ability to compete will also be affected by our ability to provide our bank partners with a commensurate or more extensive suite of loan products than those offered by our competitors. In addition, current or potential competitors, including financial technology lending platforms and existing or potential bank partners, may also acquire or form strategic alliances with one another, which could result in our competitors being able to offer more competitive loan terms due to their access to lower-cost capital. Such acquisitions or strategic alliances among our competitors or potential competitors could also make our competitors more adaptable to a rapidly evolving regulatory environment. To stay competitive, we may need to increase our regulatory compliance expenditures or our ability to compete may be adversely affected.

Our industry is driven by constant innovation. We utilize artificial intelligence and machine learning, which is characterized by extensive research efforts and rapid technological progress. If we fail to anticipate or respond adequately to technological developments, our ability to operate profitably could suffer. There can be no assurance that research, data accumulation and development by other companies will not result in AI models that are superior to our AI models or result in products superior to those we develop or that any technologies, products or services we develop will be preferred to any existing or newly-developed technologies, products or services. If we are unable to compete with such companies or fail to meet the need for innovation in our industry, the use of the Upstart platform could stagnate or substantially decline, or our loan products could fail to maintain or achieve more widespread market acceptance, which could harm our business, results of operations and financial condition.

If we are unable to manage the risks associated with fraudulent activity, our brand and reputation, business, financial condition and results of operations could be adversely affected.

Fraud is prevalent in the financial services industry and is likely to increase as perpetrators become more sophisticated. We are subject to the risk of fraudulent activity associated with borrowers and third parties handling borrower information and in limited situations cover certain fraud losses of our bank partners and investors in our loan funding programs. Fraud rates could also increase in a downcycle economy. We use several identity and fraud detection tools, including tools provided by third-party vendors and our proprietary AI models, to predict and otherwise validate or authenticate applicant-reported data and data derived from third-party sources. If such efforts are insufficient to accurately detect and prevent fraud, the level of fraud-related losses of Upstart-powered loans could increase, which would decrease confidence in our AI lending platform. In addition, our bank partners, investors in our loan funding programs or we may not be able to recover amounts disbursed on loans made in connection with inaccurate statements, omissions of fact or fraud, which could erode the trust in our brand and negatively impact our ability to attract new bank partners and investors in our loan funding programs.

High profile fraudulent activity also could negatively impact our brand and reputation. In addition, significant increases in fraudulent activity could lead to regulatory intervention, which could increase our costs and also negatively impact our brand and reputation. Further, if there is any increase in fraudulent activity that increases the need for human intervention in screening loan application data, the level of automation on our platform could decline and negatively affect our unit economics. If we are unable to manage these risks, our business, financial condition and results of operations could be adversely affected.

We depend on our key personnel and other highly skilled personnel, and if we fail to attract, retain and motivate our personnel, our business, financial condition and results of operations could be adversely affected.

Our success significantly depends on the continued service of our senior management team, including Dave Girouard, our Co-Founder and Chief Executive Officer, and Paul Gu, our Co-Founder and SVP of Product and Data Science, and other highly skilled personnel. Our success also depends on our ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of our organization.

Competition for highly skilled personnel, including engineering and data analytics personnel, is extremely intense, particularly in the San Francisco Bay Area where one of our headquarters is located. We have experienced, and expect to continue to face, difficulty identifying and hiring qualified personnel in many areas, especially as we pursue our growth strategy. Further, as a result of the COVID-19 pandemic, a large and increasing number of companies have adopted permanent work-from-home policies, which further increases the challenges associated with hiring and retaining qualified personnel. We may not be able to hire or retain such personnel at compensation or flexibility levels consistent with our existing compensation and salary structure and policies. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In particular, candidates making employment decisions, specifically in high-technology industries, often consider the value of any equity they may receive in connection with their employment. Any significant volatility in the price of our stock after this offering may adversely affect our ability to attract or retain highly skilled technical, financial and marketing personnel.

In addition, we invest significant time and expense in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements. While we are in the process of training their replacements, the quality of our services and our ability to serve our bank partners, investors and borrowers whose loans we service may suffer, resulting in an adverse effect on our business.

Security breaches of borrowers' confidential information that we store may harm our reputation, adversely affect our results of operations and expose us to liability.

We are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, process, transmit and store large amounts of sensitive information, including personal information, credit information and other sensitive data of borrowers and potential borrowers. It is critical that we do so in a manner designed to maintain the confidentiality, integrity and availability of such sensitive information. We also have arrangements in place with certain of our third-party vendors that require us to share consumer information. We have outsourced elements of our operations (including elements of our information technology infrastructure) to third parties, and as a result, we manage a number of third-party vendors who may have access to our computer networks and sensitive or confidential information. In addition, many of those third parties may in turn subcontract or outsource some of their responsibilities to other third parties. As a result, our information technology systems, including the functions of third parties that are involved or have access to those systems, is large and complex, with many points of entry and access. While all information technology operations are inherently vulnerable to inadvertent or intentional security breaches, incidents, attacks and exposures, the size, complexity, accessibility and distributed nature of our information technology systems, and the large amounts of sensitive information stored on those systems, make such systems potentially vulnerable to unintentional or malicious, internal and external attacks. Any vulnerabilities can be exploited from inadvertent or intentional actions of our employees, third-party vendors, bank partners, loan investors, or by malicious third parties. Attacks of this nature are increasing in their frequency, levels of persistence, sophistication and intensity, and are being

conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, “hacktivists,” nation states and others. In addition to the extraction of sensitive information, such attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information and systems. In addition, the prevalent use of mobile devices increases the risk of data security incidents. Further, our shift to a remote working environment due to the COVID-19 pandemic could increase the risk of a security breach. Significant disruptions of our, our bank partners and third-party vendors’ and/or other business partners’ information technology systems or other similar data security incidents could adversely affect our business operations and result in the loss, misappropriation, or unauthorized access, use or disclosure of, or the prevention of access to, sensitive information, which could result in financial, legal, regulatory, business and reputational harm to us.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our vendors may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, many governments have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity following a breach, which may cause borrowers and potential borrowers to lose confidence in the effectiveness of our data security measures on our platform. Any security breach, whether actual or perceived, would harm our reputation and ability to attract new borrowers to our platform.

We also face indirect technology, cybersecurity and operational risks relating to the borrowers, bank partners, investors, vendors and other third parties with whom we do business or upon whom we rely to facilitate or enable our business activities, including vendors, payment processors, and other parties who have access to confidential information due to our agreements with them. In addition, any security compromise in our industry, whether actual or perceived, or information technology system disruptions, whether from attacks on our technology environment or from computer malware, natural disasters, terrorism, war and telecommunication and electrical failures, could interrupt our business or operations, harm our reputation, erode borrower confidence, negatively affect our ability to attract new borrowers, or subject us to third-party lawsuits, regulatory fines or other action or liability, which could adversely affect our business and results of operations.

Like other financial services firms, we have been and continue to be the subject of actual or attempted unauthorized access, mishandling or misuse of information, computer viruses or malware, and cyber-attacks that could obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, distributed denial of service attacks, data breaches and other infiltration, exfiltration or other similar events.

While we regularly monitor data flow inside and outside the company, attackers have become very sophisticated in the way they conceal access to systems, and we may not be aware that we have been attacked. Any event that leads to unauthorized access, use or disclosure of personal information or other sensitive information that we or our vendors maintain, including our own proprietary business information and sensitive information such as personal information regarding borrowers, loan applicants or employees, could disrupt our business, harm our reputation, compel us to comply with applicable federal and/or state breach notification laws and foreign law equivalents, subject us to time consuming, distracting and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of database contents, or otherwise subject us to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs to us and result in significant legal

and financial exposure and/or reputational harm. In addition, any failure or perceived failure by us or our vendors to comply with our privacy, confidentiality or data security-related legal or other obligations to our bank partners or other third parties, actual or perceived security breaches, or any security incidents or other events that result in the unauthorized access, release or transfer of sensitive information, which could include personally identifiable information, may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against us by advocacy groups or others, and could cause our bank partners and other third parties to lose trust in us or we could be subject to claims by our bank partners and other third parties that we have breached our privacy- or confidentiality-related obligations, which could harm our business and prospects. Moreover, data security incidents and other inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the type described above. There can be no assurance that our security measures intended to protect our information technology systems and infrastructure will successfully prevent service interruptions or security incidents. For example, in April 2020, we were made aware of a software error which allowed access to certain consumers' accounts through the Upstart website without providing such consumers' passwords. As a result, certain of such consumers' personal information, such as their name, address and job information (but not full social security information), could be accessed by a third party. We promptly deployed an update to our software to address such vulnerability and are conducting an internal investigation. Thus far, we are not aware of any information being compromised as a result of this error. We cannot provide any assurance that similar vulnerabilities will not arise in the future as we continue to expand the features and functionalities of our platform and introduce new loan products on our platform, and we expect to continue investing substantially to protect against security vulnerabilities and incidents.

We maintain errors, omissions, and cyber liability insurance policies covering certain security and privacy damages. However, we cannot be certain that our coverage will continue to be available on economically reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that an insurer will not deny coverage as to any future claim, or that any insurer will be adequately covered by reinsurance or other risk mitigants or that any insurer will offer to renew policies at an affordable rate or offer such coverage at all in the future. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition and results of operations.

If we are unable to manage the risks related to our loan servicing and collections obligations, our business, financial condition and results of operations could be adversely affected.

The vast majority of Upstart-powered loans are not secured by any collateral, guaranteed or insured by any third party or backed by any governmental authority. As a result, we are limited in our ability to collect on such loans on behalf of our bank partners and investors of our loan funding programs if a borrower is unwilling or unable to repay them. Substantially all our collection duties and obligations for loans we service that are more than 30 days past due are subcontracted to several collection agencies. If such collection agencies do not perform as expected under our agreements with them or if these collection agents act unprofessionally and otherwise harm the user experience for borrowers of Upstart-powered loans, our brand and reputation could be harmed and our ability to attract potential borrowers to our platform could be negatively impacted. For example, during periods of increased delinquencies caused by economic downturns or otherwise, it is important that the collection agents are proactive and consistent in contacting a borrower to bring a delinquent balance current and ultimately avoid the related loan becoming charged off, which in turn makes it extremely important that the collection agents are properly staffed and trained to take prompt and appropriate action. If the collection agents are unable to maintain a high quality of service, or fulfill their servicing obligations at all due to resource constraints resulting from the increased delinquencies, it could result in increased

delinquencies and charge-offs on the loans, which could decrease fees payable to us, cause our bank partners to decrease the volume of Upstart-powered loans kept on their balance sheets, erode trust in our platform or increase the costs of our loan funding programs.

While auto loans issued through our new auto lending platform will be secured by collateral, auto loans are inherently risky, as they are often secured by assets that may be difficult to locate and can depreciate rapidly. We generally begin the repossession process for auto loans that become 90 days past due. As our volume of auto loans increases, we plan to engage a third-party auto repossession vendor to handle all repossession activity. Following a repossession, if a borrower fails to redeem their vehicle or reinstate their loan agreement, the repossessed vehicle is sold at an auction and the proceeds are applied to the unpaid balance of the loan and related expenses. If the proceeds do not cover the unpaid balance of the loan and any related expenses, the deficiency would be charged-off. Further, if a vehicle cannot be located, repossession and sale of the vehicle would not be possible, which could also lead to delinquencies and charge-offs. A significant number of delinquencies and charge-offs could decrease fees payable to us, cause our bank partners to decrease the volume of Upstart-powered auto loans kept on their balance sheets, erode trust in our platform and increase the costs of our loan funding programs.

Additionally, if such repossession vendors do not perform consistent with agreements entered into with us, or if vendors act unprofessionally or otherwise harm the user experience for borrowers of Upstart-powered loans, our brand and reputation could be harmed and our ability to attract potential borrowers to our platform could be negatively impacted. We may also become subject to regulatory scrutiny and potential litigation based on the conduct of our repossession vendors.

In addition, loan servicing is a highly manual process and an intensely regulated activity. Errors in our servicing activities, or failures to comply with our servicing obligations, could affect our internal and external reporting of the loans that we service, adversely affect our business and reputation and expose us to liability to borrowers, bank partners or investors in our loan funding programs. In addition, the laws and regulations governing these activities are subject to change. For example, during the COVID-19 pandemic certain states prohibited or restricted collection activities. If we are unable to comply with such laws and regulations, we could lose one or more of our licenses or authorizations, become subject to greater scrutiny by regulatory agencies or become subject to sanctions or litigation, which may have an adverse effect on our ability to perform our servicing obligations or make our platform available to borrowers in particular states. Any of the foregoing could adversely affect our business, financial condition and results of operations.

We primarily rely on three collection agencies to perform substantially all of our duties as the servicer for delinquent and defaulted loans. One or more collection agents could take actions that result in our arrangements becoming cost prohibitive or enter into exclusive or more favorable relationships with our competitors. If any of our collection agencies were to suspend or cease operations, or our relationship with one or more of them were to otherwise terminate, such as in the case of resource constraints caused by an economic downturn, we may need to implement substantially similar arrangements with other collection agencies on terms that may not be commercially attractive. Transitioning this aspect of loan servicing to a new collection agency may result in disruptions to our ability to service the loans made on our platform and loan performance may be impacted as a result. If we are unsuccessful in maintaining our relationships with our current collection agencies, our business, financial condition or results of operations may be adversely affected.

In addition, we charge our loan holders a fixed percentage servicing fee based on the outstanding balance of loans serviced. If we fail to efficiently service such loans and the costs incurred exceed the servicing fee charged, our results of operations would be adversely affected.

Borrowers may prepay a loan at any time without penalty, which could reduce our servicing fees and deter our bank partners and investors from investing in loans facilitated by our platform.

A borrower may decide to prepay all or a portion of the remaining principal amount on a loan at any time without penalty. If the entire or a significant portion of the remaining unpaid principal amount of a loan is prepaid, we would not receive a servicing fee, or we would receive a significantly lower servicing fee associated with such prepaid loan. Prepayments may occur for a variety of reasons, including if interest rates decrease after a loan is made. If a significant volume of prepayments occurs, the amount of our servicing fees would decline, which could harm our business and results of operations. Our AI models are designed to predict prepayment rates. However, if a significant volume of prepayments occur that our AI models do not accurately predict, returns targeted by our bank partners and investors in our loan funding programs would be adversely affected and our ability to attract new bank partners and investors in our loan funding programs would be negatively affected.

Our marketing efforts and brand promotion activities may not be effective.

Promoting awareness of our AI lending platform is important to our ability to grow our business, attract new bank partners, increase the number of potential borrowers on our platform and attract investors to participate in our loan funding programs. We believe that the importance of brand recognition will increase as competition in the consumer lending industry expands. However, because our bank partners are increasingly adopting our white-labeled version of our AI lending platform through their own websites, potential borrowers may not be aware they are experiencing our AI lending platform, which may hinder recognition of our brand. Successful promotion of our brand will depend largely on the effectiveness of marketing efforts and the overall user experience of our bank partners and potential borrowers on the Upstart platform, which factors are outside our control. The marketing channels that we employ may also become more crowded and saturated by other lending platforms, which may decrease the effectiveness of our marketing campaigns and increase borrower acquisition costs. Also, the methodologies, policies and regulations applicable to marketing channels may change. For example, internet search engines could revise their methodologies, which could adversely affect borrower volume from organic ranking and paid search. Search engines may also implement policies that restrict the ability of companies such as us to advertise their services and products, which could prevent us from appearing in a favorable location or any location in the organic rankings or paid search results when certain search terms are used by the consumer.

Our brand promotion activities may not yield increased revenues. If we fail to successfully build trust in our AI lending platform and the performance and predictability of Upstart-powered loans, we may lose existing bank partners and investors in our loan funding programs to our competitors or be unable to attract new bank partners and investors in our loan funding programs, which in turn would harm our business, results of operations and financial condition. Even if our marketing efforts result in increased revenue, we may be unable to recover our marketing costs through increases in loan volume, which could result in a higher borrower acquisition cost per account. Any incremental increases in loan servicing costs, such as increases due to greater marketing expenditures, could have an adverse effect on our business, financial condition and results of operations.

Unfavorable outcomes in legal proceedings may harm our business and results of operations.

We are, and may in the future become, subject to litigation, claims, examinations, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties, which may affect our results of operations. These claims, lawsuits, and proceedings could involve labor and employment, discrimination and harassment, commercial disputes, intellectual property rights (including patent, trademark, copyright, trade secret, and other proprietary rights), class actions, general contract, tort, defamation, data privacy rights, antitrust,

common law fraud, government regulation, or compliance, alleged federal and state securities and "blue sky" law violations or other investor claims, and other matters. Due to the consumer-oriented nature of our business and the application of certain laws and regulations, participants in our industry are regularly named as defendants in litigation alleging violations of federal and state laws and regulations and consumer law torts, including fraud. Many of these legal proceedings involve alleged violations of consumer protection laws. In addition, we have in the past and may in the future be subject to litigation, claims, examinations, investigations, legal and administrative cases and proceedings related to the offer and sale of Upstart-powered loans.

In particular, lending programs that involve originations by a bank in reliance on origination-related services being provided by non-bank lending platforms and/or program managers are subject to potential litigation and government enforcement claims based on "rent-a-charter" or "true lender" theories, particularly where such programs involve the subsequent sale of such loans or interests therein to the platform. See—"If loans facilitated through our platform for one or more bank partners were subject to successful challenge that the bank partner was not the "true lender," such loans may be unenforceable, subject to rescission or otherwise impaired, we or other program participants may be subject to penalties, and/or our commercial relationships may suffer, each which would adversely affect our business and results of operations," below. In addition, loans originated by banks (which are exempt from certain state requirements under federal banking laws), followed by the sale, assignment, or other transfer to non-banks of such loans are subject to potential litigation and government enforcement claims based on the theory that transfers of loans from banks to non-banks do not transfer the ability to enforce contractual terms such as interest rates and fees from which only banks benefit under federal preemption principles. See—"If loans originated by our bank partners were found to violate the laws of one or more states, whether at origination or after sale by the originating bank partner, loans facilitated through our platform may be unenforceable or otherwise impaired, we or other program participants may be subject to, among other things, fines and penalties, and/or our commercial relationships may suffer, each of which would adversely affect our business and results of operations," below. In addition, the recent inquiries related to our model's use of education variables in assessing credit risk could prompt potential litigation and government enforcement claims based on perceived violations of ECOA. See —"We have been in the past and may in the future be subject to federal and state regulatory inquiries regarding our business" below. If we were subject to such litigation or enforcement, then any unfavorable results of pending or future legal proceedings may result in contractual damages, usury related claims, fines, penalties, injunctions, the unenforceability, rescission or other impairment of loans originated on our platform or other censure that could have an adverse effect on our business, results of operations and financial condition. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues, which could harm our business, financial condition and results of operations.

We may evaluate and potentially consummate acquisitions, which could require significant management attention, consume our financial resources, disrupt our business and adversely affect our financial results.

Our success will depend, in part, on our ability to grow our business. In some circumstances, we may determine to do so through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. In the future, we may acquire, assets or businesses. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;

- utilization of our financial resources for acquisitions or investments that may fail to realize the anticipated benefits;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- coordination of technology, product development and sales and marketing functions and integration of administrative systems;
- transition of the acquired company's borrowers to our systems;
- retention of employees from the acquired company;
- regulatory risks, including maintaining good standing with existing regulatory bodies or receiving any necessary approvals, as well as being subject to new regulators with oversight over an acquired business;
- attracting financing;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- potential write-offs of loans or intangibles or other assets acquired in such transactions that may have an adverse effect on our results of operations in a given period;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property or increase our risk for liability; and
- litigation, claims or other liabilities in connection with the acquired company.

Our failure to address these risks or other problems encountered in connection with any future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the write-off of goodwill, any of which could harm our financial condition.

Our business is subject to the risks of natural disasters and other catastrophic events, and to interruption by man-made problems.

Significant natural disasters or other catastrophic events, such as earthquakes, fires, hurricanes, blizzards, or floods (many of which are becoming more acute and frequent as a result of climate change), or interruptions by strikes, crime, terrorism, epidemics, pandemics, cyber-attacks, computer viruses, internal or external system failures, telecommunications failures, power outages or increased risk of cybersecurity breaches due to a swift transition to remote work brought about by a catastrophic event, could have an adverse effect on our business, results of operations and financial condition. For example, the outbreak of the COVID-19 pandemic beginning in early 2020 has had a significant impact on the global economy and consumer confidence. If the outbreak persists or worsens, it could continue to adversely impact the economy and consumer confidence, and could negatively impact our operations and our platform, each of which could seriously harm our business. In addition, it is possible that continued widespread remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other

employees necessary to conduct our business, or otherwise cause operational failures due to changes in our normal business practices necessitated by the outbreak and related governmental actions. There is no guarantee that we will be as effective while working remotely because our team is dispersed, employees may have less capacity to work due to increased personal obligations (such as childcare, eldercare, or caring for family members who become sick), may become sick themselves and be unable to work, or may be otherwise negatively affected, mentally or physically, by the COVID-19 pandemic and prolonged social distancing. Additionally, remote work arrangements may make it more difficult to scale our operations efficiently, as the recruitment, onboarding and training of new employees may be prolonged or delayed. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in privacy, data protection, data security, and fraud risks. Further, one of our headquarters is located in the San Francisco Bay Area, a region known for seismic activity and wildfires, and our other headquarters is located in Columbus, Ohio, a region subject to blizzards.

In addition, acts of war and other armed conflicts, disruptions in global trade, travel restrictions and quarantines, terrorism and other civil, political and geo-political unrest could cause disruptions in our business and lead to interruptions, delays or loss of critical data. Any of the foregoing risks may be further increased if our business continuity plans prove to be inadequate and there can be no assurance that both personnel and non-mission critical applications can be fully operational after a declared disaster within a defined recovery time. If our personnel, systems or data centers are impacted, we may suffer interruptions and delays in our business operations. In addition, to the extent these events impact the ability of borrowers to timely repay their loans, our business could be negatively affected.

We may not maintain sufficient business interruption or property insurance to compensate us for potentially significant losses, including potential harm to our business that may result from interruptions in our ability to provide our financial products and services.

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

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires our management to make estimates and assumptions that affect the amounts reported and disclosed in our consolidated financial statements and accompanying notes. We base our estimates and assumptions on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to fair value determinations, stock-based compensation, consolidation of variable interest entities, and provision for income taxes, net of valuation allowance for deferred tax assets. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of industry or financial analysts and investors, resulting in a decline in the trading price of our common stock.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, or changes to existing standards, and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be

required to restate our published financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial condition, and profit and loss, or cause an adverse deviation from our revenue and operating profit and loss target, which may negatively impact our results of operations.

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 Securities Exchange Act of 1934, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of the Nasdaq Global Select Market. 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. 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. 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 have been discovered in the past and may be discovered in the future. For example, we identified a material weakness in our internal control over financial reporting that contributed to the revision of our previously-issued 2017 and 2018 financial statements. A “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness principally related to a lack of adequate review processes and controls within our accounting and finance organization and a lack of sufficient financial reporting and accounting personnel with the technical expertise to appropriately account for certain transactions including loan servicing and securitizations. During 2019 and 2020, we took a number of actions to improve our internal control over financial reporting, such as hiring external specialists and personnel with technical accounting expertise, designing additional review procedures in our accounting and finance organization, and identifying and implementing improved processes and controls. Our management believes that these and other actions taken during this time have been fully implemented and such enhancements to our internal controls are operating effectively. Due to our remediation efforts in 2019, we have concluded that the previously-identified material weakness in our internal controls has been remediated as of December 31, 2019.

However, we cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to identify or prevent future material weaknesses or deficiencies. The nature of our business is such that our financial statements involve a number of complex accounting policies, many of which involve significant elements of judgment, including determinations regarding the consolidation of variable interest entities, determinations regarding the

fair value of financial assets and liabilities (including loans, notes receivable, payable to securitization note holders and residual certificate holders, notes payable and servicing assets and liabilities) and the appropriate classification of various items within our financial statements. See Note 1 to our consolidated financial statements for more information about our significant accounting policies. The inherent complexity of these accounting matters and the nature and variety of transactions in which we are involved require that we have sufficient qualified accounting personnel with an appropriate level of experience and controls in our financial reporting process commensurate with the complexity of our business. While we believe we have sufficient internal accounting personnel and external resources and appropriate controls to address the demands of our business, we expect that the growth and development of our business will place significant additional demands on our accounting resources. 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 could also 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 the Nasdaq Global Select Market. 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. There can be no assurance that we will maintain internal control over financial reporting sufficient to enable us to identify or avoid material weaknesses in the future.

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 Jumpstart Our Business Startups Act of 2012, or 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 materially and adversely affect our business, results of operations, and financial condition and could cause a decline in the trading price of our common stock.

Some of our market opportunity estimates, growth forecasts and key metrics included in this prospectus could prove to be inaccurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business.

Market opportunity estimates and growth forecasts included in this prospectus, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus relating to the size and expected growth of our target market may prove to be inaccurate. It is impossible to offer every loan product, term or feature that every customer wants or that any given bank partner is necessarily capable of supporting, and our competitors may develop and offer loan products, terms or features that we do not offer. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of the loans covered by our market opportunity estimates will generate any particular level of revenues for us. Even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, we may be unable to address these markets successfully and our business could fail to

grow for a variety of reasons outside of our control, including competition in our industry. We regularly review and may adjust our processes for calculating our key metrics to improve their accuracy. Our key metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our reputation, business, results of operations, and financial condition would be adversely affected.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY AND PLATFORM DEVELOPMENT

It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection.

Our ability to operate our platform depends, in part, upon our proprietary technology. We may be unable to protect our proprietary technology effectively which would allow competitors to duplicate our AI models or AI lending platform and adversely affect our ability to compete with them. We rely on a combination of copyright, trade secret, patent, trademark laws and other rights, as well as confidentiality procedures, contractual provisions and our information security infrastructure to protect our proprietary technology, processes and other intellectual property. While we have two patent applications pending, we do not yet have patent protection and our patent applications may not be successful. The steps we take to protect our intellectual property rights may be inadequate. For example, a third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. The pursuit of a claim against a third party for infringement of our intellectual property could be costly, and there can be no guarantee that any such efforts would be successful. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

Our proprietary technology, including our AI models, may actually or may be alleged to infringe upon third-party intellectual property, and we may face intellectual property challenges from such other parties. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. If we are unsuccessful, such claim or litigation could result in a requirement that we pay significant damages or licensing fees, or we could in some circumstances be required to make changes to our business to avoid such infringement, which would negatively impact our financial performance. We may also be obligated to indemnify parties or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to modify applications or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time consuming and divert the attention of our management and key personnel from our business operations.

Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies such as ours. Even in instances where we believe that claims and allegations of intellectual property infringement against us are without merit, defending against such claims is time consuming and expensive and could result in the diversion of time and attention of our management and employees. In addition, although in some cases a third party may have agreed to indemnify us for such costs, such indemnifying party may refuse or be unable to uphold its contractual obligations. In other cases, our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant.

Furthermore, our technology may become obsolete or inadequate, and there is no guarantee that we will be able to successfully develop, obtain or use new technologies to adapt our models and systems to compete with other technologies as they develop. If we cannot protect our proprietary technology from intellectual property challenges, or if our technology becomes obsolete or inadequate, our ability to maintain our model and systems, facilitate loans or perform our servicing obligations on the loans could be adversely affected.

Any significant disruption in our AI lending platform could prevent us from processing loan applicants and servicing loans, reduce the effectiveness of our AI models and result in a loss of bank partners or borrowers.

In the event of a system outage or other event resulting in data loss or corruption, our ability to process loan applications, service loans or otherwise facilitate loans on our platform would be

adversely affected. We also rely on facilities, components, and services supplied by third parties, including data center facilities and cloud storage services. We host our AI lending platform using Amazon Web Services, or AWS, a provider of cloud infrastructure services. In the event that our AWS service agreements are terminated, or there is a lapse of service, interruption of internet service provider connectivity or damage to AWS data centers, we could experience interruptions in access to our platform as well as delays and additional expense in the event we must secure alternative cloud infrastructure services. Any interference or disruption of our technology and underlying infrastructure or our use of third-party services could adversely affect our relationships with our bank partners and investors in our funding programs, and the overall user experience of our platform. Also, as our business grows, we may be required to expand and improve the capacity, capability and reliability of our infrastructure. If we are not able to effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and infrastructure to reliably support our business, our business, financial condition and results of operations could be adversely affected.

Additionally, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses incurred. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage or other event resulting in data loss or corruption. These factors could prevent us from processing or posting payments on the loans, damage our brand and reputation, divert our employees' attention, subject us to liability and cause borrowers to abandon our business, any of which could adversely affect our business, results of operations and financial condition.

Our platform and internal systems rely on software that is highly technical, and if our software contains undetected errors, our business could be adversely affected.

Our platform and internal systems rely on software that is highly technical and complex. In addition, our platform and internal systems depend on the ability of such software to store, retrieve, process and manage high volumes of data. The software in which we rely has contained, and may now or in the future contain, undetected errors or bugs. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software on which we rely may result in failure to accurately predict a loan applicant's creditworthiness, failure to comply with applicable laws and regulations, approval of sub-optimally priced loans, incorrectly displayed interest rates to applicants or borrowers, or incorrectly charged interest to borrowers or fees to bank partners or institutional investors, failure to detect fraudulent activity on our platform, a negative experience for consumers or bank partners, delayed introductions of new features or enhancements, or failure to protect borrower data or our intellectual property. Any errors, bugs or defects discovered in the software on which we rely could result in harm to our reputation, loss of consumers or bank partners, increased regulatory scrutiny, fines or penalties, loss of revenue or liability for damages, any of which could adversely affect our business, financial condition and results of operations.

Some aspects of our business processes include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

We incorporate open source software into processes supporting our business. Such open source software may include software covered by licenses like the GNU General Public License and the Apache License. The terms of various open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that limits our use of the software, inhibits certain aspects of our systems and negatively affects our business operations.

Some open source licenses contain requirements that we make source code available at no cost for modifications or derivative works we create based upon the type of open source software we use.

We may face claims from third parties claiming ownership of, or demanding the release or license of, such modifications or derivative works (which could include our proprietary source code or AI models) or otherwise seeking to enforce the terms of the applicable open source license. If portions of our proprietary AI models are determined to be subject to an open source license, or if the license terms for the open source software that we incorporate change, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our model or change our business activities, any of which could negatively affect our business operations and potentially our intellectual property rights. If we were required to publicly disclose any portion of our proprietary models, it is possible we could lose the benefit of trade secret protection for our models.

In addition to risks related to license requirements, the use of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open source software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business.

RISKS RELATED TO OUR DEPENDENCE ON THIRD PARTIES

We rely on strategic relationships with loan aggregators to attract applicants to our platform, and if we cannot maintain effective relationships with loan aggregators or successfully replace their services, or if loan aggregators begin offering competing products, our business could be adversely affected.

A significant number of consumers that apply for a loan on Upstart.com learn about and access Upstart.com through the website of a loan aggregator, typically with a hyperlink from such loan aggregator's website to a landing page on our website. For example, in 2019 and the nine months ended September 30, 2020, 38% and 52%, respectively, of loan originations were derived from traffic from Credit Karma. Our most recent agreement with Credit Karma dated November 6, 2020 provides that either party may terminate our arrangement immediately upon a material breach of any provision of the agreement or at any time, with or without cause, by providing no less than 30 days' notice. Even during the term of our agreement, our agreement does not require Credit Karma to display offers from lenders on Upstart.com nor prohibit them from working with our competitors or from offering competing services. In this regard, Credit Karma recently began directing more customer traffic to a program that hosts and aggregates the credit models of other loan providers directly on its platform for the purpose of giving credit offers. To date, Upstart has opted not to participate in this program. In November 2020, we experienced a reduction in the number of loan applicants directed to the Upstart platform by Credit Karma and a corresponding decrease in the number of loans originated on our platform, and we may experience additional reductions in traffic from Credit Karma in the future. If traffic from Credit Karma continues to decrease in the future as a result of this program or for other reasons, our loan originations and results of operations would be adversely affected. Further, there is no assurance that Credit Karma will continue its contract with us on commercially reasonable terms or at all. For example, Intuit Inc. recently announced that it has agreed to acquire Credit Karma. If such acquisition is completed, Intuit may not continue our agreement on commercially reasonable terms or at all, which would adversely affect our business.

While we are planning to move towards more direct acquisition channels, we anticipate that we will continue to depend in significant part on relationships with loan aggregators to maintain and grow our business. Our current agreements with these loan aggregators do not require them to display offers from lenders on Upstart.com nor prohibit them from working with our competitors or from offering competing services. Further, there is no assurance that a loan aggregator will renew its contract with us on commercially reasonable terms or at all. Our competitors may be effective in providing incentives to loan aggregators to favor their products or services or in reducing the volume of loans facilitated through our platform. Loan aggregators may not perform as expected under our agreements with them, and we may have disagreements or disputes with them, which could adversely affect our brand and reputation. If we cannot successfully enter into and maintain effective strategic relationships with loan aggregators, our business could be adversely affected.

In addition, the limited information such loan aggregators collect from applicants does not always allow us to offer rates to applicants that we would otherwise be able to through direct applicant traffic to Upstart.com. Typically, the rates offered to borrowers who come to Upstart.com directly are lower and more competitive than those rates offered through aggregators. In the event we do not successfully optimize direct traffic, our ability to attract borrowers would be adversely affected.

Such loan aggregators also face litigation and regulatory scrutiny for their part in the consumer lending ecosystem, and as a result, their business models may require fundamental change or may not be sustainable in the future. For example, loan aggregators are increasingly required to be licensed as loan brokers or lead generators in many states, subjecting them to increased regulatory supervision and more stringent business requirements. While we require loan aggregators to make certain

disclosures in connection with our bank partners' offers and restrict how loan aggregators may display such loan offers, loan aggregators may nevertheless alter or even remove these required disclosures without notifying us, which may result in liability to us. Further, we do not have control over any content on loan aggregator websites, and it is possible that our brand and reputation may be adversely affected by being associated with such content. An unsatisfied borrower could also seek to bring claims against us based on the content presented on a loan aggregator's website. Such claims could be costly and time consuming to defend and could distract management's attention from the operation of the business.

Our proprietary AI models rely in part on the use of loan applicant and borrower data and other third-party data, and if we lose the ability to use such data, or if such data contain inaccuracies, our business could be adversely affected.

We rely on our proprietary AI models, which are statistical models built using a variety of data-sets. Our AI models rely on a wide variety of data sources, including data collected from applicants and borrowers, credit bureau data and our credit experience gained through monitoring the payment performance of borrowers over time. Under our agreements with our bank partners, we receive licenses to use data collected from loan applicants and borrowers. If we are unable to access and use data collected from applicants and borrowers, data received from credit bureaus, repayment data collected as part of our loan servicing activities, or other third-party data used in our AI models, or our access to such data is limited, our ability to accurately evaluate potential borrowers, detect fraud and verify applicant data would be compromised. Any of the foregoing could negatively impact the accuracy of our pricing decisions, the degree of automation in our loan application process and the volume of loans facilitated on our platform.

Third-party data sources on which we rely include the consumer reporting agencies regulated by the CFPB and other alternative data sources. Such data is electronically obtained from third parties and used in our AI models to price applicants and in our fraud model to verify the accuracy of applicant-reported information. Data from national credit bureaus and other consumer reporting agencies and other information that we receive from third parties about an applicant or borrower, may be inaccurate or may not accurately reflect the applicant or borrower's creditworthiness for a variety of reasons, including inaccurate reporting by creditors to the credit bureaus, errors, staleness or incompleteness. For example, loan applicants' credit scores may not reflect such applicants' actual creditworthiness because the credit scores may be based on outdated, incomplete or inaccurate consumer reporting data, including, as a consequence of us utilizing credit reports for a specific period of time after issuance before such reports are deemed to be outdated. Similarly, the data taken from an applicant's credit report may also be based on outdated, incomplete or inaccurate consumer reporting data. Although we use numerous third-party data sources and multiple credit factors within our proprietary models, which helps mitigate this risk, it does not eliminate the risk of an inaccurate individual report.

Further, although we attempt to verify the income, employment and education information provided by certain selected applicants, we cannot guarantee the accuracy of applicant information. Our fraud model relies in part on data we receive from a number of third-party verification vendors, data collected from applicants, and our experience gained through monitoring the performance of borrowers over time. Information provided by borrowers may be incomplete, inaccurate or intentionally false. Applicants may also misrepresent their intentions for the use of loan proceeds. We do not verify or confirm any statements by applicants as to how loan proceeds are to be used after loan funding. If an applicant supplied false, misleading or inaccurate information and our fraud detection processes do not flag the application, repayments on the corresponding loan may be lower, in some cases significantly lower, than expected, leading to losses for the bank partner or investor.

In addition, if third party data used to train and improve our AI models is inaccurate, or access to such third-party data is limited or becomes unavailable to us, our ability to continue to improve our AI models would be adversely affected. Any of the foregoing could result in sub-optimally and inefficiently priced loans, incorrect approvals or denials of loans, or higher than expected loan losses, which in turn could adversely affect our ability to attract new borrowers and partners to our platform or increase the number of Upstart-powered loans and adversely affect our business, financial condition and results of operations.

We rely on third-party vendors and if such third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition and results of operations could be adversely affected.

Our success depends in part on our relationships with third-party vendors. In some cases, third-party vendors are one of a limited number of sources. For example, we rely on national consumer reporting agencies, such as TransUnion, for a large portion of the data used in our AI models. In addition, we rely on third-party verification technologies and services that are critical to our ability to maintain a high level of automation on our platform. In addition, because we are not a bank, we cannot belong to or directly access the ACH payment network. As a result, we rely on one or more banks with access to the ACH payment network to process collections on Upstart-powered loans. Most of our vendor agreements are terminable by either party without penalty and with little notice. If any of our third-party vendors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternate provider, and may not be able to secure similar terms or replace such providers in an acceptable timeframe. We also rely on other software and services supplied by vendors, such as communications, analytics and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain errors or vulnerabilities, are compromised or experience outages. Any of these risks could increase our costs and adversely affect our business, financial condition and results of operations. Further, any negative publicity related to any of our third-party partners, including any publicity related to quality standards or safety concerns, could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure.

We incorporate technology from third parties into our platform. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that the suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our platform containing that technology could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive loan products or service offerings and increase our costs. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our platform and service offerings, which could adversely affect our business, financial condition and results of operations.

Failure by our third-party vendors or our failure to comply with legal or regulatory requirements or other contractual requirements could have an adverse effect on our business.

We have significant vendors that provide us with a number of services to support our platform. If any third-party vendors fail to comply with applicable laws and regulations or comply with their contractual

requirements, including failure to maintain adequate systems addressing privacy and data protection and security, we could be subject to regulatory enforcement actions and suffer economic and reputational harm that could harm our business. Further, we may incur significant costs to resolve any such disruptions in service or failure to provide contracted services, which could adversely affect our business.

The CFPB and each of the prudential bank regulators that supervise our bank partners have issued guidance stating that institutions under their supervision may be held responsible for the actions of the companies with which they contract. As a service provider to those supervised entities, we must ensure we have implemented an adequate vendor management program. We or our bank partners could be adversely impacted to the extent our vendors fail to comply with the legal requirements applicable to the particular products or services being offered. Our use of third-party vendors is subject to increasing regulatory attention.

The CFPB and other regulators have also issued regulatory guidance that has focused on the need for financial institutions to perform increased due diligence and ongoing monitoring of third-party vendor relationships, thus increasing the scope of management involvement in connection with using third-party vendors. Moreover, if regulators conclude that we or our bank partners have not met the heightened standards for oversight of our third-party vendors, we or our bank partners could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist or other remedial actions, which could have an adverse effect on our business, financial condition and results of operations.

If loans originated by our bank partners were found to violate the laws of one or more states, whether at origination or after sale by the originating bank partner, loans facilitated through our platform may be unenforceable or otherwise impaired, we or other program participants may be subject to, among other things, fines and penalties, and/or our commercial relationships may suffer, each of which would adversely affect our business and results of operations.

When establishing the interest rates and structures (and the amounts and structures of certain fees constituting interest under federal banking law, such as origination fees, late fees and non-sufficient funds fees) that are charged to borrowers on loans originated on our platform, our bank partners rely on certain authority under federal law to export the interest rate requirements of the state where each bank partner is located to borrowers in all other states. Further, certain of our bank partners and institutional investors rely on the ability of subsequent holders to continue charging such rate and fee structures and enforce other contractual terms agreed to by our bank partners which are permissible under federal banking laws following the acquisition of the loans. The current annual percentage rates of the loans facilitated through our platform typically range from approximately 6.5% to 35.99%. In some states, the interest rates of certain Upstart-powered loans exceed the maximum interest rate permitted for consumer loans made by non-bank lenders to borrowers residing in, or that have nexus to, such states. In addition, the rate structures for Upstart-powered loans may not be permissible in all states for non-bank lenders and/or the amount or structures of certain fees charged in connection with Upstart-powered loans may not be permissible in all states for non-bank lenders.

Usury, fee, and disclosure related claims involving Upstart-powered loans may be raised in multiple ways. Program participants may face litigation, government enforcement or other challenge, for example, based on claims that bank lenders did not establish loan terms that were permissible in the state they were located or did not correctly identify the home or host state in which they were located for purposes of interest exportation authority under federal law. Alternatively, we or our investors may face litigation, government enforcement or other challenge, for example, based on claims that rates and fees were lawful at origination and through any period during which the originating bank partner retained the loan and interests therein, but that subsequent purchasers were

unable to enforce the loan pursuant to its contracted-for terms, or that certain disclosures were not provided at origination because while such disclosures are not required of banks they may be required of non-bank lenders.

In Madden v. Midland Funding, LLC, 786 F.3d 246 (2d Cir. 2015), cert. denied, 136 S.Ct. 2505 (June 27, 2016), for example, the United States Court of Appeals for the Second Circuit held that the non-bank purchaser of defaulted credit card debt could not rely on preemption standards under the National Bank Act applicable to the originator of such debt in defense of usury claims. Madden addressed circumstances under which a defaulted extension of credit under a consumer credit card account was assigned, following default, to a non-bank debt buyer that then attempted to collect the loan and to continue charging interest at the contracted-for rate. The debtor filed a suit claiming, among other claims, that the rate charged by the non-bank collection entity exceeded the usury rates allowable for such entities under New York usury law. Reversing a lower court decision, the Second Circuit held that preemption standards under the National Bank Act applicable to the bank that issued the credit card were not available to the non-bank debt buyer as a defense to usury claims. Following denial of a petition for rehearing by the Second Circuit, the defendant sought review by the United States Supreme Court. Following the United States Supreme Court's request that the Solicitor General file a brief setting forth the government's position on whether the Supreme Court should hear the case in 2016, the Solicitor General filed its brief recommending that the petition for a writ of certiorari be denied for certain vehicle suitability reasons, although the Solicitor General's brief concluded that the Second Circuit's decision was substantively incorrect as a matter of law. The Supreme Court denied certiorari on June 27, 2016, such that the Second Circuit's decision remains binding on federal courts in the Second Circuit (which include all federal courts in New York, Connecticut, and Vermont). Upon remand to the District Court for consideration of additional issues, including whether a choice of law provision in the debtor's credit card agreement was enforceable to displace New York usury law and class certification, the parties settled the matter in 2019.

The scope and validity of the Second Circuit's Madden decision remain subject to challenge and clarification. For example, the Colorado Administrator of the Colorado Uniform Consumer Credit Code, or the UCCC, reached a settlement with respect to complaints against two online lending platforms whose operations share certain commonalities with ours, including with respect to the role of bank partners and sale of loans to investors. The complaints included, among other claims, allegations, grounded in the Second Circuit's Madden decision, that the rates and fees for certain loans could not be enforced lawfully by non-bank purchasers of bank-originated loans. Under the settlement, these banks and nonbank partners committed to, among other things, limit the annual percentage rates, or APR, on loans to Colorado consumers to 36% and take other actions to ensure that the banks were in fact the true lenders. The nonbanks also agreed to obtain and maintain a Colorado lending license. In Colorado, this settlement should provide a helpful model for what constitutes an acceptable bank partnership model. However, the settlement may also invite other states to initiate their own actions, and set their own regulatory standards through enforcement.

In addition, in June 2019 private plaintiffs filed class action complaints against multiple traditional credit card securitization programs, including, Petersen, et al. v. Chase Card Funding, LLC, et al., (No. 1:19-cv-00741-LJV-JJM (W.D.N.Y. June 6, 2019)) and Cohen, et al. v. Capital One Funding, LLC et al., (No. 19-03479 (E.D.N.Y. June 12, 2019)). In *Petersen*, the plaintiffs sought class action status against certain defendants affiliated with a national bank that have acted as special purpose entities in securitization transactions sponsored by the bank. The complaint alleges that the defendants' acquisition, collection and enforcement of the bank's credit card receivables violated New York's civil usury law and that, as in Madden, the defendants, as non-bank entities, are not entitled to the benefit of federal preemption of state usury law. The complaint sought a judgment declaring the receivables unenforceable, monetary damages and other legal and equitable remedies, such as disgorgement of all sums paid in excess of the usury limit. *Cohen* was a materially similar claim against a separate

national bank. On January 22, 2020, the magistrate judge in Petersen issued a report and recommendation responding to the defendants' motion to dismiss. The magistrate recommended that the motion to dismiss be granted as to both of the plaintiffs' claims (usury and unjust enrichment). On September 21, 2020, the District Court accepted the magistrate's recommendation and dismissed all claims. The District Court found that the usury claims were expressly preempted by the National Bank Act and referenced the OCC's recent rulemaking (discussed further below) that "[i]nterest on a loan that is permissible under [the National Bank Act] shall not be affected by the sale, assignment, or other transfer of the loan." Among other things, the Court deferred to the "OCC's reasoned judgment that enforcing New York's usury laws against the Chase defendants would significantly interfere with [the bank's] exercise of its [National Bank Act] powers." The Cohen case was dismissed on September 29, 2020 and plaintiffs in both Cohen and Petersen have filed appeals to the second circuit.

As noted above, federal prudential regulators have also taken actions to address the *Madden* decision. On May 29, 2020, the OCC issued a final rule clarifying that, when a national bank or savings association sells, assigns, or otherwise transfers a loan, interest permissible before the transfer continues to be permissible after the transfer. That rule took effect on August 3, 2020. As discussed further below, the OCC also has issued a rule pertaining to the "true lender" issue. Similarly, the FDIC finalized on June 25, 2020 its 2019 proposal declaring that the interest rate for a loan is determined when the loan is made, and will not be affected by subsequent events. On July 29, 2020, California, New York and Illinois filed suit in the U.S. District Court for the Northern District of California to enjoin enforcement of the OCC rule (Case No. 20-CV-5200) and, similarly in the same court, on August 20, 2020 California, Illinois, Massachusetts, Minnesota, New Jersey, New York, North Carolina, and the District of Columbia sought to enjoin enforcement of the FDIC rule (Case No. 20-CV-5860), in each case related to permissible interest rates post-loan transfer on the grounds that the OCC and FDIC exceeded their authority when promulgating those rules.

There are factual distinctions between our program and the circumstances addressed in the Second Circuit's Madden decision, as well as the circumstances in the Colorado UCCC settlement, credit card securitization litigation, and similar cases. As noted above, there are also bases on which the Madden decision's validity might be subject to challenge or the Madden decision may be addressed by federal regulation or legislation. Nevertheless, there can be no guarantee that a Madden-like claim will not be brought successfully against us or other Upstart program participants.

If a borrower or any state agency were to successfully bring a claim against us, our bank partners, our securitization vehicles and/or the trustees of such vehicles or our institutional investors for a state usury law or fee restriction violation and the rate or fee at issue on the loan was impermissible under applicable state law, we, our bank partners, securitization vehicles and/or trustees or investors in our loan funding programs may face various commercial and legal repercussions, including that such parties would not receive the total amount of interest expected, and in some cases, may not receive any interest or principal, may hold loans that are void, voidable, rescindable, or otherwise impaired or may be subject to monetary, injunctive or criminal penalties. Were such repercussions to apply to us, we may suffer direct monetary loss or may be a less attractive candidate for bank partners, securitization trustees or institutional investors to enter into or renew relationships; and were such repercussions to apply to our bank partners or institutional investors, such parties could be discouraged from using our platform. We may also be subject to payment of damages in situations where we agreed to provide indemnification, as well as fines and penalties assessed by state and federal regulatory agencies.

If loans facilitated through our platform for one or more bank partners were subject to successful challenge that the bank partner was not the "true lender," such loans may be unenforceable, subject to rescission or otherwise impaired, we or other program participants may be subject to penalties, and/or our commercial relationships may suffer, each which would adversely affect our business and results of operations.

Upstart-powered loans are originated in reliance on the fact that our bank partners are the "true lenders" for such loans. That true lender status determines various Upstart-powered loan program details, including that we do not hold licenses required solely for being the party that extends credit to consumers, and Upstart-powered loans may involve interest rates and structures (and certain fees and fees structures) permissible at origination only because the loan terms and lending practices are permissible only when the lender is a bank, and/or the disclosures provided to borrowers would be accurate and compliant only if the lender is a bank. Because the loans facilitated by our platform are originated by our bank partners, many state consumer financial regulatory requirements, including usury restrictions (other than the restrictions of the state in which a bank partner originating a particular loan is located) and many licensing requirements and substantive requirements under state consumer credit laws, are treated as inapplicable based on principles of federal preemption or express exemptions provided in relevant state laws for certain types of financial institutions or loans they originate.

Certain recent litigation and regulatory enforcement has challenged, or is currently challenging, the characterization of bank partners as the "true lender" in connection with programs involving origination and/or servicing relationships between a bank partner and non-bank lending platform or program manager. As noted above, the Colorado Administrator has entered into a settlement agreement with certain banks and nonbanks that addresses this true lender issue. Specifically, the settlement agreement sets forth a safe harbor indicating that a bank is the true lender if certain specific terms and conditions are met. However, other states could also bring lawsuits based on these types of relationships. For example, on June 5, 2020, the Washington, DC Attorney General filed a lawsuit against online lender Elevate for allegedly deceptively marketing high-cost loans with interest rates above the Washington, DC usury cap. The usury claim is based on an allegation that Elevate, which was not licensed in Washington, DC, and not its partner bank, originated these loans, and were therefore in violation of the state's usury laws.

We note that the OCC issued on October 27, 2020, a final rule to address the "true lender" issue for lending transactions involving a national bank. For certain purposes related to federal banking law, including the ability of a national bank to "export" interest-related requirements from the state from which they lend, the rule would treat a national bank as the "true lender" if it is named as the lender in the loan agreement or funds the loan. It remains possible that the rule could be challenged by state regulators or private parties, or rescinded or otherwise limited by a future administration. In addition, the OCC rule does not apply to state-chartered banks and there can be no assurance that the FDIC will issue a similar rule applicable to state-chartered banks.

We, bank partners, securitization vehicles and similarly situated parties could become subject to challenges like that presented by the Colorado settlement and, if so, we could face penalties and/or Upstart-powered loans may be void, voidable or otherwise impaired in a manner that may have adverse effects on our operations (directly, or as a result of adverse impact on our relationships with our bank partners, institutional investors or other commercial counterparties). However, we are also taking steps to confirm that our business model conforms with the requirements of the Colorado safe harbor.

There have been no formal proceedings against us or indication of any proceedings against us to date, but there can be no assurance that the Colorado Administrator will not make assertions similar to those made in its present actions with respect to the loans facilitated by our platform in the future.

It is also possible that other state agencies or regulators could make similar assertions. If a court, or a state or federal enforcement agency, were to deem Upstart, rather than our bank partners, the “true lender” for loans originated on our platform, and if for this reason (or any other reason) the loans were deemed subject to and in violation of certain state consumer finance laws, we could be subject to fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas) and other penalties or consequences, and the loans could be rendered void or enforceable in whole or in part, any of which could have a material adverse effect on our business (directly, or as a result of adverse impact on our relationships with our bank partners, institutional investors or other commercial counterparties).

RISKS RELATED TO OUR REGULATORY ENVIRONMENT

Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and/or requirements resulting in increased expenses.

In the ordinary course of business, we have been named as a defendant in various legal actions, including a class action lawsuit and other litigation. Generally, this litigation arises from the dissatisfaction of a consumer with the products or services offered on our platform; some of this litigation, however, has arisen from other matters, including claims of violation of laws related to do-not-call, credit reporting and collections. All such legal actions are inherently unpredictable and, regardless of the merits of the claims, litigation is often expensive, time-consuming, disruptive to our operations and resources, and distracting to management. In addition, certain actions may include claims for indeterminate amounts of damages. Our involvement in any such matter also could cause significant harm to our or our bank partners' reputations and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. If resolved against us, legal actions could result in excessive verdicts and judgments, injunctive relief, equitable relief, and other adverse consequences that may affect our financial condition and how we operate our business.

In addition, a number of participants in the consumer financial services industry have been the subject of putative class action lawsuits, state attorney general actions and other state regulatory actions, federal regulatory enforcement actions, including actions relating to alleged unfair, deceptive or abusive acts or practices, violations of state licensing and lending laws, including state usury and disclosure laws, actions alleging discrimination on the basis of race, ethnicity, gender or other prohibited bases, and allegations of noncompliance with various state and federal laws and regulations relating to originating, servicing, and collecting consumer finance loans and other consumer financial services and products. The current regulatory environment, increased regulatory compliance efforts and enhanced regulatory enforcement have resulted in us undertaking significant time-consuming and expensive operational and compliance improvement efforts, which may delay or preclude our or our bank partners' ability to provide certain new products and services. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business and, in turn, have a material adverse effect on our business. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes may result in a separate fine assessed for each statutory and regulatory violation or substantial damages from class action lawsuits, potentially in excess of the amounts we earned from the underlying activities.

Some of our agreements used in the course of our business include arbitration clauses. If our arbitration agreements were to become unenforceable for any reason, we could experience an increase to our consumer litigation costs and exposure to potentially damaging class action lawsuits, with a potential material adverse effect on our business and results of operations.

We contest our liability and the amount of damages, as appropriate, in each pending matter. The outcome of pending and future matters could be material to our results of operations, financial condition and cash flows, and could materially adversely affect our business.

In addition, from time to time, through our operational and compliance controls, we identify compliance issues that require us to make operational changes and, depending on the nature of the issue, result in financial remediation to impacted borrowers. These self-identified issues and voluntary remediation payments could be significant, depending on the issue and the number of borrowers impacted, and could generate litigation or regulatory investigations that subject us to additional risk.

We are subject to or facilitate compliance with a variety of federal, state, and local laws, including those related to consumer protection and loan financings.

We must comply with regulatory regimes or facilitate compliance with regulatory regimes on behalf of our bank partners that are independently subject to federal and/or state oversight by bank regulators, including those applicable to our referral and marketing services, consumer credit transactions, loan servicing and collection activities and the purchase and sale of whole loans and other related transactions. Certain state laws generally regulate interest rates and other charges and require certain disclosures. In addition, other federal and state laws may apply to the origination, servicing and collection of loans originated on our platform, the purchase and sale of whole loans or asset-backed securitizations. In particular, certain laws, regulations and rules we or our bank partners are subject to include:

- state lending laws and regulations that require certain parties to hold licenses or other government approvals or filings in connection with specified activities, and impose requirements related to loan disclosures and terms, fees and interest rates, credit discrimination, credit reporting, servicemember relief, debt collection, repossession, unfair or deceptive business practices and consumer protection, as well as other state laws relating to privacy, information security, conduct in connection with data breaches and money transmission;
- the Truth-in-Lending Act and Regulation Z promulgated thereunder, and similar state laws, which require certain disclosures to borrowers regarding the terms and conditions of their loans and credit transactions, require creditors to comply with certain lending practice restrictions, limit the ability of a creditor to impose certain loan terms and impose disclosure requirements in connection with credit card origination;
- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, and similar state fair lending laws, which prohibit creditors from discouraging or discriminating against credit applicants on the basis of race, color, sex, age, religion, national origin, marital status, the fact that all or part of the applicant's income derives from any public assistance program or the fact that the applicant has in good faith exercised any right under the federal Consumer Credit Protection Act;
- the Fair Credit Reporting Act and Regulation V promulgated thereunder, imposes certain obligations on users of consumer reports and those that furnish information to consumer reporting agencies, including obligations relating to obtaining consumer reports, marketing using consumer reports, taking adverse action on the basis of information from consumer reports, addressing risks of identity theft and fraud and protecting the privacy and security of consumer reports and consumer report information;
- Section 5 of the Federal Trade Commission Act, which prohibits unfair and deceptive acts or practices in or affecting commerce, and Section 1031 of the Dodd-Frank Act, which prohibits unfair, deceptive or abusive acts or practices in connection with any consumer financial product or service, and analogous state laws prohibiting unfair, deceptive or abusive acts or practices;
- the Credit Practices Rule which (i) prohibits lenders from using certain contract provisions that the Federal Trade Commission has found to be unfair to consumers; (ii) requires lenders to advise consumers who co-sign obligations about their potential liability if the primary obligor fails to pay; and (iii) prohibits certain late charges;
- the Fair Debt Collection Practices Act and similar state debt collection laws, which provide guidelines and limitations on the conduct of third-party debt collectors (and some limitation on creditors collecting their own debts) in connection with the collection of consumer debts;
- the Gramm-Leach-Bliley Act and Regulation P promulgated thereunder, which includes limitations on financial institutions' disclosure of nonpublic personal information about a

consumer to nonaffiliated third parties, in certain circumstances requires financial institutions to limit the use and further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information and requires financial institutions to disclose certain privacy notices and practices with respect to information sharing with affiliated and unaffiliated entities as well as to safeguard personal borrower information, and other privacy laws and regulations;

- the Bankruptcy Code, which limits the extent to which creditors may seek to enforce debts against parties who have filed for bankruptcy protection;
- the Servicemembers Civil Relief Act, which allows military members to suspend or postpone certain civil obligations, requires creditors to reduce the interest rate to 6% on loans to military members under certain circumstances, and imposes restrictions on enforcement of loans to servicemembers, so that the military member can devote his or her full attention to military duties;
- the Military Lending Act, which requires those who lend to “covered borrowers”, including members of the military and their dependents, to only offer Military APRs (a specific measure of all-in-cost-of-credit) under 36%, prohibits arbitration clauses in loan agreements, and prohibits certain other loan agreement terms and lending practices in connection with loans to military servicemembers, among other requirements, and for which violations may result in penalties including voiding of the loan agreement;
- the Electronic Fund Transfer Act and Regulation E promulgated thereunder, which provide guidelines and restrictions on the electronic transfer of funds from consumers’ bank accounts, including a prohibition on a creditor requiring a consumer to repay a credit agreement in preauthorized (recurring) electronic fund transfers and disclosure and authorization requirements in connection with such transfers;
- the Telephone Consumer Protection Act and the regulations promulgated thereunder, which impose various consumer consent requirements and other restrictions in connection with telemarketing activity and other communication with consumers by phone, fax or text message, and which provide guidelines designed to safeguard consumer privacy in connection with such communications;
- the Federal Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 and the Telemarketing Sales Rule and analogous state laws, which impose various restrictions on marketing conducted use of email, telephone, fax or text message;
- the Electronic Signatures in Global and National Commerce Act and similar state laws, particularly the Uniform Electronic Transactions Act, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures and which require creditors and loan servicers to obtain a consumer’s consent to electronically receive disclosures required under federal and state laws and regulations;
- the Right to Financial Privacy Act and similar state laws enacted to provide the financial records of financial institution customers a reasonable amount of privacy from government scrutiny;
- the Bank Secrecy Act and the USA PATRIOT Act, which relate to compliance with anti-money laundering, borrower due diligence and record-keeping policies and procedures;
- the regulations promulgated by the Office of Foreign Assets Control under the U.S. Treasury Department related to the administration and enforcement of sanctions against foreign jurisdictions and persons that threaten U.S. foreign policy and national security goals, primarily to prevent targeted jurisdictions and persons from accessing the U.S. financial system;
- federal and state securities laws, including, among others, the Securities Act of 1933, as amended, or the Securities Act, the Exchange Act, the Investment Advisers Act of 1940, as

amended, or the IAA, and the Investment Company Act of 1940, as amended, or the Investment Company Act, rules and regulations adopted under those laws, and similar state laws and regulations, which govern how we offer, sell and transact in our loan financing products; and

- other state-specific and local laws and regulations.

We may not always have been, and may not always be, in compliance with these and other applicable laws, regulations and rules. Compliance with these requirements is also costly, time-consuming and limits our operational flexibility. Additionally, Congress, the states and regulatory agencies, as well as local municipalities, could further regulate the consumer financial services industry in ways that make it more difficult or costly for us to offer our AI lending platform and related services or facilitate the origination of loans for our bank partners. These laws also are often subject to changes that could severely limit the operations of our business model. For example, in 2019, a bill was introduced in the U.S. Senate that would create a national cap of the lesser of 15% APR or the maximum rate permitted by the state in which the consumer resides. Although such a bill may never be enacted into law, if such a bill were to be enacted, it would greatly restrict the number of loans that could be funded through our platform. Further, changes in the regulatory application or judicial interpretation of the laws and regulations applicable to financial institutions also could impact the manner in which we conduct our business. The regulatory environment in which financial institutions operate has become increasingly complex, and following the financial crisis that began in 2008, supervisory efforts to apply relevant laws, regulations and policies have become more intense. Additionally, states are increasingly introducing and, in some cases, passing laws that restrict interest rates and APRs on loans similar to the loans made on our platform. For example, California has enacted legislation to create a “mini-CFPB,” which could increase its oversight over bank partnership relationships and strengthen state consumer protection authority of state regulators to police debt collections and unfair, deceptive or abusive acts and practices. Additionally, voter referendums have been introduced and, in some cases, passed, restrictions on interest rates and/or APRs. If such legislation or bills were to be propagated, or state or federal regulators seek to restrict regulated financial institutions such as our bank partners from engaging in business with Upstart in certain ways, our bank partners’ ability to originate loans in certain states could be greatly reduced, and as a result, our business, financial condition and results of operations would be adversely affected.

Where applicable, we seek to comply with state broker, credit service organization, small loan, finance lender, servicing, collection, money transmitter and similar statutes. Nevertheless, if we are found to not comply with applicable laws, we could lose one or more of our licenses or authorizations, become subject to greater scrutiny by other state regulatory agencies, face other sanctions or be required to obtain a license in such jurisdiction, which may have an adverse effect on our ability to continue to facilitate loans, perform our servicing obligations or make our platform available to consumers in particular states, which may harm our business. Further, failure to comply with the laws and regulatory requirements applicable to our business and operations may, among other things, limit our ability to collect all or part of the principal of or interest on Upstart-powered loans. In addition, non-compliance could subject us to damages, revocation of required licenses, class action lawsuits, administrative enforcement actions, rescission rights held by investors in securities offerings and civil and criminal liability, all of which would harm our business.

Internet-based loan origination processes may give rise to greater risks than paper-based processes and may not always be allowed under state law.

We use the internet to obtain application information and distribute certain legally required notices to applicants and borrowers, and to obtain electronically signed loan documents in lieu of paper documents with actual borrower signatures. These processes may entail greater risks than would paper-based loan origination processes, including risks regarding the sufficiency of notice for

compliance with consumer protection laws, risks that borrowers may challenge the authenticity of loan documents, and risks that despite internal controls, unauthorized changes are made to the electronic loan documents. In addition, our software could contain "bugs" that result in incorrect calculations or disclosures or other non-compliance with federal or state laws or regulations. If any of those factors were to cause any loans, or any of the terms of the loans, to be unenforceable against the borrowers, or impair our ability to service loans, the performance of the underlying promissory notes could be adversely affected.

For auto loans issued under our new auto lending platform, certain state laws may not allow for electronic lien and title transfer, which would require us to use a paper-based title process to secure title to the underlying collateral. While this process may help mitigate some of the risks associated with online processes, because it is outside of our usual practices and titling rules can vary by state, we may encounter greater difficulty complying with the proper procedures. If we fail to effectively follow such procedures we may, among other things, be limited in our ability to secure the collateral associated with loans issued under our auto lending platform.

If we are found to be operating without having obtained necessary state or local licenses, our business, financial condition and results of operations could be adversely affected.

Certain states have adopted laws regulating and requiring licensing by parties that engage in certain activities regarding consumer finance transactions, including facilitating and assisting such transactions in certain circumstances. Furthermore, certain states and localities have also adopted laws requiring licensing for consumer debt collection or servicing and/or purchasing or selling consumer loans. While we believe we have obtained or are in the process of obtaining all necessary licenses, the application of some consumer finance licensing laws to our AI lending platform and the related activities we perform is unclear. In addition, state licensing requirements may evolve over time, including, in particular, recent trends toward increased licensing requirements and regulation of parties engaged in loan solicitation and student loan servicing activities. States also maintain licensing requirements pertaining to the transmission of money, and certain states may broadly interpret such licensing requirements to cover loan servicing and the transmission of funds to investors. If we were found to be in violation of applicable state licensing requirements by a court or a state, federal, or local enforcement agency, we could be subject to fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), criminal penalties and other penalties or consequences, and the loans originated by our bank partners on our platform could be rendered void or unenforceable in whole or in part, any of which could have a material adverse effect on our business.

The CFPB is a relatively new agency that has sometimes taken expansive views of its authority to regulate consumer financial services, creating uncertainty as to how the agency's actions or the actions of any other new agency could impact our business.

The CFPB, which commenced operations in July 2011, has broad authority to create and modify regulations under federal consumer financial protection laws and regulations, such as the Truth in Lending Act and Regulation Z, ECOA and Regulation B, the Fair Credit Reporting Act, the Electronic Funds Transfer Act and Regulation E, among other regulations, and to enforce compliance with those laws. The CFPB supervises banks, thrifts and credit unions with assets over $10 billion and examines certain of our bank partners. Further, the CFPB is charged with the examination and supervision of certain participants in the consumer financial services market, including short-term, small dollar lenders, and larger participants in other areas of financial services. The CFPB is also authorized to prevent "unfair, deceptive or abusive acts or practices" through its rulemaking, supervisory and enforcement authority. To assist in its enforcement, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including

our loan products. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus. The CFPB may also request reports concerning our organization, business conduct, markets and activities and conduct on-site examinations of our business on a periodic basis if the CFPB were to determine, through its complaint system, that we were engaging in activities that pose risks to consumers.

Although we are the only online lending platform to have ever received a no-action letter from the CFPB with respect to our ECOA compliance as it pertains to underwriting applicants for unsecured non-revolving credit, there continues to be uncertainty about the future of the CFPB and as to how its strategies and priorities, including in both its examination and enforcement processes, will impact our business and our results of operations going forward. Our current no-action letter expires on November 30, 2023, unless terminated by the CFPB earlier for one of the bases provided for by the no-action letter, and there is no assurance that the CFPB will permit us to continue to operate under its current no-action letter policies or that it will not change its position regarding supervisory or enforcement action against us in the future. Further, this no-action letter does not extend to other credit products offered on Upstart's platform. In addition, evolving views regarding the use of alternative variables and machine learning in assessing credit risk could result in the CFPB taking actions that result in requirements to alter or cease offering affected financial products and services, making them less attractive and restricting our ability to offer them. For example, in response to a February 2020 inquiry, three members of the U.S. Senate recommended as part of their findings, that the CFPB further review Upstart's use of educational variables in its model. The CFPB could also implement rules that restrict our effectiveness in servicing our financial products and services.

Although we have committed resources to enhancing our compliance programs, future actions by the CFPB (or other regulators) against us, our bank partners or our competitors could discourage the use of our services or those of our bank partners, which could result in reputational harm, a loss of bank partners, borrowers or investors in our loan funding programs, or discourage the use of our or their services and adversely affect our business. If the CFPB changes regulations that were adopted in the past by other regulators and transferred to the CFPB by the Dodd-Frank Act, or modifies through supervision or enforcement past regulatory guidance or interprets existing regulations in a different or stricter manner than they have been interpreted in the past by us, the industry or other regulators, our compliance costs and litigation exposure could increase materially. This is particularly true with respect to the application of ECOA and Regulation B to credit risk models that rely upon alternative variables and machine learning, an area of law where regulatory guidance is currently uncertain and still evolving, and for which there are not well-established regulatory norms for establishing compliance. If future regulatory or legislative restrictions or prohibitions are imposed that affect our ability to offer certain of our products or that require us to make significant changes to our business practices, and if we are unable to develop compliant alternatives with acceptable returns, these restrictions or prohibitions could have a material adverse effect on our business. If the CFPB, or another regulator, were to issue a consent decree or other similar order against us, this could also directly or indirectly affect our results of operations.

Our compliance and operational costs and litigation exposure could increase if and when the CFPB amends or finalizes any proposed regulations, including the regulations discussed above or if the CFPB or other regulators enact new regulations, change regulations that were previously adopted, modify, through supervision or enforcement, past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

We have been in the past and may in the future be subject to federal and state regulatory inquiries regarding our business.

We have, from time to time in the normal course of our business, received, and may in the future receive or be subject to, inquiries or investigations by state and federal regulatory agencies and bodies

such as the CFPB, state Attorneys General, the SEC, state financial regulatory agencies and other state or federal agencies or bodies regarding the Upstart platform, including the marketing of loans for lenders, underwriting and pricing of consumer loans for our bank partners, our fair lending compliance program and licensing and registration requirements. We have addressed these inquiries directly and engaged in open dialogue with regulators. For example, following constructive and transparent discussions with the CFPB regarding the manner in which our platform operates in compliance with federal fair lending laws, we applied for and received a no-action letter from the CFPB that stated the CFPB had no present intent to recommend initiation of supervisory or enforcement action against us with respect to ECOA as it pertains to the use of our AI model to underwrite applicants for unsecured non-revolving credit. Under the terms of the 2020 no-action letter, we are required to continue to share certain information with the CFPB regarding the updates to our model and the variables it considers, loan performance reports, the results of fair lending tests we conduct, and research we conduct to identify less discriminatory alternatives, as well as information on how our AI models expand access to credit for traditionally underserved populations. We must also update the CFPB of material changes to information included in our no-action letter application or if our products or services are not performing as expected in a material way. Such no-action letter expires on November 30, 2023, unless terminated by the CFPB earlier for one of the bases provided for by the no-action letter. We can provide no assurance that the CFPB will continue to provide such relief, and it is possible the CFPB will change its position regarding supervisory or enforcement action against us in the future. Further, this no-action letter does not extend to other credit products offered on Upstart's platform. Moreover, were we determined to be conducting business contrary to the facts presented to, and relied on, by the CFPB in issuing the no-action letter, we would be subject to heightened enforcement risk by the CFPB. We have also received an inquiry from the North Carolina Department of Justice regarding our role in facilitating the origination of loans for educational purposes. We are providing information in response to that inquiry, and cannot provide any assurances regarding the outcome of that inquiry.

We have also received inquiries from state regulatory agencies regarding requirements to obtain licenses from or register with those states, including in states where we have determined that we are not required to obtain such a license or be registered with the state, and we expect to continue to receive such inquiries. Any such inquiries or investigations could involve substantial time and expense to analyze and respond to, could divert management's attention and other resources from running our business, and could lead to public enforcement actions or lawsuits and fines, penalties, injunctive relief, and the need to obtain additional licenses that we do not currently possess. Our involvement in any such matters, whether tangential or otherwise and even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation, lead to additional investigations and enforcement actions from other agencies or litigants, and further divert management attention and resources from the operation of our business. As a result, the outcome of legal and regulatory actions arising out of any state or federal inquiries we receive could be material to our business, results of operations, financial condition and cash flows and could have a material adverse effect on our business, financial condition or results of operations.

The collection, processing, storage, use and disclosure of personal data could give rise to liabilities as a result of existing or new governmental regulation, conflicting legal requirements or differing views of personal privacy rights.

We receive, transmit and store a large volume of personally identifiable information and other sensitive data from applicants and borrowers. Each bank partner can access information about their respective borrowers and declined applicants via daily loan reports and other reporting tools that are provided via the platform. For loan investors, while we generally limit access to personally identifiable information, we do share some personally identifiable information about borrowers with certain investors in our loan funding programs. There are federal, state and foreign laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and sensitive data.

Specifically, cybersecurity and data privacy issues, particularly with respect to personally identifiable information are increasingly subject to legislation and regulations to protect the privacy and security of personal information that is collected, processed and transmitted. For example, the Gramm-Leach-Bliley Act includes limitations on financial institutions' disclosure of nonpublic personal information about a consumer to nonaffiliated third parties, in certain circumstances requires financial institutions to limit the use and further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information and requires financial institutions to disclose certain privacy notices and practices with respect to information sharing with affiliated and unaffiliated entities as well as to safeguard personal borrower information. In addition, the California Consumer Privacy Act, or the CCPA, which went into effect on January 1, 2020, requires, among other things, that covered companies provide disclosures to California consumers and afford such consumers new abilities to opt-out of certain sales or retention of their personal information by us. The CCPA has been amended on multiple occasions and the California Attorney General approved final regulations on August 14, 2020. Although the regulations will bring some clarity regarding compliance with the CCPA, aspects of the CCPA and its interpretation remain unclear. We cannot fully predict the impact of the CCPA on our business or operations, but it may require us to further modify our data infrastructure and data processing practices and policies and to incur additional costs and expenses in an effort to continue to comply. In addition, California voters approved Proposition 24 in the November 2020 election to create the California Privacy Rights Act, which amends and purports to strengthen the CCPA and will create a state agency to enforce privacy laws. Additionally, other U.S. states are proposing and enacting laws and regulations that impose obligations similar to the CCPA or that otherwise involve significant obligations and restrictions. Compliance with current and future borrower privacy data protection and information security laws and regulations could result in higher compliance, technical or operating costs. Further, any actual or perceived violations of these laws and regulations may require us to change our business practices, data infrastructure or operational structure, address legal claims and regulatory investigations and proceedings and sustain monetary penalties and/or other harms to our business. We could also be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified such that we are required to alter our systems or change our business practices or privacy policies.

As the regulatory framework for artificial intelligence and machine learning technology evolves, our business, financial condition and results of operations may be adversely affected.

The regulatory framework for artificial intelligence and machine learning technology is evolving and remains uncertain. It is possible that new laws and regulations will be adopted in the United States, or existing laws and regulations may be interpreted in new ways, that would affect the operation of our platform and the way in which we use artificial intelligence and machine learning technology, including with respect to fair lending laws. Further, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

If we are required to register under the Investment Company Act, our ability to conduct business could be materially adversely affected.

The Investment Company Act contains substantive legal requirements that regulate the manner in which "investment companies" are permitted to conduct their business activities. In general, an "investment company" is a company that holds itself out as an investment company or holds more than 40% of the total value of its assets (minus cash and government securities) in "investment securities." We believe we are not an investment company. We do not hold ourselves out as an investment company. We understand, however, that the loans held on our balance sheet could be viewed by the SEC or its staff as "securities," which could in turn cause the SEC or its staff to view Upstart Holdings, Inc., Upstart Network, Inc., or an affiliate as an "investment company" subject to regulation under the Investment Company Act. To provide clarity on this issue, we applied for and, on December 1, 2020,

received an exemptive order from the SEC exempting us from regulation under the Investment Company Act, subject to certain conditions. Notwithstanding the exemptive order, we believe that we have never been an investment company because, among other reasons, we are primarily engaged in the business of providing an AI-based lending platform to banks.

Exemptive orders provided by the SEC under the Investment Company Act may cease to be effective if the facts and analysis upon which they are based materially change or the recipient of the order fails to comply with conditions outlined in the order. Although not currently anticipated, it is possible that our business will change in the future in a way that causes the exemptive order to no longer apply to our business, either because the facts of how we conduct our business change or because we no longer meet the conditions outlined in the order. If the exemptive order ceases to apply to our business, we could be deemed an investment company and may be required to institute burdensome compliance requirements, restricting our activities in a way that could adversely affect our business, financial condition and results of operations. If we were ever deemed to be in non-compliance with the Investment Company Act, we could also be subject to various penalties, including administrative or judicial proceedings that might result in censure, fine, civil penalties, cease-and-desist orders or other adverse consequences, as well as private rights of action, any of which could materially adversely affect our business.

If we are required to register under the Investment Advisers Act, our ability to conduct business could be materially adversely affected.

The IAA contains substantive legal requirements that regulate the manner in which “investment advisers” are permitted to conduct their business activities. We do not believe that we or our affiliates are required to register as an investment adviser with either the SEC or any of the various states, because our business consists of providing a platform for consumer lending and loan financing for which investment adviser registration and regulation does not apply under applicable federal or state law. However, one of our affiliates, Upstart Network, Inc., has notice filed as an exempt reporting adviser with the state of California based on its limited activities advising two funds.

While we believe our current practices do not require us or any of our other affiliates subsidiaries to register or notice file as an investment adviser, or require us to extend regulations related to Upstart Network, Inc.’s status as an exempt reporting adviser to our other operations, if a regulator were to disagree with our analysis with respect to any portion of our business, we or a subsidiary may be required to register or notice file as an investment adviser and to comply with applicable law. Registering as an investment adviser could adversely affect our method of operation and revenues. For example, the IAA requires that an investment adviser act in a fiduciary capacity for its clients. Among other things, this fiduciary obligation requires that an investment adviser manage a client’s portfolio in the best interests of the client, have a reasonable basis for its recommendations, fully disclose to its client any material conflicts of interest that may affect its conduct and seek best execution for transactions undertaken on behalf of its client. The IAA also limits the ways in which a company can market its services and offerings. It could be difficult for us to comply with these obligations without meaningful changes to our business operations, and there is no guarantee that we could do so successfully. If we were ever deemed to be in non-compliance with applicable investment adviser regulations, we could also be subject to various penalties, including administrative or judicial proceedings that might result in censure, fine, civil penalties, cease-and-desist orders or other adverse consequences, as well as private rights of action, any of which could materially adversely affect our business.

If our transactions with investors in our loan funding programs are found to have been conducted in violation of the Securities Act or similar state law, or we have generally violated any applicable law, our ability to obtain financing for loans facilitated through our platform could be materially adversely affected, and we could be subject to private or regulatory actions.

Certain transactions in our loan funding programs have relied on exemptions from the registration requirements of the Securities Act provided for in Regulation D or Section 4(a)(2) of the Securities Act. If any of these transactions were found to not be in compliance with the requirements necessary to qualify for these exemptions from Securities Act registration, or otherwise found to be in violation of the federal or state securities laws, our business could be materially adversely affected. The SEC or state securities regulators could bring enforcement actions against us, or we could be subject to private litigation risks as a result of any violation of the federal or state securities laws, which could result in civil penalties, injunctions and cease and desist orders from further violations, as well as monetary penalties of disgorgement, pre-judgment interest, rescission of securities sales, or civil penalties, any of which could materially adversely affect our business.

If we are found to be in violation of state or federal law generally, we also may be limited in our ability to conduct future transactions. For example, we could in the future become ineligible to sell securities under Regulation D if we become subject to "bad actor" disqualification pursuant to Rule 506(d) of Regulation D. Under Rule 506(d), issuers are ineligible "bad actors" if they or certain related persons, including directors and certain affiliates, are subject to disqualifying events, including certain cease-and-desist orders obtained by the SEC. If we were subject to this or other "bad actor" provisions of the securities laws, we may not be able to continue sales of whole loans, fractional interests in loans, or asset-backed securities, or we could be subject to significant additional expense associated with making our offerings, which would adversely affect our business, financial condition and results of operations.

If we are required to register with the SEC or under state securities laws as a broker-dealer, our ability to conduct business could be materially adversely affected.

We are not currently registered with the SEC as a broker-dealer under the Exchange Act or any comparable state law. The SEC heavily regulates the manner in which broker-dealers are permitted to conduct their business activities. We believe we have conducted, and we intend to continue to conduct, our business in a manner that does not result in our being characterized as a broker-dealer, based on guidance published by the SEC and its staff. Among other reasons, this is because we do not believe we take any compensation that would be viewed as being based on any transactions in securities in any of our business lines. To the extent that the SEC or its staff publishes new or different guidance with respect to these matters, we may be required to adjust our business operations accordingly. Any additional guidance from the SEC staff could provide additional flexibility to us, or it could inhibit our ability to conduct our business operations. There can be no assurance that the laws and regulations governing our broker-dealer status or that SEC guidance will not change in a manner that adversely affects our operations. If we are deemed to be a broker-dealer, we may be required to institute burdensome compliance requirements and our activities may be restricted, which would adversely affect our business, financial condition and results of operations. We may also be subject to private litigation and potential rescission of certain investments investors in our loan financing products have made, which would harm our operations as well.

Similarly, we do not believe that our sales of whole loans and asset-backed securities will subject us to broker-dealer registration in any state in which we operate, primarily because we do not accept compensation that we believe could be viewed as transaction-based. However, if we were deemed to be a broker-dealer under a state's securities laws, we could face civil penalties, or costly registration requirements, that could adversely affect our business.

Anti-money laundering, anti-terrorism financing, anti-corruption and economic sanctions laws could have adverse consequences for us.

We maintain a compliance program designed to enable us to comply with all applicable anti-money laundering and anti-terrorism financing laws and regulations, including the Bank Secrecy Act and the USA PATRIOT Act and U.S. economic sanctions laws administered by the Office of Foreign Assets Control. This program includes policies, procedures, processes and other internal controls designed to identify, monitor, manage and mitigate the risk of money laundering and terrorist financing and engaging in transactions involving sanctioned countries persons and entities. These controls include procedures and processes to detect and report suspicious transactions, perform borrower due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. We are also subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, and the U.S. Travel Act, which prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. We have implemented an anti-corruption policy to ensure compliance with these anti-corruption and anti-bribery laws. No assurance is given that our programs and controls will be effective to ensure compliance with all applicable anti-money laundering and anti-terrorism financing and anti-corruption laws and regulations, and our failure to comply with these laws and regulations could subject us to significant sanctions, fines, penalties, contractual liability to our bank partners or institutional investors, and reputational harm, all of which could harm our business.

Our securitizations, whole loan sales and warehouse facilities expose us to certain risks, and we can provide no assurance that we will be able to access the securitization or whole loan sales markets, or secured warehouse credit facilities, in the future, which may require us to seek more costly financing.

We have facilitated the securitizations, and may in the future facilitate securitizations, of certain loans acquired from our bank partners in order to allow certain of our originating bank partners, our whole loan purchasers and ourselves to liquidate their loans through the asset-backed securities markets or through other capital markets products. In term asset-backed securities transactions, we sell and convey pools of loans to a special purpose entity, or SPE. We likewise fund certain loans on our balance sheet by selling loans to warehouse trust SPEs, which loan sales are partially financed with associated warehouse credit facilities from banks. Concurrently, each securitization SPE issues notes or certificates pursuant to the terms of indentures and trust agreements, or in the case of the warehouse facilities, the warehouse trust SPE borrows money from banks pursuant to credit and security agreements. The securities issued by the SPEs in asset-backed securitization transactions and the lines of credit borrowed by the warehouse SPEs are each secured by the pool of loans owned by the applicable SPE. In exchange for the sale of a portion of a given pool of loans to the SPE, we and/or our whole loan purchasers who contribute loans to the transactions receive cash and/or securities representing equity interests in such SPE, which are the proceeds from the sale of the securities. The equity interests the SPEs are residual interests in that they entitle the equity owners of such SPEs, including us, to a certain proportion of the residual cash flows, if any, from the loans and to any assets remaining in such SPEs once the notes are satisfied and paid in full (or in the case of a revolving loan, paid in full and all commitments terminated). As a result of challenging credit and liquidity conditions, the value of the subordinated securities we or other transaction participants retain in such SPEs might be reduced or, in some cases, eliminated.

During periods of financial disruption, such as the financial crisis that began in 2008 and the COVID-19 pandemic that began in early 2020, the securitization market has constrained, and this could continue or occur again in the future. In addition, other matters, such as (i) accounting standards

applicable to securitization transactions and (ii) capital and leverage requirements applicable to banks and other regulated financial institutions holding asset-backed securities, could result in decreased investor demand for securities issued through our securitization transactions, or increased competition from other institutions that undertake securitization transactions. In addition, compliance with certain regulatory requirements, including the Dodd-Frank Act, the Investment Company Act and the so-called "Volcker Rule," may affect the type of securitizations that we are able to complete.

If it is not possible or economical for us to securitize loans in the future, we would need to seek alternative financing to support our loan funding programs and to meet our existing debt obligations. Such funding may not be available on commercially reasonable terms, or at all. If the cost of such loan funding mechanisms were to be higher than that of our securitizations, the fair value of the loans would likely be reduced, which would negatively impact our results of operations. If we are unable to access such financing, our ability to originate loans and our results of operations, financial condition and liquidity would be materially adversely affected.

The gain on sale and related servicing fees generated by our whole loan sales, and the servicing fees based on sales of asset-backed securities and interests in our legacy fractional loan program, also represent a significant source of our earnings. We cannot assure you that our loan purchasers will continue to purchase loans or interests in loans on our platform (either through whole loan sales or asset-backed securities) or that they will continue to purchase loans in transactions that generate the same spreads and/or fees that we have historically obtained. Factors that may affect loan purchaser demand for loans include:

- competition among loan originators that can sell either larger pools of loans than we are able to sell or pools of loans that have characteristics that are more desirable to certain loan purchasers than the characteristics that our loan pools have;
- the extent to which servicing fees and other expenses may reduce overall net return on purchased pools of loans;
- the actual or perceived credit performance and loan grade and term mix of the portfolios of loans offered for sale;
- loan purchasers' sector and company investment diversification requirements and strategies;
- higher yielding investment opportunities at a risk profile deemed similar to our sold loan portfolios;
- borrower prepayment behavior within the underlying pools;
- regulatory or investment practices related to maintaining net asset value, mark-to-market and similar metrics surrounding pools of purchased loans; and
- the ability of our loan purchasers to access funding and liquidity channels, including securitization markets, on terms they find acceptable to deliver an appropriate return net of funding costs, as well as general market trends that affect the appetite for loan financing investments.

Potential investors in our loan funding programs may also reduce the prices investors in those products are willing to pay for the loans or interests in loans they purchase during periods of economic slowdown or recession to compensate for any increased risks. A reduction in the sale price of the loans and loan financing products we sell would negatively impact our operations and returns. Any sustained decline in demand for loans or loan financing products, or any increase in delinquencies, defaults or losses that result from economic downturns, may also reduce the price we receive on future loan sales.

Our securitizations are subject to regulation under federal law, and failure to comply with those laws could adversely affect our business.

Our loan securitizations and sales of asset-backed securities are subject to regulation under federal law, and banks and other regulated financial institutions acquiring and holding asset-based securities, including asset-backed securities sponsored by us, are subject to capital and leverage requirements. These requirements, which are costly to comply with, could decrease investor demand for securities issued through our securitization transactions. For example, the Credit Risk Retention rule, codified as Regulation RR under the Exchange Act, was jointly adopted by the SEC, the Department of the Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, and the Department of Housing and Urban Development in 2014. Regulation RR generally requires the sponsor of asset-backed securities to retain not less than five percent of the credit risk of the assets collateralizing the securities, and generally prohibits the sponsor or its affiliate from directly or indirectly hedging or otherwise selling or transferring the retained credit risk for a specified period of time, depending on the type of asset that is securitized. Some aspects of these risk retention rules have not been the subject of significant separate guidance. We believe, but cannot be certain, that we have conducted our business, and will continue to conduct our business, in such a way that we are compliant with these risk retention rules. However, if we have failed to comply, or should fall out of compliance with these rules, it could adversely affect our source of funding and our business.

We may also face regulatory risks related to compliance with Section 13 of the Bank Holding Company Act, commonly known as the “Volcker Rule,” which prohibits banking entities from acquiring an ownership interest in entities that are investment companies for purposes of the Investment Company Act, or would be investment companies but for Sections 3(c)(1) or 3(c)(7) of the Investment Company Act, which are generally known as “private funds.” This means that in order for a banking entity regulated under the Volcker Rule to purchase certain asset-backed securities issued by our affiliates, such affiliates may need to rely on another exemption or exception from being deemed “investment companies” if they wish to continue selling to banking entities. Currently, those affiliates generally rely on Rule 3a-7 under the Investment Company Act, which provides an exclusion to the definition of an investment company for issuers that pool income-producing assets and issue securities backed by those assets. However, if a regulator or other third party were to find or assert that our analysis under Rule 3a-7 (or, where applicable, some other exemption or exemption) is incorrect, banks that have purchased asset-backed securities may be able to rescind those sales, which would adversely affect our business. We believe, but cannot guarantee, that we have conducted our business, and will continue to conduct our business, in such a way that enables our applicable banking entity investors to be compliant with the Volcker Rule.

RISKS RELATED TO LOAN FUNDING AND INDEBTEDNESS

If we are unable to maintain a diverse and robust loan funding program, our growth prospects, business, financial condition and results of operations could be adversely affected.

Our business depends on sourcing and maintaining a diverse and robust loan funding program to fund Upstart-powered loans that our bank partners are unable or unwilling to retain on their balance sheets. In the third quarter of 2020, approximately 22% of Upstart-powered loans were retained by the originating bank while approximately 76% of Upstart-powered loans were purchased by investors through our loan funding program, which includes whole loan sales to institutional investors, asset-backed securitization transactions, and utilization of committed and uncommitted warehouse credit facilities. While our loan funding program is diverse, only a limited portion of such funding sources are committed or guaranteed. We cannot be sure that these funding sources will continue to be available on reasonable terms or at all beyond the current maturity dates of our existing securitizations and debt financing arrangements.

Further, events of default or breaches of financial, performance or other covenants, or worse than expected performance of certain pools of loans underpinning our asset-backed securitizations or other debt facilities, could reduce or terminate our access to funding from institutional investors. Loan performance is dependent on a number of factors, including the predictiveness of our AI models and social and economic conditions. The availability and capacity of certain loan funding sources also depends on many factors that are outside of our control, such as credit market volatility and regulatory reforms. For example, at the start of the COVID-19 pandemic, the availability of most of our loan funding sources was significantly reduced. In the event of another sudden or unexpected shortage or restriction on the availability of loan funding sources, we may not be able to maintain the necessary levels of funding to retain current loan volume without incurring substantially higher funding costs, which could adversely affect our business, financial condition and results of operations.

In connection with our loan funding programs, we make representations and warranties concerning the loans sold, and if such representations and warranties are not accurate when made, we could be required to repurchase the loans.

In our loan funding programs, including asset-backed securitizations and whole loan sales, we make numerous representations and warranties concerning the characteristics of the Upstart-powered loans sold and transferred in connection with such transactions, including representations and warranties that the loans meet the eligibility requirements of those facilities and of investors in our loan funding programs. If those representations and warranties were not accurate when made, we may be required to repurchase the underlying loans. Failure to repurchase so-called ineligible loans when required could constitute an event of default or termination event under the agreements governing our various loan funding programs. Through September 30, 2020, the number of repurchased Upstart-powered loans as a result of inaccurate representations and warranties represents less than 0.30% of all Upstart-powered loans. While only a small number of Upstart-powered loans have been historically repurchased by us, there can be no assurance that we would have adequate cash or other qualifying assets available to make such repurchases if and when required. Such repurchases could be limited in scope, relating to small pools of loans, or significant in scope, across multiple pools of loans. If we were required to make such repurchases and if we do not have adequate liquidity to fund such repurchases, our business, financial condition and results of operations could be adversely affected.

Corporate and asset-backed debt ratings could adversely affect our ability to fund loans through our loan funding programs at attractive rates, which could negatively affect our results of operations, financial condition and liquidity.

Our unsecured senior corporate debt currently has no rating, and we have never issued unsecured debt securities in the capital markets. Asset-backed securities sponsored or co-sponsored by us are

currently rated by a limited number of debt rating agencies. Structured finance ratings reflect these rating agencies' opinions of our receivables credit performance and ability of the receivables cash flows to pay interest on a timely basis and repay the principal of such asset-backed securitizations, as well as our ability to service the receivables and comply with other obligations under such programs, such as the obligation to repurchase loans subject to breaches of loan-level representations and warranties. Such ratings also reflect the rating agencies' opinions of other service providers in such transactions, such as trustees, back-up servicers, charged-off loan purchasers and others.

Any future downgrade or non-publication of ratings may increase the interest rates that are required to attract investment in such asset-backed securities, adversely impacting our ability to provide loan liquidity to our bank partners and whole loan purchasers. As a result, our lack of parent debt rating and any possible downgrades to the ratings of our asset-backed securities could negatively impact our business, financial condition and results of operations.

We rely on borrowings under our corporate and warehouse credit facilities to fund certain aspects of our operations, and any inability to meet our obligations as they come due or to comply with various covenants could harm our business.

Our corporate credit facilities consist of term loans and revolving loan facilities that we have drawn on to finance our operations and for other corporate purposes. As of September 30, 2020, we had $21.0 million outstanding principal under the term loans and revolving credit facilities. These borrowings are secured by all the assets of the company that have not otherwise been sold or pledged to secure bank debt or securities associated with structured finance facilities, such as assets belonging to our consolidated warehouse trust special purpose entities and securitization trusts. These credit agreements contain operating and financial covenants, including customary limitations on the incurrence of certain indebtedness and liens, restrictions on certain transactions and limitations on dividends and stock repurchases. We have in the past, and may in the future, fail to comply with certain operating or financial covenants in our credit agreements, requiring a waiver from our lenders. Our ability to comply with or renegotiate these covenants may be affected by events beyond our control, and breaches of these covenants could result in a default under such agreements and any future financial agreements into which we may enter. If we were to default on our credit obligations and such defaults were not waived, our lenders may require repayment of any outstanding debt and terminate their agreements with us.

In addition, we, through our warehouse trust special purpose entities, have entered into warehouse credit facilities to partially finance the purchase of loans from certain banks that originate loans through our platform, which credit facilities are secured by the purchased loans. We generally hold these loans on our balance sheet until we can contribute them into term securitization transactions or otherwise liquidate them. Occasionally some of these loans may stay on our balance sheet indefinitely, including some loans that are the result of product development activities. As of September 30, 2020, outstanding borrowings under these warehouse credit facilities were $70.2 million, and $109.2 million of aggregate fair value of loans purchased were pledged as collateral.[59] On November 2, 2020, we repaid all outstanding borrowings under one of our warehouse credit facilities in the amount of $4.0 million and terminated the corresponding warehouse credit facility.

Under our remaining warehouse credit facility, we may borrow up to $100.0 million until May 2021, and any outstanding principal, together with any accrued and unpaid interest, are due and payable by the warehouse trust special purpose entity in May 2022. As of September 30, 2020, the amount borrowed under this credit facility was $52.7 million.

59 See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Term loans and revolving loan facilities" and Note 7 to our consolidated financial statements for more information about our term loans and revolving loan facilities.

Our warehouse credit facility imposes operating and financial covenants on the warehouse trust special purpose entity, and under certain events of default, the lender could require that all outstanding borrowings become immediately due and payable or terminate their agreement with us. We have in the past, and may in the future, fail to comply with certain operating or financial covenants in our warehouse credit facility, requiring a waiver from our lenders. If we are unable to repay our obligations at maturity or in the event of default, the borrowing warehouse trust special purpose entity may have to liquidate the loans held as collateral at an inopportune time or price or, if the lender liquidated the loans, such warehouse trust would have to pay any amount by which the original purchase price exceeded their sale price. An event of default would negatively impact our ability to purchase loans from our platform and require us to rely on alternative funding sources, which might increase our costs or which might not be available when needed. If we were unable to arrange new or alternative methods of financing on favorable terms, we might have to curtail our loan funding programs, which could have an adverse effect on our bank partners' ability or willingness to originate new loans, which in turn would have an adverse effect on our business, results of operations and financial condition.

Some of our borrowings carry a floating rate of interest linked to the London Inter-bank Offered Rate, or LIBOR. On July 27, 2017, the United Kingdom Financial Conduct Authority, or FCA, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, while the FCA and the submitting LIBOR banks have indicated they will support the LIBOR indices through 2021 to allow for an orderly transition to an alternative reference rate, it is possible that beginning in 2022, LIBOR will no longer be available as a reference rate. In particular, the interest rate of borrowings under our warehouse credit facilities and certain related interest rate hedging arrangements are predominately based upon LIBOR. While these agreements generally include alternative rates to LIBOR, if a change in indices results in interest rate increases on our debt, debt service requirements will increase, which could adversely affect our cash flow and results of operations. We do not expect a materially adverse change to our financial condition or liquidity as a result of any such changes or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere.

We may need to raise additional funds in the future, including through equity, debt or convertible debt financings, to support business growth and those funds may not be available on acceptable terms, or at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new loan products, enhance our AI models, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity, debt or convertible debt financings to secure additional funds. If we raise additional funds by issuing equity securities or securities convertible into equity securities, our stockholders may experience dilution. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our stockholders.

If we are unable to obtain adequate financing or on terms satisfactory to us when we require it, we may be unable to pursue certain business opportunities and our ability to continue to support our business growth and to respond to business challenges could be impaired and our business may be harmed.

RISKS RELATED TO TAXES

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, gross receipts, value added or similar taxes and may successfully impose additional obligations on us, and any such assessments or obligations could adversely affect our business, financial condition and results of operations.

The application of indirect taxes, such as sales and use tax, value-added tax, goods and services tax, business tax and gross receipts tax, to platform businesses is a complex and evolving issue. Many of the fundamental statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. Significant judgment is required on an ongoing basis to evaluate applicable tax obligations and as a result amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business.

In addition, governments are increasingly looking for ways to increase revenue, which has resulted in discussions about tax reform and other legislative action to increase tax revenue, including through indirect taxes. For example, on November 6, 2018, voters in San Francisco approved "Proposition C," which authorizes San Francisco to impose additional taxes on businesses in San Francisco that generate a certain level of gross receipts. Such taxes would adversely affect our financial condition and results of operations.

We may face various indirect tax audits in various U.S. jurisdictions. In certain jurisdictions, we collect and remit indirect taxes. However, tax authorities may raise questions about or challenge or disagree with our calculation, reporting or collection of taxes and may require us to collect taxes in jurisdictions in which we do not currently do so or to remit additional taxes and interest, and could impose associated penalties and fees. For example, after the U.S. Supreme Court decision in *South Dakota v. Wayfair Inc*., certain states have adopted, or started to enforce, laws that may require the calculation, collection and remittance of taxes on sales in their jurisdictions, even if we do not have a physical presence in such jurisdictions. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so or to collect additional taxes in a jurisdiction in which we currently collect taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest, could harm our business, financial condition and results of operations. Although we have reserved for potential payments of possible past tax liabilities in our financial statements, if these liabilities exceed such reserves, our financial condition will be harmed.

As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements and any such difference may adversely impact our results of operations in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

Our ability to use our deferred tax assets to offset future taxable income may be subject to certain limitations that could subject our business to higher tax liability.

We may be limited in the portion of net operating loss carryforwards, or NOLs, that we can use in the future to offset taxable income for U.S. federal and state income tax purposes. The Tax Cuts and Jobs Act, or the Tax Act, made broad and complex changes to U.S. tax law, including changes to the uses and limitations of NOLs. For example, while the Tax Act allows for federal NOLs incurred in tax years beginning after December 31, 2017 to be carried forward indefinitely, the Tax Act also imposes an 80% limitation on the use of NOLs that are generated in tax years beginning after December 31, 2017. However, NOLs generated prior to December 31, 2017 will still have a 20-year carryforward period, but are not subject to the 80% limitation. As of December 31, 2019, we had federal and state NOLs of

approximately $61.3 million and $53.0 million, respectively, to offset future taxable income. Certain of these federal and state net operating loss carry-forwards will begin expiring in 2034. A lack of future taxable income would adversely affect our ability to utilize these NOLs. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its NOLs to offset future taxable income. We performed an ownership analysis and identified two previous ownership changes, as defined under Section 382 and 383 of the Code in 2013 and 2015. However, neither resulted in a material limitation that will reduce the total amount of our NOLs and credits that can be utilized. Future changes in our stock ownership, including this or future offerings, as well as other changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs may also be impaired under similar provisions of state law. We assess the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. On the basis of this evaluation, a full valuation allowance has historically been recorded to recognize only deferred tax assets that are more likely than not to be realized. Certain of our deferred tax assets may expire unutilized or underutilized, which could prevent us from offsetting future taxable income.

Changes in U.S. tax laws could have a material adverse effect on our business, financial condition and results of operations.

The Tax Act contains significant changes to U.S. tax law, including a reduction in the corporate tax rate and a transition to a new territorial system of taxation. The primary impact of the new legislation on our provision for income taxes was a reduction of the future tax benefits of our deferred tax assets as a result of the reduction in the corporate tax rate. The impact of the Tax Act will likely be subject to ongoing technical guidance and accounting interpretation, which we will continue to monitor and assess. As we expand the scale of our business activities, any changes in the U.S. taxation of such activities may increase our effective tax rate and harm our business, financial condition and results of operations.

RISKS RELATED TO THIS OFFERING AND OWNERSHIP OF OUR COMMON STOCK

An active trading market for our common stock may never develop or be sustained.

We have been approved to list our common stock on the Nasdaq Global Select Market under the symbol "UPST". However, we cannot assure you that an active trading market for our common stock will develop on that exchange or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the liquidity of any trading market, your ability to sell your shares of our common stock when desired, or the prices that you may obtain for your shares.

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

Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price of our common stock was determined through negotiation among us, the selling stockholders and the underwriters. This price does 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 trading price of our common stock following this offering is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our common stock since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our common stock include:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of financial technology stocks;
- changes in operating performance and stock market valuations of other financial technology companies and technology companies that offer services to financial institutions;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to 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;
- announcements by us or our competitors of new products, features, or services;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- changes in prevailing interest rates;
- quarterly fluctuations in demand for the loans we facilitate through our platform;
- fluctuations in the trading volume of our shares or the size of our public float;
- 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;

- compliance with government policies or regulations;
- the issuance of any cease-and-desist orders from regulatory agencies that we are subject to;
- developments or disputes concerning our intellectual property or other proprietary rights;
- actual or perceived data security breaches or other data security incidents;
- announced or completed acquisitions of businesses, 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;
- recruitment or departure of key personnel;
- other events or factors, including those resulting from war, incidents of terrorism, political unrest, natural disasters, pandemics or responses to these events; and
- general economic conditions and slow or negative growth of our markets.

The stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of listed companies. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. In the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigation has often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Certain insiders have significant voting power, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, officers, and each of our stockholders who own greater than 5% of our outstanding capital stock and their affiliates, in the aggregate, beneficially own a majority of the outstanding shares of our capital stock. As a result, these stockholders, if acting together, will be able to influence 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 of control, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale, and might ultimately affect the trading price of our common stock.

A substantial portion of the outstanding shares of our common stock after this offering will be restricted from immediate resale but may be sold on a stock exchange in the near future. The large number of shares of our capital stock eligible for public sale or subject to rights requiring us to register them for public sale could depress the market price of our common stock.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market after this offering, and the perception that these sales could occur may also depress the market price of our common stock. Based on 63,460,881 shares of our common stock (after giving effect to the Capital Stock Conversion, the exercise of a preferred stock warrant in November 2020 and the exercise of options to purchase common stock by certain selling stockholders in connection with the sale by such selling stockholders in this offering) outstanding as of September 30, 2020, we will have 72,460,881 shares of our common stock outstanding immediately

after this offering. Our executive officers, directors, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us or have entered into lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for 180 days following the date of this prospectus. We refer to such period as the lock-up period. In addition, the underwriter representatives may, in their discretion, release all or some portion of the shares subject to lock-up agreements prior to the expiration of the lock-up period. See “Shares Eligible for Future Sale” for more information. Sales of a substantial number of such shares upon expiration, or the perception that such sales may occur, or early release of the lock-up, could cause our share price to fall or make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

As a result of these agreements and the provisions of our investors’ rights agreement described further in the section titled “Description of Capital Stock—Registration Rights,” and subject to the provisions of Rule 144 or Rule 701 under the Securities Act, shares of our common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all 12,015,690 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 above), all remaining 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, as described below.

Upon completion of this offering, stockholders owning an aggregate of up to 47,949,785 shares of our common stock will be entitled, under our investors’ 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 the registration statement of which this prospectus forms a part, 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 of outstanding stock options 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 common stock does not provide any rights directly related to the loans we hold.

Investors in our common stock own a form of equity that may provide returns based on either an increase in the value of the stock or any distributions made to common stockholders. Investors will not, however, receive any interest in or fees based on the loans or other assets we hold on our balance sheet. In particular, investors in our common stock will not receive any distributions directly based on principal or interest payments made by borrowers on the loans we hold. Those loans are not directly related in any way to the common stock investors’ purchase.

You may be diluted by the future issuance of additional common stock in connection with our equity incentive plans, acquisitions or otherwise.

After this offering and the use of proceeds to us therefrom, we will have an aggregate of 627,539,119 shares of common stock authorized but unissued, and our amended and restated

certificate of incorporation will authorize us to issue these shares of common stock and rights relating to common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise. We have reserved 5,520,000 shares for issuance under our 2020 Equity Incentive Plan subject to adjustment in certain events. See “Executive Compensation—2020 Equity Incentive Plan.” Any common stock that we issue, including under our 2020 Equity Incentive Plan or other equity incentive plans that we may adopt in the future, could dilute the percentage ownership held by the investors who purchase common stock in this offering.

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your investment.

The initial public offering price of our common stock is substantially higher than the pro forma as adjusted net tangible book value per share of our outstanding common stock of $3.73 per share as of September 30, 2020. Investors purchasing shares of our common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. As a result, investors purchasing common stock in this offering will incur immediate dilution of $17.27 per share, based on an assumed initial public offering price of $21.00 per share.

This dilution is due in large part to the substantially lower price paid by our investors who purchased shares prior to this offering as compared to the price offered to the public in this offering, and any previous exercise of stock options granted to our service providers. In addition, as of September 30, 2020, options to purchase 18,889,653 shares of our common stock were outstanding with a weighted-average exercise price of $3.17 per share. The exercise of any of these options would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive less than the purchase price paid in this offering, if anything, in the event of our liquidation. See the section titled “Dilution” for more information.

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

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. If our management fails to apply these proceeds effectively, such failure could adversely affect our business, results of operations, financial condition, and the price of our common stock. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our common stock.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended

and restated bylaws, as they will be in effect following this offering, contain provisions that may make the acquisition of our company more difficult, including the following:

- our Board of Directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- vacancies on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders;
- only the Chair of our Board of Directors, our Chief Executive Officer, or a majority of our entire Board of Directors are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders; and
- any amendment of the above anti-takeover provisions in our amended and restated certificate of incorporation or amended and restated bylaws will require the approval of two-thirds of the combined vote of our then-outstanding shares of our common stock.

These anti-takeover defenses could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock, and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. We note, however, that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, and that there is uncertainty as to whether a court would enforce this exclusive forum provision. Further, 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, in December 2018, the Court of Chancery of the State of Delaware 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. Although this decision was reversed by the Delaware Supreme Court in March 2020, other courts may still find these provisions to be inapplicable or unenforceable.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. This exclusive forum provision will not apply to any causes of action arising under the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. If a court were to find either 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 harm our results of operations.

Our common stock market price and trading volume could decline if equity or industry analysts do not publish research or publish inaccurate or unfavorable research about our business.

The trading market for our common stock will depend in part on the research and reports that equity or industry analysts publish about us or our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our common stock to decline.

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

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, under the JOBS Act, emerging growth companies can delay the adoption of certain new or revised accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies or that have opted out of using such extended transition period, which may make comparison of our financial statements with those of other public companies more difficult. We may take advantage of these exemptions for so long as we are an "emerging growth company," which could be as long as five years following the effectiveness of this offering. We expect, however, that we will cease being an "emerging growth company" prior to such time. We cannot predict if investors will find our common stock less attractive to the extent that we 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 the price of our common stock may be more volatile.

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

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the Nasdaq Global Select Market and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations. In addition, we expect that our management and other personnel will need to divert attention from operational and other business matters to devote substantial time to these public company requirements. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

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

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations and standards or our efforts 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 adversely affected.

Our management team has limited experience managing a public company.

Our management team has limited or no experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. These new obligations and constituents will require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations, and financial condition.

We do not intend to pay dividends for the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. In addition, the terms of our existing corporate debt agreements do, and any future debt agreements may, preclude us from paying dividends. As a result, capital appreciation of our common stock, if any, will be the only way for stockholders to realize any future gains on their investment for the foreseeable future.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws about us and our industry, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expect," "plan," "anticipate," "seek," "could," "intend," "target," "aim," "project," "contemplate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this prospectus include statements about:

- our future financial performance, including our expectations regarding our revenue, our operating expenses, our ability to determine reserves and our ability to remain profitable;
- our ability to improve the effectiveness and predictiveness of our AI models and our expectations that improvements in our AI models can lead to higher approval rates and lower interest rates;
- our ability to increase the volume of loans facilitated by our AI lending platform;
- our ability to enter into new and maintain existing bank partnerships;
- our ability to successfully maintain a diversified loan funding strategy, including bank partnerships and whole loan sales and securitization transactions;
- our ability to maintain competitive interest rates offered to borrowers on our platform, while enabling our bank partners to achieve an adequate return over their cost of funding;
- our ability to successfully build our brand and protect our reputation from negative publicity;
- our ability to increase the effectiveness of our marketing strategies, including our direct consumer marketing initiatives;
- the impact of the COVID-19 pandemic and any associated economic downturn on our business and results of operations;
- our expectations and management of future growth, including expanding the number of potential borrowers;
- our ability to successfully adjust our proprietary AI models, products and services in a timely manner in response to changing macroeconomic conditions and fluctuations in the credit market;
- our compliance with applicable local, state and federal laws;
- our ability to comply with and successfully adapt to complex and evolving regulatory environments, including regulation of artificial intelligence and machine learning technology;
- our expectations regarding regulatory support of our approach to AI-based lending, including our ongoing discussions with the CFPB;
- our ability to protect against increasingly sophisticated fraudulent borrowing and online theft;
- our ability to service loans and the ability of third-party collection agents, to pursue collection of delinquent and defaulted loans;
- our ability to successfully compete with companies that are currently in, or may in the future enter, the markets in which we operate;
- our expectations regarding new and evolving markets and our ability enter into new markets and introduce new products and services, such as our recent introduction of auto loans;

- our ability to effectively secure and maintain the confidentiality of the information received, accessed, stored, provided and used across our systems;
- our ability to successfully obtain and maintain funding and liquidity to support continued growth and general corporate purposes;
- our ability to attract, integrate and retain qualified employees;
- our ability to effectively manage and expand the capabilities of our operations teams, outsourcing relationships and other business operations;
- our ability to maintain, protect and enhance our intellectual property;
- our expectations regarding outstanding litigation and regulatory investigations;
- the increased expenses associated with being a public company; and
- our anticipated uses of net proceeds from this offering.

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

You should not rely upon 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, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those 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. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, 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.

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

INDUSTRY, MARKET AND OTHER DATA

Unless otherwise indicated, estimates and information contained in this prospectus concerning our industry and the market in which we operate, including our general expectations, market position, market opportunity, and market size, are based on industry publications and reports generated by third-party providers, other publicly available studies, and our internal sources and estimates. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we are responsible for all of the disclosure contained in this prospectus and we believe the information from the industry publications and other third-party sources included in this prospectus is reliable, we have not independently verified the accuracy or completeness of the data contained in such sources. The content of, or accessibility through, the below sources and websites, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein, and any websites are an inactive textual reference only.

The source of certain statistical data, estimates and forecasts contained in this prospectus are the following independent industry publications or reports:

- Adrian D. Garcia, Bankrate: JPM, Big Banks Spend Billions on Tech but Innovation Lags, July 2018.
- Bain & Company, Inc., Evolving the Customer Experience in Banking, 2017.
- Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, National Credit Union Administration and Office of the Comptroller of the Currency, Interagency Statement on the Use of Alternative Data in Credit Underwriting, December 2019.
- Eldar Beiseitov, Federal Reserve Bank of St. Louis: Unsecured Personal Loans Get a Boost From Fintech Lenders, July 2019.
- Consumer Financial Protection Bureau, No-Action Letter to Upstart Network, Inc. dated September 14, 2017, as modified on September 11, 2020.
- Consumer Financial Protection Bureau, Policy on No-Action Letters, September 2019.
- Federal Home Loan Bank of San Francisco, Cost of Funds Index, December 2019.
- Federal Deposit Insurance Corporation, Statistics on Depository Institutions, December 2019.
- The Federal Reserve Board, Statistical Release: Consumer Credit, December 2019.
- The Federal Reserve Board, Household Debt Service and Financial Obligations Ratios, December 2019.
- Forbes, citing Temkin Group Insight Report, NPS Benchmark Study, 2018, October 2018.
- Matt Komos, TransUnion: Consumer Credit Origination, Balance and Delinquency Trends: Q2 2020, September 2020.
- Matt Komos, TransUnion: Consumer Credit Origination, Balance and Delinquency Trends: Q1 2020, June 2020.
- Matt Komos, TransUnion: Consumer Credit Origination, Balance and Delinquency Trends: Q4 2019, March 2020.
- Matt Komos, TransUnion: Consumer Credit Origination, Balance and Delinquency Trends: Q3 2019, November 2019.
- Kathleen L. Kraninger, Consumer Financial Protection Bureau: Director Kraninger’s Remarks at TCH-BPI Conference, November 2019.

- Kirsten Wysen, Open Source Solutions: Why Credit Scores and Payday Lending Matter for Health, October 2019.
- Kroll Bond Rating Agency, KBRA Surveillance Reports, December 2019.
- McKinsey Global Institute, Notes From the AI Frontier: Modeling the Impact of AI on the World Economy, September 2018.
- Naeem Siddiqi, Intelligent Credit Scoring: Building and Implementing Better Credit Risk Scorecards—2nd Edition, 2017.
- Northwestern Mutual, 2019 Planning & Progress Study: The Debt Debacle, 2019.
- Patrice Ficklin and Paul Watkins, Consumer Financial Protection Bureau Blog: An Update on Credit Access and the Bureau's First No-Action Letter, August 2019.
- PricewaterhouseCoopers LLP, Experience Is Everything: Here's How to Get It Right, 2018.
- RedPoint Global and the Harris Poll, Addressing the Gaps in Customer Experience: A Benchmark Study Exploring the Ever Evolving Customer Experience and How Marketers and Consumers Are Adapting, March 2019.
- Rob Kaufman, myFico Blog: The History of the FICO Score, August 2018.
- Statista: Value of Loans of all Commercial Banks in the United States from March 2014 to August 2020, September 2020.
- Wei Wu, Vadim Verkhoglyad and Alex Kale, dv01 Insights: Covid-19 Performance Report Volume 9, July 2020.

References to market size estimates are based on quarterly U.S. loan origination data published by TransUnion as part of its quarterly Consumer Credit Origination, Balance and Delinquency Trends reports.

As disclosed in this prospectus, the Net Promoter Scores for our bank partners' lending programs are approximately 79, which represents the weighted average of the Net Promoter Scores of each of our bank partners in the third quarter of 2020. The Net Promoter Scores of our bank partners were derived through a third-party service that administers surveys to loan applicants immediately following the applicants' acceptance of a loan on Upstart's platform. Net Promoter Scores are calculated based on responses measured on a scale of one to ten to the survey question, "how likely is it that you would recommend us?" Responses of nine or 10 are considered "promoters," responses of seven or eight are considered neutral or "passives," and responses of six or less are considered "detractors." The number of detractors is subtracted from the number of promoters, and the resulting number is divided by the total number of respondents to obtain the Net Promoter Score using the methodology developed by Bain & Company, Inc. References to our bank partners' Net Promoter Scores are based on survey data gathered in the third quarter of 2020. Net Promoter Scores for other banks used for comparison were obtained from Forbes, citing the Temkin Group Insight Report, NPS Benchmark Study, 2018, October 2018. While the Net Promoter Score methodology used by Upstart's third-party service was designed to be consistent with the methodology used in the referenced benchmark study, any differences in the timing or method in which the surveys were administered could negatively impact the comparability of such Net Promoter Scores.

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" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately $166.9 million, based upon the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of common stock by the selling stockholders in this offering.

Each $1.00 increase or decrease in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds that we receive from this offering by approximately $8.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $19.5 million, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock, and enable access to the public equity markets for us and our stockholders.

We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. Additionally, we may use a portion of the net proceeds we receive from this offering to acquire or invest in businesses, products, services, or technologies. However, we do not have agreements or commitments for any material acquisitions or investments at this time. We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we may invest the net proceeds that we receive in this offering in short-term, investment grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors that our board of directors may deem relevant. Additionally, our ability to pay cash dividends on our common stock is limited by restrictions under the terms of our credit facilities with Silicon Valley Bank.

CAPITALIZATION

The following table sets forth our cash and capitalization as of September 30, 2020 as follows:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the exercise in November 2020 of a warrant to purchase 600,208 shares of our Series B preferred stock resulting in the reclassification of our convertible preferred stock warrant liability to additional paid-in capital, (ii) the Capital Stock Conversion, as if such conversions had occurred on September 30, 2020 and (iii) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above, (ii) the sale and issuance by us of 9,000,000 shares of our common stock in this offering, based upon the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (iii) the issuance of 466,389 shares of common stock upon the exercise of options held by certain selling stockholders in connection with the sale of such shares by such selling stockholders in this offering.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes, and the sections titled “Selected Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that are included elsewhere in this prospectus.

	As of September 30, 2020		
(In thousands, except share and per share amounts)	Actual	Pro forma	Pro forma as adjusted(1) (2)
Cash	$ 53,234	$ 53,240	$ 224,608
Convertible preferred stock warrant liability	$ 7,458	$ —	$ —
Total borrowings	100,588	100,588	100,588
Convertible preferred stock, par value $0.0001 per share: 53,927,657 shares authorized, 47,349,577 issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	162,546	—	—
Stockholders’ (deficit) equity:			
Preferred stock, par value $0.0001 per share: no shares authorized, issued and outstanding, actual; 70,000,000 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted			
Common stock, par value $0.0001 per share: 90,000,000 shares authorized, 15,044,707 shares issued and outstanding, actual; 700,000,000 shares authorized, 62,994,492 shares issued and outstanding, pro forma; and 700,000,000 shares authorized, 72,460,881 shares issued and outstanding, pro forma as adjusted	2	6	7
Additional paid-in capital	22,914	192,919	364,286
Accumulated deficit	(70,249)	(70,249)	(75,134)
Noncontrolling interests	—	—	—
Total stockholders’ (deficit) equity	(47,333)	122,676	289,159
Total capitalization	$223,259	$223,264	$ 389,747

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the amount

of our pro forma as adjusted cash, additional paid-in capital, total stockholders' equity, and total capitalization by $8.4 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 estimated underwriting discounts and commissions payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash, additional paid-in capital, total stockholders' equity, and total capitalization by $19.5 million, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions payable by us.

(2) Pro forma as adjusted cash excludes $4.2 million of deferred offering costs that had been paid as of September 30, 2020.

The pro forma column in the table above is based on 62,994,492 shares of our common stock (including shares of preferred stock issued in November 2020 upon the exercise of a warrant to purchase Series B preferred stock and the Capital Stock Conversion) outstanding as of September 30, 2020. The pro forma as adjusted column in the table above is based on 63,460,881 shares of our common stock (including shares of preferred stock issued in November 2020 upon the exercise of a warrant to purchase Series B preferred stock, the Capital Stock Conversion, and the exercise of options to purchase common stock by certain selling stockholders in connection with the sale by such selling stockholders in this offering) outstanding as of September 30, 2020. The pro forma and pro forma as adjusted columns exclude the following:

- 18,889,653 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of September 30, 2020, with a weighted-average exercise price of $3.17 per share;
- 319,669 shares of our common stock issuable upon the exercise of warrants outstanding as of September 30, 2020, with a weighted-average exercise price of $1.77 per share;
- 1,540,938 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock issued after September 30, 2020, with a weighted-average exercise price of $15.16 per share; and
- 10,765,271 shares of our common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 5,520,000 shares of our common stock reserved for future issuance under our 2020 Plan, which will become effective prior to the completion of this offering;
  - 3,865,271 shares of our common stock reserved for future issuance under our 2012 Plan, provided that we will cease granting awards under our 2012 Plan upon the effectiveness of the 2020 Plan; and
  - 1,380,000 shares of our common stock reserved for future issuance under our ESPP, which will become effective prior to the completion of this offering.

Each of our 2020 Plan and our ESPP provides for annual automatic increases in the number of shares reserved thereunder, and our 2020 Plan also provides for increases to the number of shares that may be granted thereunder based on awards under our 2012 Plan that expire, are forfeited, or otherwise repurchased by us, as more fully described in the section titled "Executive Compensation—Employee Benefit and Stock Plans."

DILUTION

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

Our historical net tangible book value per share is determined by dividing our total tangible assets less our convertible preferred stock and our total liabilities by the number of shares of our common stock outstanding. Our historical net tangible book value as of September 30, 2020 was $(66.1) million, or $(4.39) per share. Our pro forma net tangible book value as of September 30, 2020 was $103.9 million, or $1.65 per share, based on the total number of shares of our common stock outstanding as of September 30, 2020, after giving effect to (i) the exercise in November 2020 of a warrant to purchase shares of our Series B preferred stock resulting in the reclassification of our convertible preferred stock warrant liability to additional paid-in capital, (ii) the Capital Stock Conversion and (iii) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering.

After giving effect to (i) the sale by us of 9,000,000 shares of our common stock in this offering at the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (ii) the issuance of 466,389 shares of common stock upon the exercise of options held by certain selling stockholders in connection with the sale of such shares by such selling stockholders in this offering, our pro forma as adjusted net tangible book value as of September 30, 2020 would have been $270.4 million, or $3.73 per share. This represents an immediate increase in pro forma net tangible book value of $2.08 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of $17.27 per share to investors purchasing shares of our common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

Assumed initial public offering price per share		$21.00
Historical net tangible book value (deficit) per share as of September 30, 2020	$(4.39)	
Increase per share attributable to the pro forma adjustments described above	6.04	
Pro forma net tangible book value per share as of September 30, 2020, before giving to effect new investors purchasing shares of common stock in this offering	1.65	
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares of common stock in this offering	2.08	
Pro forma as adjusted net tangible book value per share immediately after this offering		3.73
Dilution in pro forma net tangible book value per share to new investors in this offering		$17.27

Each $1.00 increase or decrease in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by $0.12, and would increase or decrease, as applicable, dilution per share to new investors purchasing shares of common stock in this offering by $0.88, 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our common stock offered by us would increase or decrease, as applicable, our pro forma as

adjusted net tangible book value by approximately $0.22 per share and increase or decrease, as applicable, the dilution to new investors purchasing shares of common stock in this offering by $(0.22) per share, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The following table presents, as of September 30, 2020, after giving effect to an exercise in November 2020 of a warrant to purchase shares of our Series B preferred stock, the Capital Stock Conversion and the 466,389 shares of common stock to be issued upon the exercise of options to purchase shares of our common stock by certain selling stockholders in connection with this offering, the differences between the existing stockholders and the new investors purchasing shares of our common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of our common stock, and the average price per share paid or to be paid to us at the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percentage	
Existing stockholders	63,460,881	88%	$163,995,250	46%	$ 2.15
New investors	9,000,000	12%	$189,000,000	54%	$ 21.00
Totals	72,460,881	100%	$352,995,250	100%	

Sales by the selling stockholders in this offering will reduce the number of shares held by existing stockholders to 60,445,191, or approximately 83% of the total shares of common stock outstanding after this offering, and will increase the number of shares held by new investors to 12,015,690, or approximately 17% of the total shares of common stock outstanding after this offering.

Each $1.00 increase or decrease in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by $9.0 million, assuming that the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our common stock offered by us would increase or decrease the total consideration paid by new investors and total consideration paid by all stockholders by $21.0 million, assuming the assumed initial public offering price remains the same before deducting the estimated underwriting discounts and commissions payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our common stock from certain selling stockholders. If the underwriters' option to purchase additional shares of our common stock were exercised in full, our existing stockholders would own approximately 81% and our new investors would own approximately 19% of the total number of shares of our common stock outstanding upon completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on 63,460,881 shares of our common stock (including the preferred stock issued in November 2020 upon the exercise of a warrant to purchase Series B preferred stock, the Capital Stock Conversion and the

466,389 shares of common stock to be issued upon the exercise of options to purchase shares of our common stock by certain selling stockholders in connection with this offering) outstanding as of September 30, 2020, and excludes:

- 18,889,653 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of September 30, 2020, with a weighted-average exercise price of $3.17 per share;
- 319,669 shares of our common stock issuable upon the exercise of warrants outstanding as of September 30, 2020, with a weighted-average exercise price of $1.77 per share;
- 1,540,938 shares of common stock issuable upon the exercise of options to purchase shares of our common stock issued after September 30, 2020, with a weighted-average exercise price of $15.16 per share; and
- 10,765,271 shares of our common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 5,520,000 shares of our common stock reserved for future issuance under our 2020 Plan, which will become effective prior to the completion of this offering;
  - 3,865,271 shares of our common stock reserved for future issuance under our 2012 Plan, provided that we will cease granting awards under our 2012 Plan upon the effectiveness of the 2020 Plan; and
  - 1,380,000 shares of our common stock reserved for future issuance under our ESPP, which will become effective prior to the completion of this offering.

Each of our 2020 Plan and our ESPP provides for annual automatic increases in the number of shares reserved thereunder, and our 2020 Plan also provides for increases to the number of shares that may be granted thereunder based on shares under our 2012 Plan that expire, are forfeited, or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

To the extent that any outstanding options to purchase our common stock are exercised, or new awards are granted under our equity compensation plans, there will be further dilution to investors participating in this offering.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected consolidated statements of operations data for the years ended December 31, 2017, 2018 and 2019 and the consolidated balance sheet data as of December 31, 2018 and 2019 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statements of operations data for the nine months ended September 30, 2019 and 2020 and the consolidated balance sheet data as of September 30, 2020 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to state fairly the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read the following selected consolidated financial and other data below in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

Consolidated Statements of Operations Data

	Year Ended December 31,			Nine Months Ended September 30,	
(In thousands, except share and per share amounts)	2017	2018	2019	2019	2020
Revenue:					
Revenue from fees, net	$ 51,161	$ 88,482	$ 159,847	$ 98,699	$ 144,179
Interest income and fair value adjustments, net	6,128	10,831	4,342	2,918	2,527
Total revenue	57,289	99,313	164,189	101,617	146,706
Operating expenses:					
Sales and marketing[1]	33,838	63,633	93,175	61,236	65,113
Customer operations[1]	10,232	15,416	24,947	16,593	24,792
Engineering and product development[1]	5,324	8,415	18,777	11,480	24,651
General, administrative, and other[1]	15,431	19,820	31,865	20,399	30,778
Total operating expenses	64,825	107,284	168,764	109,708	145,334
(Loss) income from operations	(7,536)	(7,971)	(4,575)	(8,091)	1,372
Other income	330	487	1,036	832	5,497
Expense on warrants and convertible notes, net	(1,649)	(3,734)	(1,407)	(2,626)	(2,317)
Net (loss) income before income taxes	(8,855)	(11,218)	(4,946)	(9,885)	4,552
Provision for income taxes	6	—	74	—	—
Net (loss) income before attribution to noncontrolling interests	(8,861)	(11,218)	(5,020)	(9,885)	4,552
Net (loss) income attributable to noncontrolling interests	(1,144)	1,101	(4,554)	(3,368)	(404)
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$ (7,717)	$ (12,319)	$ (466)	$ (6,517)	$ 4,956
Net (loss) income per common share attributable to Upstart Holdings, Inc. common stockholders, basic and diluted[2]	$ (0.56)	$ (0.87)	$ (0.03)	$ (0.46)	$ —
Weighted-average number of shares outstanding used in computing net loss per share attributable to Upstart Holdings, Inc. common stockholders, basic and diluted[2]	13,873,810	14,128,183	14,335,611	14,313,262	14,663,623
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic			$ 0.06		$ 0.11
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic			62,249,893		62,613,408
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted[2]			$ 0.05		$ 0.09
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted[2]			71,497,924		71,733,580

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

	Year ended December 31,			Nine Months Ended September 30,	
(In thousands)	2017	2018	2019	2019	2020
Sales and marketing	$ 32	$ 183	$ 278	$ 157	$1,136
Customer operations	124	178	433	252	625
Engineering and product development	574	753	1,803	932	3,181
General, administrative, and other	560	931	1,292	863	2,160
Total stock-based compensation	$ 1,290	$ 2,045	$ 3,806	$2,204	$7,102

(2) See Note 16 to our consolidated financial statements for an explanation of the calculations of our basic and diluted net loss per share attributable to Upstart Holdings, Inc. common stockholders, pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders and the weighted-average number of shares used in the computation of the per share amounts.

Consolidated Balance Sheet Data

	As of December 31,		As of September 30,
(In thousands)	2018	2019	2020
Cash	$ 73,038	$ 44,389	$ 53,234
Loans (at fair value)	502,666	232,305	122,708
Notes receivable and residual certificates (at fair value)	8,314	34,116	22,053
Total assets	645,908	393,462	309,804
Borrowings	74,983	118,609	100,588
Payable to securitization note holders and residual certificate holders	373,068	96,107	—
Total liabilities	542,655	292,604	194,591
Convertible preferred stock	157,923	162,546	162,546
Accumulated deficit	(75,078)	(75,205)	(70,249)
Total Upstart Holdings, Inc. stockholders' deficit	(66,671)	(62,714)	(47,333)
Noncontrolling interests	12,001	1,026	—
Total stockholders' deficit	(54,670)	(61,688)	(47,333)
Total liabilities, convertible preferred stock and stockholders' deficit	645,908	393,462	$ 309,804

Key Operating Metrics

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

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
Number of Loans Transacted	70,457	114,125	215,122	136,468	176,983
Conversion Rate	8.1%	9.1%	13.1%	12.2%	14.0%
Percentage of Loans Fully Automated	34%	53%	66%	64%	69%

See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating Metrics" for a description of Number of Loans Transacted, Conversion Rate and Percentage of Loans Fully Automated.

Non-GAAP Financial Measures

(In thousands)	Year Ended December 31, 2017	2018	2019	Nine Months Ended September 30, 2019	2020
Contribution Profit	$ 9,265	$13,098	$48,940	$25,560	$63,697
Adjusted EBITDA	$(4,679)	$ (6,226)	$ 5,595	$ (1,363)	$16,006

Contribution Profit

We define Contribution Profit as our revenue from fees, net, less certain costs that we consider to be variable and closely correlated to our fee revenue. Our revenue from fees, net consists of platform and referral fees, net and servicing fees, net. Platform fees and referral fees are contracted for and charged separately, although they are generally combined for accounting purposes as they usually represent a single performance obligation. To derive Contribution Profit, we subtract from revenue from fees, net our borrower acquisition costs as well as our borrower verification and servicing costs. Borrower acquisition costs consist of our sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll related expenses for our business development and marketing teams, as well as other operational, brand awareness and marketing activities. Our borrower verification and servicing costs consist of payroll and other personnel related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel related expenses and stock-based compensation for certain members of our customer operations team whose work is not directly attributable to onboarding and servicing loans.

The following table provides a calculation of Contribution Profit for the years ended December 31, 2017, 2018 and 2019, and the nine months ended September 30, 2019 and 2020:

(In thousands)	Year Ended December 31, 2017	2018	2019	Nine Months Ended September 30, 2019	2020
Referral fees, net	$ 30,921	$ 53,869	$ 90,672	$ 56,117	$ 80,828
Platform fees, net	17,146	29,512	53,383	32,932	42,657
Servicing fees, net	3,094	5,101	15,792	9,650	20,694
Revenue from fees, net	51,161	88,482	159,847	98,699	144,179
Borrower acquisition costs	(32,777)	(61,658)	(89,569)	(58,764)	(59,464)
Borrower verification and servicing costs	(9,119)	(13,726)	(21,338)	(14,375)	(21,018)
Total direct expenses	(41,896)	(75,384)	(110,907)	(73,139)	(80,482)
Contribution Profit	$ 9,265	$ 13,098	$ 48,940	$ 25,560	$ 63,697

See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of loss from operations to Contribution Profit.

Adjusted EBITDA

We calculate Adjusted EBITDA as net loss attributable to Upstart Holdings, Inc. stockholders adjusted to exclude stock-based compensation expense, depreciation and amortization, expense on warrants and convertible notes, net and provision for income taxes. Adjusted EBITDA does include interest expense from corporate debt and warehouse credit facilities which is incurred in the course of earning corresponding interest income.

See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures” for a reconciliation of net loss attributable to Upstart Holdings, Inc. common stockholders to Adjusted EBITDA.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section titled "Selected Consolidated Financial and Other Data" and the consolidated financial statements and related notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" and other parts of this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

Upstart applies modern data science and technology to the process of underwriting consumer credit. By providing our bank partners with a proprietary AI-based origination platform, we help them originate credit with higher approval rates, lower loss rates and a high degree of automation. As our technology continues to improve and additional banks adopt our platform, consumers benefit from improved access to affordable and frictionless credit.

Since our inception, we have facilitated the origination of over 620,000 personal loans that have generated more than 9 million repayment events. Our key milestones include:

Year*	Cumulative Loan Value Transacted	Milestone
2014	$35M	■ First Upstart-powered loan originated by our first bank partner.
2015	$280M	■ First AI-enabled loan, trained exclusively on Upstart data.
2016	$568M	■ First fully automated loan from application to funding.
2017	$1,425M	■ Reached 1 million repayment events on our platform. ■ Received first no-action letter issued by the CFPB.
2018	$2,913M	■ Majority of Upstart-powered loans become fully automated.
2019	$5,638M	■ Reached 5 million repayment events on our platform. ■ First $1 billion quarter of transacted loan volume.
2020	$7,833M	■ Reached 9 million repayment events on our platform. ■ First Upstart-powered auto loan originated.

* 2020 metrics are as of September 30, 2020

We believe that banks will continue to be at the forefront of consumer lending in the United States. We believe AI lending will become increasingly critical as this industry continues to undergo a broad digital transformation. Our strategy is to partner with banks, providing them with an exceptional AI lending platform that they can configure as they originate consumer loans under their own brand, according to their own business and regulatory requirements.

Consumers can obtain Upstart-powered loans in one of two ways: either by referral from Upstart.com to one of our bank partners, or directly through our bank partners' own websites, where our lending technology and experience is white-labeled. Our direct bank partner channel represents a small but growing portion of our overall volume, and we believe this portion will continue to grow over time as we onboard new bank partners. Consumers on our platform are generally offered unsecured personal loans ranging from $1,000 to $50,000 in size, at APRs typically ranging from approximately 6.5% to 35.99%, for terms typically ranging from three to five years, with a monthly repayment schedule and no prepayment penalty. These loans are used for a variety of purposes, including credit card consolidation, refinancing of existing debt, home improvements and other personal uses.

Our bank partners can retain loans that align with their business and risk objectives. For loans that are not retained by our bank partners, we help diversify the funding of these loans to a broad base of approximately 100 institutional investors that invest in Upstart-powered loans. In the third quarter of 2020, 22% of the loans funded through our platform were retained by the originating bank (compared to 27% in the third quarter of 2019). 76% of loans were purchased by institutional investors through our loan funding programs in the third quarter of 2020 (compared to 67% in the third quarter of 2019), and the remaining 2% were funded through our balance sheet (compared to 6% in the third quarter of 2019). Over the last few years, the percentage of loans retained by bank partners has fluctuated from quarter-to-quarter, but generally increased, while the percentage of loans funded through our balance sheet has generally decreased and the percentage of loans purchased by institutional investors has remained high and relatively stable.

Our approach has allowed us to achieve rapid growth in recent years while simultaneously improving our margin profile. The Number of Loans Transacted on our platform increased 88% from 114,125 for the year ended December 31, 2018 to 215,122 over the same period in 2019, and 30% to 176,983 in the nine months ended September 30, 2020 from 136,468 over the same period in 2019. Total revenue increased 65% for the year ended December 31, 2019 to $164.2 million from $99.3 million over the same period in 2018, and 44% to $146.7 million in the nine months ended September 30, 2020 from $101.6 million in the same period of 2019. Net loss decreased from $12.3 million in 2018 to $0.5 million in 2019. During the nine months ended September 30, 2020, net income increased to $5.0 million from net loss of $6.5 million in the same period of 2019.

Our Economic Model

Upstart's revenues are primarily earned in the form of three separate usage-based fees, which can be either dollar or percentage based depending on the contractual arrangement. We charge our bank partners a referral fee of 3% to 4% of the loan principal amount each time we refer a borrower who obtains a loan. Separately, we charge bank partners a platform fee of approximately 2% of loan value each time they originate a loan using our platform. These fees are contracted for and charged separately, although they are generally combined for accounting purposes as they usually represent a single performance obligation. We do not charge the borrowers on our platform any referral, platform or other similar fees for our loan matching services.

We also charge the holder of the loan (either a bank or institutional investor) an ongoing 0.5% to 1% annualized servicing fee based on the outstanding principal over the lifetime of the loan for ongoing servicing of the loan. Taken together, these fees represented 98% of our revenue in the nine months ended September 30, 2020. In addition, we earn a small portion of our revenue from interest income and our securitization activities.

The below table summarizes the dollar value of our economics on an average-sized loan, based on our contractual rates that were in effect as of September 30, 2020.

	Paid By	Fees per Loan
Referral Fees	Bank partner	$400-$500 on origination
Platform Fees	Bank partner	$200-$300 on origination
Servicing Fees	Bank partner or institutional investor	0.5%-1% per year

Loans on our platform today are predominantly sourced from Upstart.com. For these loans, we incur variable costs in the form of borrower acquisition costs and borrower verification and servicing costs; in the nine months ended September 30, 2020, this category of loans generated a 44% contribution margin on average. Borrower acquisition cost and borrower verification and servicing cost are highly correlated with the Number of Loans Transacted on our platform and trended upwards on an annual basis. A small number of loans were sourced directly through bank partners in which we received no referral fee and incurred no acquisition cost; in the nine months ended September 30, 2020 this category of loans generated a 67% contribution margin. In 2018, 2019 and the nine months ended September 30, 2020, the average contribution margin per loan of all Upstart-powered loans was 15%, 31% and 44%, respectively. The rising level of automation and continued improvements to our Conversion Rate achieved through our increasingly sophisticated risk models and our evolving channel mix have contributed to improving loan unit economics over time. We further believe that bank-sourced loans can be an important driver of volume growth in the medium-term future; to the extent we are able to increase the number of loans sourced directly through our bank partners, our contribution margin would be positively impacted.

The below table summarizes the contribution economics for loans originated by our bank partners in the nine months ended September 30, 2020, which reflects the COVID-19 impact as described below:

Upstart.com Referred		%
Total Fees	$815	
Referral Fees	$457	
Platform Fees	$241	
Servicing Fees	$117	
Variable Costs	$455	
Borrower Acquisition	$336	
Borrower Verification & Servicing	$119	
Total Fees, Net of Variable Costs	$360	44%

Bank Sourced		%
Total Fees	$358	
Platform Fees	$241	
Servicing Fees	$117	
Variable Costs	$119	
Borrower Verification & Servicing	$119	
Total Fees, Net of Variable Costs	$239	67%

COVID-19 Pandemic Impact

The onset of the COVID-19 pandemic began to impact origination volumes on our platform in the second half of March 2020. A rapid rise in unemployment in the United States led to the potential for

increased losses for new originations by our AI models, reduction in originations by bank partners, and a temporary pause in loan funding from institutions and capital markets. These factors collectively resulted in an 86% reduction in the number of loans originated and a 73% reduction in revenue in the second quarter of 2020 compared to the first quarter of 2020.

In response to the market conditions caused by the COVID-19 pandemic, we made certain operational changes, including increases to the fees we charge our bank partners and reductions in our sales and marketing activities and certain operational expenses. We continue to evaluate market and other conditions and may make additional changes to our fees or marketing activities, or implement additional operational changes, in the future.

Origination volumes recovered quickly, beginning in June 2020, as unemployment plateaued. This recovery continued through subsequent months, such that the Number of Loans Transacted in the three months ended September 30, 2020 was 80,893, representing a 26% increase compared to the Number of Loans Transacted in the three months ended September 30, 2019. Our revenue in the three months ended September 30, 2020 was $65.4 million, representing a 32% increase compared to our revenue in the three months ended September 30, 2019.

To support borrowers suffering from income loss due to the pandemic, Upstart worked with its bank partners to offer hardship plans that, among other things, allowed affected borrowers to defer loan payments for up to two months. At the peak, approximately 5.6% of borrowers on our platform had enrolled in a hardship program, less than half the rate of online lending industry benchmarks.[60] Since this time, approximately 95% of these impacted borrowers have exited the hardship program and resumed making loan payments. Further, our model was approximately five times more predictive than FICO credit score alone during the COVID-19 pandemic.[61] Due to the strength of our AI model, we expect that the COVID-19 pandemic will have minimal impact on bank partners and institutional investor performance for Upstart-powered loans originated prior to the second quarter of 2020.

Although significant government assistance was provided during the COVID-19 pandemic, the resilience of our bank partner results during this time provides evidence of the benefits that our AI models can offer to bank lending programs. We believe these benefits are even more compelling and valuable during periods of economic downturn.

Factors Affecting Our Performance

Continued Improvements to Our AI Models

Much of our historical growth has been driven by improvements to our AI models. These models benefit over time from a flywheel effect that is characteristic of machine learning systems: accumulation of repayment data leads to improved accuracy of risk and fraud predictions, which results in higher approval rates and lower interest rates, leading to increased volume, and consequently greater accumulation of repayment data. This virtuous cycle describes an important mechanism by which our business grows simply through model learning and recalibration. We expect to continue to invest significantly in the development of our AI models and platform functionalities.

Beyond the ongoing accumulation of repayment data used to train our models, we also frequently make discrete improvements to model accuracy by upgrading algorithms and incorporating new variables, both of which have historically resulted in higher approval rates, more competitive loan offers, increased automation, and faster growth. As a second order effect, the impact of these

60 Wei Wu, Vadim Verkhoglyad and Alex Kale, dv01 Insights: Covid-19 Performance Report Volume 9, July 2020.

61 Based on an internal Upstart study conducted in May 2020 comparing the percentage of borrowers requesting to enter the hardship program based on their FICO credit scores and the risk tier assigned at origination by Upstart.

improvements on our conversion funnel also allow us to unlock new marketing channels over time that have previously been unprofitable.

We believe that ongoing improvements to our technology in this manner will allow us to further expand access and lower rates for creditworthy borrowers, which will continue to fuel our growth. Should the pace of these improvements slow down or cease, or should we discover forms of model upgrades which improve accuracy at the expense of volume, our growth rates could be adversely affected.

Bank and Market Adoption

Banks play two key roles in Upstart's ecosystem: funding loans and acquiring new customers. Banks tend to enjoy among the most efficient sources of funding due to their expansive base of deposits. As they adopt our technology and fund a growing proportion of our platform transactions, offers made to borrowers will typically improve, generally leading to higher conversion rates and faster growth for our platform. The percent of loans funded and retained by originating banks in the nine months ended September 30, 2020 was 23%, unchanged from 23% in the same period of 2019. Historically, we have observed that each 100 basis point reduction in APR has led to an approximate 15% increase in our conversion rate.[62]

New bank partners also represent additional acquisition channels through which we can reach and source prospective new borrowers, as these banks develop and implement their own digital and in-branch campaigns to drive traffic from their existing customer base to our platform. We view this emerging growth channel to be additive to the marketing acquisition programs we currently run at Upstart.

To provide funding support for our bank partners, we have built a broad network of institutional investors that can fund Upstart-powered loans through secondary loan purchasing, issuance of pass-through certificates and investment in asset-backed securitizations. This diverse network of capital helps to minimize our reliance on any one funding source. However, any trend towards reduced participation by banks will generally erode the overall competitiveness of the offers on our platform, and any declining trend in the participation of broader institutional investment markets with respect to funding availability for Upstart-powered loans could adversely affect our business.

Product Expansion and Innovation

We intend to continue developing new financial products that address a broader set of consumer needs over time. We recently announced our entry into the auto lending market and we believe that significant growth opportunities exist to apply our evolving technology to additional segments of credit, such as credit cards, mortgages, student loans, point-of-sale loans, and HELOCs. In addition, we aim to serve a broader role of technology enablement for banks, which we believe will seek more comprehensive technology solutions from their suppliers. For example, we recently began offering an application programming interface product to banks that allows them to utilize our AI underwriting models to support their loan origination process for personal, auto, and student loans. We will incur expenses and opportunity cost to develop and launch new products. Monetization prospects for new products are uncertain, and costs associated with developing and marketing new products might not be recovered, which could weigh on our top-line growth and profitability.

Impact of Macroeconomic Cycles

Economic cycles can impact our financial performance and related metrics, including consumer demand for loans, conversion rates and the interest rates our bank partners and institutional investors

62 In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart's applicant base in late 2017. Such result represents the average rate of improvement exhibited by Upstart's platform against each of the three respective bank models.

are willing to accept. In a potential downturn, we believe consumer lending will generally contract, including the volume transacted on our own platform. However, the performance of Upstart-powered loans through an economic downturn, such as that experienced during the COVID-19 pandemic, will be important in further validating our AI models with banks and institutional investors. If we are able to continue demonstrating the resilience of Upstart-powered loans through future macroeconomic cycles relative to general consumer credit, it could strengthen our competitive positioning as we emerge from such downturns.

Key Operating Metrics

We focus on several key operating metrics to measure the performance of our business and help determine strategic direction.

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
Number of Loans Transacted	70,457	114,125	215,122	136,468	176,983
Conversion Rate	8.1%	9.1%	13.1%	12.2%	14.0%
Percentage of Loans Fully Automated	34%	53%	66%	64%	69%

Number of Loans Transacted

We define the Number of Loans Transacted as the transaction volume, measured by number of loans facilitated on our platform, between a borrower and originating bank during the period presented. We believe this metric to be a good proxy for our overall scale and reach as a platform. Number of Loans Transacted has benefited from continuous improvements to our AI models and technology and our ability to streamline and automate the loan application and origination process. Number of Loans Transacted is also driven by our strategic relationships with loan aggregators to attract applicants to our platform. In this regard, Credit Karma recently began directing more customer traffic to a program that hosts and aggregates the credit models of other loan providers directly on its platform for the purpose of giving credit offers. To date, Upstart has opted not to participate in this program. In November 2020, we experienced a reduction in the number of loan applicants directed to the Upstart platform by Credit Karma and a corresponding decrease in the Number of Loans Transacted, and we may experience additional reductions in traffic from Credit Karma in the future.

Conversion Rate

We define Conversion Rate as the Number of Loans Transacted in a period divided by the number of rate inquiries received, which we record when a borrower requests a loan offer on our platform. We track this metric to understand the impact of improvements to the efficiency of our borrower funnel on our overall growth. Historically, our Conversion Rate has benefitted from improvements to our technology, which have made our evaluation of risk more accurate and our verification process more automated, or from the addition of bank partners that have made our offers more competitive. Our ability to continue to improve our Conversion Rate depends in part on our ability to continue to improve our AI models and Percentage of Loans Fully Automated and the mix of marketing channels in any given period.

Percentage of Loans Fully Automated

A key driver of our contribution margin and operating efficiency is the Percentage of Loans Fully Automated, which is defined as the total number of loans in a given period originated end-to-end (from initial rate request to final funding) with no human involvement divided by the Number of Loans

Transacted in the same period. We have been successful in increasing the level of loan automation on the platform over the past few years while simultaneously holding fraud rates constant and at very low levels. We believe our growth over the last several years has been driven in part by our ability to rapidly streamline and automate the loan application and origination process on our platform. We expect the Percentage of Loans Fully Automated to level off and remain relatively constant in the long term, and to the extent we expand our loan offerings beyond unsecured personal loans, we expect that such percentage may decrease in the short term.

Components of Results of Operations

Revenue from Fees, Net

Platform and Referral Fees, Net

We charge our bank partners platform fees in exchange for usage of our AI lending platform, which includes collection of loan application data, underwriting of credit risk, verification and fraud detection, and the delivery of electronic loan offers and associated documentation. We also charge referral fees to our bank partners in exchange for the referral of borrowers from Upstart.com. Referral fees are charged to bank partners on a per borrower basis upon origination of a loan. For bank partners that use our loan funding capabilities, these fees are charged net of any fees the bank partner charges Upstart. For the loans Upstart purchases from bank partners after the completion of the minimum holding periods, Upstart pays bank partners a one-time loan premium fee at the time the loan is sold by such bank partner to Upstart. Upstart also pays bank partners monthly loan trailing fees based on the amount and timing of principal and interest payments made by borrowers of the underlying loans.[63]

Servicing Fees, Net

Servicing fees are calculated as a percentage of outstanding principal and are charged monthly to any entities holding loans facilitated through our platform, to compensate us for activities we perform throughout the loan term, including collection, processing and reconciliations of payments received, investor reporting and borrower customer support. Servicing fees are recorded net of any gains, losses or changes to fair value recognized in the underlying servicing rights and obligations, which are carried as assets and liabilities on our consolidated balance sheet. Upstart currently acts as loan-servicer for substantially all outstanding loans facilitated through the Upstart platform.

Interest Income and Fair Value Adjustments, Net

Interest income and fair value adjustments, net is comprised of interest income, interest expense and net changes in the fair value of financial instruments held on our consolidated balance sheets as part of our ongoing operating activities, excluding loan servicing assets and liabilities, common stock warrant liabilities and convertible preferred stock warrant liabilities. Interest income and fair value adjustments, net also includes the full amount of net interest income and expense incurred by consolidated variable interest entities, or VIEs, the majority of which has been historically allocated to third parties in the line item net (loss) income attributable to noncontrolling interests on our consolidated statements of operations and comprehensive income (loss). Interest income and fair value adjustments, net can fluctuate based on the fair value of financial instruments held on our consolidated balance sheet. This amount has historically been a small percentage of our total revenue, and we do not manage our business with a focus on growing this component of revenue.

63 See Note 2 to our consolidated financial statements for more information about loan premium fees and trailing fees.

Sales and Marketing

Sales and marketing expenses primarily consist of costs incurred across various advertising channels, including expenses for partnerships with third parties providing borrower referrals, direct mail and digital advertising campaigns, as well as other expenses associated with building overall brand awareness and experiential marketing costs. Sales and marketing expenses also include payroll and other personnel-related costs, including stock-based compensation expense. These costs are recognized in the period incurred. We expect that our sales and marketing expenses will increase in absolute dollars and may fluctuate as a percentage of our total revenue from period to period as we hire additional sales and marketing personnel, increase our marketing activities and build greater brand awareness.

Customer Operations

Customer operations expenses include payroll and other personnel-related expenses, including stock-based compensation expense, for personnel engaged in borrower onboarding, loan servicing, customer support and other operational teams. These costs also include systems, third-party services and tools we use as part of loan servicing, information verification, fraud detection and payment processing activities. These costs are recognized in the period incurred. We expect that our customer operations expenses will increase in absolute dollars and may fluctuate as a percentage of our total revenue over time, as we expand our portfolio and increase the Number of Loans Transacted.

Engineering and Product Development

Engineering and product development expenses primarily consist of payroll and other personnel-related expenses, including stock-based compensation expense, for the engineering and product development teams as well the costs of systems and tools used by these teams. These costs are recognized in the period incurred. We expect that our engineering and product development expenses will increase in absolute dollars and may increase as a percentage of our total revenue over time, as we expand our engineering and product development team to continue to improve our AI models and develop new products and product enhancements.

General, Administrative and Other

General, administrative and other expenses consist primarily of payroll and other personnel-related expenses, including stock-based compensation expense, for legal and compliance, finance and accounting, human resources and facilities teams, as well as depreciation and amortization of property, equipment and software, professional services fees, facilities and travel expenses. These costs are recognized in the period incurred. Following the completion of this offering, we expect to incur additional general, administrative and other expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC, additional insurance expenses, investor relations activities and other administrative and professional services. We also expect to increase the size of our general and administrative function to support the growth of our business. As a result, we expect that our general, administrative and other expenses will increase in absolute dollars but may fluctuate as a percentage of our total revenue from period to period.

Other Income

Other income primarily consists of dividend income earned on our unrestricted cash balances and sublease income. Other income is recognized in the period earned. During the nine months ended September 30, 2020, other income also included the proceeds from a forgivable loan under the Paycheck Protection Program. For additional details, refer to Note 1 “Description of Business and Significant Accounting Policies” of our consolidated financial statements.

Expense on Warrants and Convertible Notes, Net

Expense on warrants and convertible notes, net is primarily comprised of the net changes in the fair value of our common and convertible preferred stock warrant liabilities, as well as interest expense on convertible notes outstanding in 2017 and 2018.

We incurred higher expenses in the quarters when the increases in the valuation of our preferred and common stock increased the most. In the fourth quarter of 2020, we estimate the expense for outstanding warrants to be approximately $6.5 million, which is significantly higher than the amount of the warrant expenses we experienced historically. We do not expect to incur additional expenses for the warrants in 2021 and beyond due to the exercise of the preferred stock warrants and the amendment to the common stock warrants as discussed in the sections titled “Description of Capital Stock” and “Liquidity and Capital Resources—Revolving Credit Facility”, respectively.

Results of Operations

The following table summarizes our historical consolidated statements of operations data:

	Year Ended December 31,			Nine Months Ended September 30,	
(In thousands)	2017	2018	2019	2019	2020
Revenue:					
Revenue from fees, net	$51,161	$ 88,482	$159,847	$ 98,699	$144,179
Interest income and fair value adjustments, net	6,128	10,831	4,342	2,918	2,527
Total revenue	57,289	99,313	164,189	101,617	146,706
Operating expenses:					
Sales and marketing(1)	33,838	63,633	93,175	61,236	65,113
Customer operations(1)	10,232	15,416	24,947	16,593	24,792
Engineering and product development(1)	5,324	8,415	18,777	11,480	24,651
General, administrative, and other(1)	15,431	19,820	31,865	20,399	30,778
Total operating expenses	64,825	107,284	168,764	109,708	145,334
(Loss) income from operations	(7,536)	(7,971)	(4,575)	(8,091)	1,372
Other income	330	487	1,036	832	5,497
Expense on warrants and convertible notes, net	(1,649)	(3,734)	(1,407)	(2,626)	(2,317)
Net (loss) income before income taxes	(8,855)	(11,218)	(4,946)	(9,885)	4,552
Provision for income taxes	6	—	74	—	—
Net (loss) income before attribution to noncontrolling interests	(8,861)	(11,218)	(5,020)	(9,885)	4,552
Net (loss) income attributable to noncontrolling interests	(1,144)	1,101	(4,554)	(3,368)	(404)
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$ (7,717)	$ (12,319)	$ (466)	(6,517)	$ 4,956

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

	Year ended December 31,			Nine Months Ended September 30,	
(In thousands)	2017	2018	2019	2019	2020
Sales and marketing	$ 32	$ 183	$ 278	$ 157	$ 1,136
Customer operations	124	178	433	252	625
Engineering and product development	574	753	1,803	932	3,181
General, administrative, and other	560	931	1,292	863	2,160
Total stock-based compensation	$ 1,290	$ 2,045	$ 3,806	$ 2,204	$ 7,102

Comparison of Nine Months Ended September 30, 2019 and 2020

Revenue

Revenue from Fees, Net

The following table set forth our revenue from fees, net in the periods shown:

(In thousands)	Nine Months Ended September 30, 2019	2020	$ Change	% Change
Platform and referral fees, net	$ 89,049	$ 123,485	$34,436	39%
Servicing fees, net	9,650	20,694	11,044	114%
Total revenue from fees, net	$ 98,699	$ 144,179	$45,480	46%

Revenue from fees, net increased $45.5 million, or 46%, in the nine months ended September 30, 2020, compared to the same period in 2019, which included an increase of $34.4 million in revenue from platform and referral fees, net and an increase of $11.0 million in servicing fees, net. The increase of the platform and referral fees net was primarily driven by a 30% increase in the Number of Loans Transacted from 136,468 in the nine months ended September 30, 2019 to 176,983 for the same period in 2020 as well as an increase in prices of our services in response to the market conditions caused by the COVID-19 pandemic. The increase in the servicing fees, net was primarily due to an 85% increase in outstanding loan principal, as well as a downward revaluation to the net liability of our servicing obligation.

Interest Income and Fair Value Adjustments, Net

(In thousands)	Nine Months Ended September 30, 2019	2020	$ Change	% Change
Operating entities(1):				
Interest income	$ 10,655	$ 16,275	$ 5,620	53%
Interest expense	(5,187)	(4,655)	(532)	(10%)
Fair value adjustments, net	(1,873)	(9,675)	7,802	417%
Other consolidated entities(2):				
Interest income	40,644	6,430	(34,214)	(84%)
Interest expense	(16,941)	(2,297)	(14,644)	(86%)
Fair value adjustments, net	(24,380)	(3,551)	(20,829)	(85%)
Total Company:				
Interest income	51,299	22,705	(28,594)	(56%)
Interest expense	(22,128)	(6,952)	(15,176)	(69%)
Fair value adjustments, net	(26,253)	(13,226)	(13,027)	(50%)
Total interest income and fair value adjustments, net	$ 2,918	$ 2,527	$ (391)	(13%)

(1) Consist of balances recognized by entities participating in our ongoing operating activities, including warehouse entities.
(2) Consists of balances recognized by other entities, including securitization entities and the fractional loan program (discontinued in 2019).

Interest income and fair value adjustments, net decreased $0.4 million, or 13%, in the nine months ended September 30, 2020, compared to the same period in 2019. The decrease was driven by a $34.2 million decline in interest income and a decline in interest expense and fair value adjustments, of $14.6 million and $20.8 million, respectively, recognized by other consolidated entities. These decreases were due to a reduction of consolidated loan balances from securitization-related

VIEs caused by the deconsolidation of previously consolidated securitizations 2017-1, 2017-2, and 2018-1. The deconsolidation of these entities was a result of the expiration of the related risk retention requirements, which caused us to conclude that we are no longer a primary beneficiary of these entities. For additional details, refer to Note 3, “Securitizations and Variable Interest Entities” of our consolidated financial statements. The decrease of the total net interest income and fair value adjustment was also caused by an increase of $7.8 million of fair value adjustments recognized by the operating entities. These negative adjustments were primarily due to the market changes caused by the COVID-19 pandemic. This increase was partially offset by an increase of $5.6 million of interest income in these entities. This increase was a result of an increased average loan balances held by the operating entities during these periods.

Operating Expenses

Sales and Marketing

	Nine Months Ended September 30,			
(In thousands)	2019	2020	$ Change	% Change
Sales and marketing	$ 61,236	$ 65,113	$ 3,877	6%

Sales and marketing expenses increased by $3.9 million, or 6%, in the nine months ended September 30, 2020, compared to the same period in 2019. The increase was primarily due to a $2.1 million increase in payroll and other personnel-related expenses driven by increased headcount, as well as a $0.7 million increase in advertising and other traffic acquisition costs.

Customer Operations

	Nine Months Ended September 30,			
(In thousands)	2019	2020	$ Change	% Change
Customer Operations	$ 16,593	$ 24,792	$ 8,199	49%

Customer operations expenses increased by $8.2 million, or 49%, in the nine months ended September 30, 2020, compared to the same period in 2019. The increase was primarily due to an increase of $6.4 million in payroll and other personnel-related expenses due to an increase in headcount as well as increased spending of $1.7 million in information verification and platform operations due to a growing volume of loans facilitated through our platform.

Engineering and Product Development

	Nine Months Ended September 30,			
(In thousands)	2019	2020	$ Change	% Change
Engineering and product development	$ 11,480	$ 24,651	$13,171	115%

Engineering and product development expenses increased by $13.2 million, or 115%, in the nine months ended September 30, 2020, compared to the same period in 2019. The increase was primarily due to an increase of $10.2 million in payroll and other personnel-related expenses driven by an increase in headcount, as well as a $2.9 million increase in spending on consultants and other engineering support services.

General, Administrative, and Other

	Nine Months Ended September 30,			
(In thousands)	2019	2020	$ Change	% Change
General, administrative, and other	$ 20,399	$ 30,778	$10,379	51%

General, administrative, and other expenses increased by $10.4 million, or 51%, in the nine months ended September 30, 2020, compared to the same period in 2019. The increase was primarily due to an increase of $3.1 million in personnel-related costs as a result of increased headcount; an increase of $2.2 million in office rent and other facility-related expenses due to the opening of our second headquarters in Columbus, Ohio, and relocation of our first headquarters from San Carlos, California to San Mateo, California; an increase of $1.5 million in legal and compliance-related expenses; and an increase of $1.1 million in other professional services fees.

Other Income

	Nine Months Ended September 30,			
(In thousands)	2019	2020	$ Change	% Change
Other income	$ 832	$ 5,497	$ 4,665	561%

Other income increased by $4.7 million, or 561%, in the nine months ended September 30, 2020, compared to the same period in 2019. The increase was primarily due to receipt of funds under the PPP, totaling $5.3 million and an increase in unrestricted cash balances held in interest-bearing deposit accounts throughout the year at commercial banks, which was partially offset by a decrease in dividend income of $0.8 million.

Expense on Warrants and Convertible Notes, Net

	Nine Months Ended September 30,			
(In thousands)	2019	2020	$ Change	% Change
Expense on warrants and convertible notes, net	$ (2,626)	$ (2,317)	$ (309)	(12%)

Expense on warrants and convertible notes decreased by $0.3 million, or 12%, in the nine months ended September 30, 2020, compared to the same period in 2019. The decrease was primarily a result of a lower number of instruments outstanding in 2020 due to a repurchase and retirement of certain warrants in the fourth quarter of 2019.

Comparison of the Years Ended December 31, 2017, 2018, and 2019

Revenue

Revenue from Fees, Net

The following table set forth our revenue from fees, net in the periods shown:

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
Platform and referral fees, net	$48,067	$83,381	$144,055	73%	73%
Servicing fees, net	3,094	5,101	15,792	65%	210%
Total revenue from fees, net	$51,161	$88,482	$159,847	73%	81%

2018 Compared to 2019

Revenue from fees, net increased $71.4 million, or 81%, in the year ended December 31, 2019, compared to the prior year. The increase was primarily due to an increase of $60.7 million in revenue

from platform and referral fees, net. This increase was primarily driven by an 88% increase in the Number of Loans Transacted from 114,125 for the year ended December 31, 2018 to 215,122 for the year ended December 31, 2019. Servicing fees, net increased by $10.7 million due to a doubling in average outstanding loan principal, as well as a downward revaluation to the net liability of our servicing obligation.

2017 Compared to 2018

Revenue from fees, net increased $37.3 million, or 73%, in the year ended December 31, 2018 compared to the prior year, comprised primarily of an increase of $35.3 million in revenue from platform and referral fees, net. This increase was primarily due to an 62% increase in the Number of Loans Transacted from 70,457 for the year ended December 31, 2017 to 114,125 for the year ended December 31, 2018.

Interest Income and Fair Value Adjustments, Net

(in thousands)	Year Ended December, 31 2017	2018	2019	2017 to 2018 % Change	2018 to 2019 % Change
Operating entities(1):					
Interest income	$ 4,386	$ 9,924	$ 16,092	126%	62%
Interest expense	(2,335)	(4,818)	(7,184)	106%	49%
Fair value adjustments, net	646	(1,619)	(796)	(351%)	51%
Other consolidated entities(2):					
Interest income	$16,748	$ 66,759	$ 47,221	299%	(29%)
Interest expense	(7,085)	(21,665)	(19,301)	206%	(11%)
Fair value adjustments, net	(6,232)	(37,750)	(31,690)	506%	(16%)
Total Company:					
Interest income	21,134	76,683	63,313	263%	17%
Interest expense	(9,420)	(26,483)	(26,485)	181%	0%
Fair value adjustments, net	(5,586)	(39,369)	(32,486)	605%	(17%)
Total interest income and fair value adjustments, net	$ 6,128	$ 10,831	$ 4,342	77%	(60%)

(1) Consist of balances recognized by entities participating in our ongoing operating activities, including warehouse entities.
(2) Consists of balances recognized by other entities, including securitization entities and the fractional loan program (discontinued in 2019).

2018 Compared to 2019

Interest income and fair value adjustments, net decreased $6.5 million, or 60%, in the year ended December 31, 2019 compared to the prior year. The decrease was primarily driven by a $19.5 million decline in interest income due to a reduction of consolidated loan balances from other consolidated entities, including securitization-related VIEs, in the year ended December 31, 2019. This reduction was primarily a result of the change in the structure of the risk retention for securitizations sponsored by us, which allowed us to conclude that we are not a primary beneficiary of securitizations completed after the first half of 2018. For additional details, refer to Note 3, “Securitizations and Variable Interest Entities” of our consolidated financial statements. This decrease was partially offset by the increase of $6.2 million in the amount of interest income recognized by the operating entities due to a higher average loan balances held by operating entities as well as the lower amount of fair value adjustments to consolidated assets held by the other consolidated entities, which decreased by $6.0 million, primarily due to a reduction of consolidated loan balances from these entities.

2017 Compared to 2018

Interest income and fair value adjustments, net increased $4.7 million, or 77%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily driven by the increase of $50.0 million in interest income due to growth in consolidated loan balances from other consolidated entities, including securitization-related VIEs, in the year ended December 31, 2018. The increase was a result of securitizations, for which we were a primary beneficiary, that were completed in late 2017 and early 2018. For additional details, refer to Note 3, “Securitizations and Variable Interest Entities” of our consolidated financial statements. The increase in the outstanding balance of loans on our consolidated balance sheets was primarily attributable to our securitization program, which launched in June of 2017 and increased during the year ended December 31, 2018. This increase was partially offset by an increase of $31.5 million in the fair value adjustments for assets held by these entities as well as a $14.6 million increase in interest expense recognized by these entities for the year ended December 31, 2018, which were primarily caused by an increase in related consolidated loan balances and senior securities issued against these securitized loan pools.

Operating Expenses

Sales and Marketing

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
Sales and marketing	$33,838	$63,633	$93,175	88%	46%

2018 Compared to 2019

Sales and marketing expenses increased by $29.5 million, or 46%, in the year ended December 31, 2019 compared to the prior year. The increase was primarily due to increased spending of $26.8 million for partnerships with parties providing borrower referrals and a $1.6 million increase in payroll and other personnel-related expenses driven by increased headcount, as well as a $1.1 million increase in advertising and other traffic acquisition costs. As a percentage of total revenue, sales and marketing expenses decreased from 64% to 57%.

2017 Compared to 2018

Sales and marketing expenses increased by $29.8 million, or 88%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily due to increased spending of $14.6 million in digital and direct mail advertising campaigns, as well as an increase of $13.5 million in spending for partnerships with parties providing borrower referrals. As a percentage of total revenue, sales and marketing expenses increased from 59% to 64%.

Customer Operations

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
Customer operations	$10,232	$15,416	$24,947	51%	62%

2018 Compared to 2019

Customer operations expenses increased by $9.5 million, or 62%, in the year ended December 31, 2019 compared to the prior year. The increase was primarily due to an increase of $5.0 million in payroll and other personnel-related expenses due to increases in headcount, as well as

increased spending of $4.4 million in information verification and platform operations due to a growing volume of loans facilitated through our platform. As a percentage of total revenue, customer operations expenses decreased from 16% to 15%.

2017 Compared to 2018

Customer operations expenses increased by $5.2 million, or 51%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily due to an increase of $2.7 million in payroll and other personnel-related expenses due to increases in headcount, as well as increased spending of $2.3 million related to information verification and platform operations due to a growing volume of loans facilitated through our platform. As a percentage of total revenue, customer operations expenses decreased from 18% to 16%.

Engineering and Product Development

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
Engineering and product development	$5,324	$8,415	$18,777	58%	123%

2018 Compared to 2019

Engineering and product development expenses increased by $10.4 million, or 123%, in the year ended December 31, 2019 compared to the prior year. The increase was primarily due to an increase of $8.9 million in payroll and other personnel-related expenses driven by an increase in headcount, as well as a $1.5 million increase in spending on consultants and other engineering services. As a percentage of total revenue, engineering and product development expenses increased from 8% to 11%.

2017 Compared to 2018

Engineering and product development expenses increased by $3.1 million, or 58%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily due to an increase of $2.4 million in payroll and other personnel-related expenses driven by an increase in headcount, as well as a $0.7 million increase in spending on consultants and other engineering services. As a percentage of total revenue, engineering and product development expenses decreased from 9% to 8%.

General, Administrative, and Other

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
General, administrative, and other	$15,431	$19,820	$31,865	28%	61%

2018 Compared to 2019

General, administrative, and other expenses increased by $12.0 million, or 61%, in the year ended December 31, 2019 compared to the prior year. The increase was primarily due to an increase of $6.0 million in personnel-related costs as a result of increased headcount; an increase of $2.6 million in office rent and other facility-related expenses due to the opening of our second headquarters in Columbus, Ohio, and relocation of our first headquarters from San Carlos, California to San Mateo, California; an increase of $1.1 million in legal and compliance-related expenses; and an increase of $1.0 million in professional services fees. As a percentage of total revenue, general, administrative, and other expenses decreased from 20% to 19%.

2017 Compared to 2018

General, administrative, and other expenses increased by $4.4 million, or 28%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily due to an increase of $3.4 million in personnel-related costs as a result of increased headcount; an increase of $2.0 million in office and administrative related expenses; and an increase of $0.7 million in legal and compliance-related expenses. This increase was partially offset by a $2.2 million decrease in professional fees. As a percentage of total revenue, general, administrative, and other expenses decreased from 27% to 20%.

Other Income

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
Other income	$ 330	$ 487	$1,036	48%	113%

2018 Compared to 2019

Other income increased by $0.5 million, or 113%, in the year ended December 31, 2019 compared to the prior year. The increase was primarily due to an increase in unrestricted cash balances held in interest-bearing deposit accounts throughout the year at commercial banks.

2017 Compared to 2018

Other income increased by $0.2 million, or 48%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily due to an increase in unrestricted cash balances held in interest-bearing deposit accounts at commercial banks.

Expense on Warrants and Convertible Notes, Net

	Year Ended December 31,			2017 to 2018	2018 to 2019
(In thousands)	2017	2018	2019	% Change	% Change
Expense on warrants and convertible notes, net	$1,649	$3,734	$1,407	126%	(62)%

2018 Compared to 2019

Expense on warrants and convertible notes decreased by $2.3 million, or 62%, in the year ended December 31, 2019 compared to the prior year. The decrease was primarily due to a decrease of $2.1 million in the fair value of outstanding convertible preferred stock warrants as a result of warrants exercised or repurchased and retired during the year, and a decrease in interest expense on convertible notes of $0.7 million as the convertible notes were converted into convertible preferred stock in the year ended December 31, 2018. The decrease was partially offset by an increase of $0.5 million in the fair value of common stock warrants.

2017 Compared to 2018

Expense on warrants and convertible notes increased by $2.1 million, or 126%, in the year ended December 31, 2018 compared to the prior year. The increase was primarily due to an increase of $1.5 million in the fair value of outstanding convertible preferred stock warrants as well as an increase in interest expense on convertible notes of $0.4 million, which were issued in September and October 2017 and converted into Series C-1 convertible preferred stock in June 2018.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated results of operations for each of the quarterly periods for the last eight quarters. These unaudited quarterly results of operations have been prepared on the same basis as our audited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the financial information set forth in the table below reflects all normal recurring adjustments necessary for a fair presentation of the results of operations for these periods. Our historical results are not necessarily indicative of the results that may be expected in the future. The following unaudited quarterly consolidated results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

	Three Months Ended							
(in thousands)	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Revenue:								
Revenue from fees, net	$23,694	$22,242	$28,558	$47,899	$61,148	$68,013	$ 13,305	$62,861
Interest income and fair value adjustments, net	197	(2,631)	3,961	1,588	1,424	(4,019)	4,048	2,498
Total revenue	23,891	19,611	32,519	49,487	62,572	63,994	17,353	65,359
Operating expenses:								
Sales and marketing(1)	17,109	14,593	19,314	27,329	31,939	35,952	5,436	23,725
Customer operations(1)	4,076	4,518	5,386	6,689	8,354	8,811	6,621	9,360
Engineering and product development(1)	2,314	2,932	3,485	5,063	7,297	7,018	7,667	9,966
General, administrative, and other(1)	4,692	6,022	5,959	8,418	11,466	11,660	9,017	10,101
Total operating expenses	28,191	28,065	34,144	47,499	59,056	63,441	28,741	53,152
(Loss) income from operations	(4,300)	(8,454)	(1,625)	1,988	3,516	553	(11,388)	12,207
Other income	267	358	249	225	204	150	5,297	50
(Expense) income on warrants and convertible notes, net	(1,593)	(89)	(119)	(2,418)	1,219	289	(18)	(2,588)
Net (loss) income before income taxes	(5,626)	(8,185)	(1,495)	(205)	4,939	992	(6,109)	9,669
Provision for income taxes	—	—	—	—	74	—	—	—
Net (loss) income before attribution to noncontrolling interests	(5,626)	(8,185)	(1,495)	(205)	4,865	992	(6,109)	9,669
Net (loss) income attributable to noncontrolling interests	(1,014)	(3,720)	235	117	(1,186)	(488)	84	—
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$ (4,612)	$ (4,465)	$ (1,730)	$ (322)	$ 6,051	$ 1,480	$ (6,193)	$ 9,669

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

	Three Months Ended							
	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Sales and marketing	$ 50	$ 51	$ 55	$ 51	$ 121	$ 284	$ 405	$ 447
Customer operations	48	59	91	102	181	199	205	221
Engineering and product development	214	234	322	376	871	926	1,112	1,143
General, administrative, and other	296	233	312	318	429	556	797	807
Total stock-based compensation	$ 608	$ 577	$ 780	$ 847	$ 1,602	$ 1,965	$ 2,519	$ 2,618

The following table provides the key operating metrics we use to evaluate our business for each of the last eight quarters:

	Three Months Ended							
(in thousands, except percentages)	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Number of Loans Transacted	33,036	30,998	41,211	64,259	78,654	84,214	11,876	80,893
Conversion Rate	10.7%	10.8%	11.3%	13.8%	14.9%	14.1%	8.7%	15.2%
Percentage of Loans Fully Automated	58%	59%	64%	67%	69%	70%	58%	69%

The following table provides the non-GAAP financial measures we use to evaluate our business for each of the last eight quarters:

	Three Months Ended							
(in thousands)	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Contribution Profit	$ 3,875	$ 4,556	$ 5,479	$15,525	$23,380	$25,660	$ 4,256	$33,780
Adjusted EBITDA	$(2,326)	$(3,709)	$ (734)	$ 3,080	$ 6,958	$ 3,671	$(3,121)	$15,456

The following table provides the calculation of Contribution Profit for each of the last eight quarters:

	Three Months Ended							
(in thousands)	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Referral fees, net	$ 14,141	$ 13,042	$ 16,938	$ 26,137	$ 34,555	$ 38,219	$ 4,597	$ 38,012
Platform fees, net	7,826	7,267	9,532	16,133	20,451	22,011	3,015	17,631
Servicing fees, net	1,727	1,933	2,088	5,629	6,142	7,783	5,693	7,218
Revenue from fees, net	23,694	22,242	28,558	47,899	61,148	68,013	13,305	62,861
Borrower acquisition costs	(16,260)	(13,724)	(18,466)	(26,575)	(30,804)	(34,703)	(3,578)	(21,183)
Borrower verification and servicing costs	(3,559)	(3,962)	(4,613)	(5,799)	(6,964)	(7,650)	(5,471)	(7,898)
Total direct expenses	(19,819)	(17,686)	(23,079)	(32,374)	(37,768)	(42,353)	(9,049)	(29,081)
Contribution profit	$ 3,875	$ 4,556	$ 5,479	$ 15,525	$ 23,380	$ 25,660	$ 4,256	$ 33,780

See the section titled “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of loss from operations to Contribution Profit and of net loss attributable to Upstart Holdings, Inc. common stockholders to Adjusted EBITDA.

Quarterly Trends

Revenue from Fees, Net

Revenue from fees, net trended upwards on an annual basis, but fluctuated during the quarters presented. Revenue from fees, net is highly correlated with the Number of Loans Transacted on our platform during the period. The increase in revenue from the second quarter of 2019 to the first quarter of 2020 was primarily a result of the overall growth of our business, continuous improvements to our AI models and technology, and our ability to streamline and automate the loan application and origination process. The changes in the second and the third quarter of 2020 were driven by the impact of the COVID-19 pandemic on our business and a recovery from it, respectively.

Interest Income and Fair Value Adjustments, Net

Interest income and fair value adjustments, net fluctuated quarterly primarily due to the outstanding balance of loans included in our consolidated balance sheets and changes to the

characteristics of such loans, such as the average age of the loans and the interest rates of the loans, during the respective periods presented. The decrease in interest income and fair value adjustment in the first quarter of 2020 was primarily due to the market changes caused by the COVID-19 pandemic.

Sales and Marketing

Sales and marketing expenses trended upwards on an annual basis, but fluctuated during the quarters presented. The overall increase and the changes between different periods are primarily driven by the timing and extent of borrower acquisition and marketing initiatives across various channels. The changes in the second and the third quarter of 2020 were driven by decreased spending on marketing campaigns as a result of the COVID-19 pandemic and a recovery from it, respectively.

Customer Operations

Similar to sales and marketing, customer operations trended upwards on an annual basis but fluctuated during the quarters presented primarily due variability in the Number of Loans Transacted. The increase was primarily due to increases in payroll and personnel-related expenses driven by increases in our headcount, as well as an overall increase in spending related to our information verification and platform operations due to the growing volume of loans facilitated through our platform. The changes in the second and the third quarter of 2020 were driven by decreased spending on information verification as a result of the COVID-19 pandemic on our business and a recovery from it, respectively.

Engineering and Product Development

Engineering and product development generally increased for the quarters presented. This was primarily due to increases in payroll and personnel-related expenses driven by increases in our headcount, as well as increases in infrastructure-related costs.

General, Administrative and Other

General, administrative and other expenses have trended upwards on an annual basis but fluctuated during the quarters presented. The overall increase is reflective of increasing costs of fees for professional services, including legal and financial services as well an increase in personnel-related costs driven by additions of legal, human resources, and finance personnel. In the second half of 2019, general, administrative and other expenses also increased as a result of an increase in office rent and other facility-related expenses due to the opening of our second headquarters in Columbus, Ohio and relocation of our first headquarters from San Carlos, California, to San Mateo, California.

(Expense) Income on Warrants and Convertible Notes, Net

Expense on warrants and convertible notes, net fluctuated during the quarters presented and reflect the variable nature and timing of the increases and decreases in the fair value of outstanding common stock warrants and convertible preferred stock warrants, which highly correlate with the valuation of the underlying securities. We incurred higher expenses in the quarters when the increases in the valuation of our preferred and common stock increased the most. In the fourth quarter of 2020, we estimate the expense for outstanding warrants to be approximately $6.5 million, which is significantly higher than the amount of warrant expenses we experienced historically. We do not expect to incur additional expenses for these warrants in 2021 and beyond due to the exercise of the remaining preferred stock warrants and the amendment to the common stock warrants as discussed in the sections titled “Description of Capital Stock” and “Liquidity and Capital Resources—Revolving Credit Facility”, respectively.

We recorded income on warrants and convertible notes reported in the fourth quarter of 2019 due to a gain on repurchase and retirement of convertible preferred stock warrants.

Number of Loans Transacted

Number of Loans Transacted trended upwards on an annual basis but fluctuated during the quarters presented. The overall increase was primarily a result of continuous improvements to our AI models and technology, and our ability to streamline and automate the loan application and origination process. However, such improvements could occasionally impact transaction volume negatively. For example, an upgrade to our AI models in the fourth quarter of 2018 related to prepayment predictions led to a temporary decrease in the total number of loans transacted. In addition, we experience significant seasonality in the demand for Upstart-powered loans, which is generally lower in the first quarter. This seasonal slowdown is primarily attributable to high loan demand around the holidays in the fourth quarter and the general increase in borrowers' available cash flows in the first quarter, including cash received from tax refunds, which temporarily reduces borrowing needs. The changes in the second and the third quarter of 2020 were driven by the impact of the COVID-19 pandemic on our business and a recovery from it, respectively.

Conversion Rate

Conversion Rate has trended upwards on an annual basis but fluctuated during the quarters presented. The overall increase was primarily a result of continuous improvements to our AI models and technology. Historically, our Conversion Rate has benefitted from improvements to our technology, which have made our evaluation of risk more accurate and our verification process more automated, or from the addition of bank partners that have made our offers more competitive. The changes in the second and the third quarter of 2020 were driven by the impact of the COVID-19 pandemic on our business and a recovery from it, respectively.

Percentage of Loans Fully Automated

Percentage of Loans Fully Automated has trended upwards on an annual basis, but fluctuated during the quarters presented. The overall increase was primarily a result of continuous improvements to our AI models and technology. Better AI models increased our ability to rapidly streamline and automate the loan application and origination process on our platform. The changes in the second and the third quarter of 2020 were driven by the impact of the COVID-19 pandemic on our business and a recovery from it, respectively.

Contribution Profit

Contribution Profit (which is a function of revenue from fees, net and borrower acquisition cost and borrower verification and servicing cost) is highly correlated with the Number of Loans Transacted on our platform during the period and trended upwards on an annual basis but fluctuated during the quarters presented. The overall increase was primarily due to improvements to borrower acquisition efforts and our operating efficiency. The quarterly fluctuations are primarily due to the timing and extent of borrower acquisition and marketing initiatives across various channels. The changes in the second and the third quarter of 2020 are driven by the impact of the COVID-19 pandemic on our business and a recovery from it, respectively. See the section titled "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of loss from operations to Contribution Profit.

Adjusted EBITDA

Adjusted EBITDA trended upwards on an annual basis but fluctuated during the quarters presented. Adjusted EBITDA is highly correlated with the Number of Loans Transacted on our platform

during the period. The overall increase was primarily due to business growth outpacing expense growth. The changes in the second and the third quarter of 2020 are driven by the impact of the COVID-19 pandemic on our business and a recovery from it, respectively. See the section titled “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of net loss attributable to Upstart Holdings, Inc. common stockholders to Adjusted EBITDA.

Reconciliation of Non-GAAP Financial Measures

To supplement our consolidated financial statements prepared and presented in accordance with GAAP, we use the non-GAAP financial measures Contribution Profit and Adjusted EBITDA to provide investors with additional information about our financial performance and to enhance the overall understanding of our past performance and future prospects. We are presenting these non-GAAP financial measures because we believe they provide an additional tool for investors to use in comparing our core financial performance over multiple periods with the performance of other companies.

However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our consolidated financial statements prepared and presented in accordance with GAAP.

To address these limitations, we provide a reconciliation of Contribution Profit and Adjusted EBITDA to loss from operations and net loss attributable to Upstart Holdings, Inc. common stockholders, respectively. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view Contribution Profit and Adjusted EBITDA in conjunction with their respective related GAAP financial measures.

Contribution Profit

We use Contribution Profit as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance. We believe Contribution Profit is useful to investors for period-to period comparisons of our business and in evaluating and understanding our operating results and ability to scale. Contribution Profit is also useful to investors because our management uses Contribution Profit, in conjunction with financial measures prepared in accordance with GAAP, to evaluate our operating results and financial performance and the effectiveness of our strategies.

Contribution Profit has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Contribution Profit is not a GAAP financial measure of, nor does it imply, profitability. Even if our revenue exceeds variable expenses over time, we may not be able to achieve or maintain profitability, and the relationship of revenue to variable expenses is not necessarily indicative of future performance. Contribution Profit does not reflect all of our variable expenses and involves some judgment and discretion around what costs vary directly with loan volume. Other companies that present contribution profit calculate it differently and, therefore, similarly titled measures presented by other companies may not be directly comparable to ours.

The following tables presents a reconciliation of loss from operations to Contribution Profit:

(In thousands)	Year Ended December 31, 2017	2018	2019	Nine Months Ended September 30, 2019	2020
Income (loss) from operations	$ (7,536)	$ (7,971)	$ (4,575)	$ (8,901)	$ 1,372
Sales and marketing, net of borrower acquisition costs(1)	1,061	1,975	3,606	2,471	5,650
Customer operations, net of borrower verification and servicing costs(2)	1,113	1,690	3,609	2,219	3,773
Engineering and product development	5,324	8,415	18,777	11,480	24,651
General, administrative, and other	15,431	19,820	31,865	20,399	30,778
Interest income and fair value adjustments, net	(6,128)	(10,831)	(4,342)	(2,918)	(2,527)
Contribution Profit	$ 9,265	$ 13,098	$48,940	$ 25,560	$ 63,697

(1) Borrower acquisition costs were $32.8 million, $61.7 million and $89.6 million for the years ended December 31, 2017, 2018 and 2019, respectively, and $58.8 million and $59.5 million in the nine months ended September 30, 2019 and 2020, respectively. Borrower acquisition costs consist of our sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for our business development and marketing teams, as well as other operational, brand awareness and marketing activities.

(2) Borrower verification and servicing costs were $9.1 million, $13.7 million and $21.3 million for the years ended December 31, 2017, 2018 and 2019, respectively, and $14.4 million and $21.0 million in the nine months ended September 30, 2019 and 2020, respectively. Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of our customer operations team whose work is not directly attributable to onboarding and servicing loans.

	Three Months Ended							
(in thousands)	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Income (loss) from operations	$(4,300)	$(8,454)	$(1,625)	$ 1,988	$ 3,516	$ 553	$(11,388)	$12,207
Sales and marketing, net of borrower acquisition costs(1)	849	869	848	754	1,135	1,249	1,858	2,542
Customer operations, net of borrower verification and servicing costs(2)	517	556	773	890	1,390	1,161	1,150	1,462
Engineering and product development	2,314	2,932	3,485	5,063	7,297	7,018	7,667	9,966
General, administrative, and other	4,692	6,022	5,959	8,418	11,466	11,660	9,017	10,101
Interest income and fair value adjustments, net	(197)	2,631	(3,961)	(1,588)	(1,424)	4,019	(4,048)	(2,498)
Contribution Profit	$ 3,875	$ 4,556	$ 5,479	$15,525	$23,380	$25,660	4,256	$33,780

(1) Borrower acquisition costs were $16.3 million for the three months ended December 31, 2018; $13.7 million, $18.5 million, $26.6 million, and $30.8 million for the three months ended March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019, respectively; $34.7 million, $3.6 million, and $21.2 million for the three months ended March 31, 2020, June 30, 2020, and September 30, 2020, respectively. Borrower acquisition costs consist of our sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for our business development and marketing teams, as well as other operational, brand awareness and marketing activities.

(2) Borrower verification and servicing costs were $3.6 million for the three months ended December 31, 2018; $4.0 million, $4.6 million, $5.8 million and $7.0 million for the three months ended March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019, respectively, $7.7 million, $5,5 million, and $7.9 million for the three months ended March 31, 2020, June 30, 2020, and September 30, 2020, respectively. Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of our customer operations team whose work is not directly attributable to onboarding and servicing loans.

Adjusted EBITDA

We believe that Adjusted EBITDA is useful for investors to use in comparing our financial performance with the performance of other companies for the following reasons:

- Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as stock-based compensation expense, depreciation and interest expense, that can vary substantially from company to company depending upon their financing and capital structures, and the method by which assets were acquired; and
- Adjusted EBITDA provides consistency and comparability with our past financial performance, and facilitates comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our financial results as reported under GAAP. Some of these limitations are as follows:

- Although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Adjusted EBITDA does not reflect: (1) changes in, or cash requirements for, our working capital needs; (2) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; or (3) tax payments that may represent a reduction in cash available to us; and
- the expenses and other items that we exclude in our calculation of Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from Adjusted EBITDA when they report their operating results.

Because of these limitations, Adjusted EBITDA should be considered along with other operating and financial performance measures presented in accordance with GAAP. The following table provides a reconciliation of net loss attributable to Upstart Holdings, Inc. common stockholders to Adjusted EBITDA:

	Year Ended December 31,			Nine Months Ended September 30,	
(In thousands)	2017	2018	2019	2019	2020
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$(7,717)	$(12,319)	$ (466)	$ (6,517)	$ 4,956
Adjusted to exclude the following:					
Stock-based compensation	1,290	2,045	3,806	2,204	7,102
Depreciation and amortization	93	314	774	324	1,631
Expense on warrants and convertible notes, net[1]	1,649	3,734	1,407	2,626	2,317
Provision for income taxes	6	—	74	—	—
Adjusted EBITDA	$(4,679)	$ (6,226)	$5,595	$ (1,363)	$ 16,006

(1) Consists of fair value adjustments to our warrant liability and interest expense on convertible notes.

(in thousands)	Three Months Ended Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020	Sept. 30, 2020
Net income (loss) attributable to Upstart Holdings, Inc. common stockholders	$(4,612)	$(4,465)	$(1,730)	$ (322)	$ 6,051	$ 1,480	$(6,193)	$ 9,669
Adjusted to exclude the following:								
Stock-based compensation	608	577	780	847	1,602	1,965	2,519	2,618
Depreciation and amortization	85	90	97	137	450	515	535	581
Expense on warrants and convertible notes, net(1)	1,593	89	119	2,418	(1,219)	(289)	18	2,588
Provision on income taxes	—	—	—	—	74	—	—	—
Adjusted EBITDA	$(2,326)	$(3,709)	$ (734)	$ 3,080	$ 6,958	$ 3,671	$(3,121)	$15,456

(1) Consists of fair value adjustments to our warrant liability and interest expense on convertible notes.

Liquidity and Capital Resources

Since inception, we have financed our operations, corporate investments, and capital expenditures primarily through the sale of convertible preferred stock, term loans and draws on our revolving credit facilities, and cash generated from operations. We have also periodically issued convertible promissory notes, none of which were outstanding as of September 30, 2020.

Our outstanding debt consists of borrowings from term loan agreements, advances on our revolving credit facilities, including our warehouse credit facilities, and amounts borrowed under loan and security agreements to finance risk retention balances for certain unconsolidated securitizations we sponsor. As of September 30, 2020, we had an aggregate principal balance of $100.7 million outstanding, of which $30.4 million is due within the next 12 months. See “Note 7. Borrowings” to our consolidated financial statements included elsewhere in this prospectus for further information.

As of September 30, 2020, our primary source of liquidity was cash of $53.2 million. Changes in the balance of cash are generally a result of working capital fluctuations or the timing of purchases of loans facilitated through our platform. To finance purchases of certain loans facilitated through our platform, we rely on our warehouse credit facility, which allows us to borrow up to an aggregate of $100.0 million through the special-purpose trust, or the warehouse trust. Loans purchased by the trust are classified as held-for-sale and can be sold to third-party investors or in securitization transactions to generate additional liquidity. As of September 30, 2020, the amount borrowed under this credit facility was $52.7 million.

We believe that our cash on hand, funds available from our revolving credit facilities, amounts borrowed under our term loans, and our cash flow from operations will be sufficient to meet our liquidity needs for at least the next 12 months. Our future capital requirements will depend on multiple factors, including our revenue growth, working capital requirements, volume of loan purchases for product development purposes and our capital expenditures.

To the extent our cash balances, cash generated by operations, revolving credit facilities, term loans and the proceeds from this offering are insufficient to satisfy our liquidity needs in the future, we may need to raise additional capital through equity or debt financing and may not be able to do so on terms acceptable to us or at all. If we are unable to raise additional capital when needed, our results of operations and financial condition would be materially and adversely impacted.

Term Loans

In 2016, we, along with our wholly owned subsidiary, Upstart Network, Inc., or UNI, as the co-borrower, entered into a loan and security agreement, or LSA, with a third-party lender to obtain a

term loan of $5.5 million. The loan bears a floating interest of prime rate plus 1.75% per annum. As of December 1, 2020, this term loan was fully repaid.

In 2018, we entered into a mezzanine loan and security agreement with the same lender to obtain a second term loan of up to $15.0 million, or the Mezzanine Loan. The Mezzanine Loan bears interest at the greater of prime rate plus 5.25% or 10.00% per annum and matures on October 1, 2021. As of September 30, 2020, the outstanding principal balance of these loans was $15.6 million.

Revolving Credit Facility

Our revolving credit facility has an aggregate credit limit of $5.5 million and as of September 30, 2020, we were fully drawn on such facility. In November 2020, the original maturity date of the facility was extended from December 1, 2020 to June 1, 2021 when the outstanding principal and any accrued and unpaid interest are due and payable in full. On December 1, 2020, we also agreed to amend warrants to purchase 150,000 shares of our common stock previously granted to our lender in October 2018, to provide our lender the right to require us to repurchase such warrants for a total aggregate purchase price of $3.0 million, which right is exercisable following the pricing of this offering and terminates after 10 business days following the date of this prospectus. Our revolving credit facility bears floating interest rates, payable on a monthly basis, and contains certain financial covenants. Failure to comply with these covenants may result in an acceleration of payment on the outstanding principal and accrued interest. Borrowings under the revolving credit facility are secured by all assets of the company, excluding assets of consolidated securitizations and cash and restricted cash related to other borrowing arrangements. We have in the past not been in compliance with certain financial covenants under our revolving credit facility; however, we have received waivers for all such instances of past non-compliance.

Warehouse Credit Facilities

We have entered into two warehouse credit facilities with separate third-party lenders through our warehouse trusts, which are consolidated VIEs. On November 2, 2020, we repaid all outstanding borrowings under one of our warehouse credit facilities in the amount of $4.0 million and terminated the corresponding warehouse credit facility. The remaining warehouse facility is used to fund purchases of personal whole loans originated by certain bank partners on our platform; the assets of the warehouse trust secure the borrowings provided by the warehouse lender and are not available to settle claims of our general creditors. In May 2020, the maturity date of this credit facility, with a borrowing limit of $100.0 million, was extended to May 2022 when repayment of any outstanding principal, together with any accrued interest and unpaid interest, is due and payable. As of September 30, 2020, we have borrowed $52.7 million under this warehouse credit facility and may continue to borrow under this warehouse credit facility until May 2021. Our warehouse credit facility bears floating interest rates, payable on a monthly basis, and contain certain financial covenants. Failure to comply with these covenants may result in an acceleration of payment on outstanding principal and accrued interest. As of December 31, 2018 and 2019, and September 30, 2020, we were in compliance with the applicable covenants under our remaining warehouse credit facility.

Risk Retention Funding Loans

We obtained financing under two loan and security agreements to fund the purchase of securitization notes and residual certificates issued by certain of our consolidated VIEs in our sponsored securitization transactions. These purchases were made in the amounts required to satisfy the requirements of U.S. risk retention regulations. The loans under these agreements bear interest at rates of 4.00% and 4.33% per annum. Interest is paid using cash distributions received monthly on the related securitization notes and residual certificates held by these entities. As of September 30, 2020, the aggregate outstanding principal amount of these loans was $9.4 million. These borrowings are

solely obligations of these consolidated VIEs and are not available to satisfy potential claims of our creditors.

Cash Flows

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

	Year ended December 31,			Nine Months Ended September 30,	
(In thousands)	2017	2018	2019	2019	2020
Net cash (used in) provided by operating activities	$ 10,357	$ 50,338	$ 31,582	$ 21,027	$ (52,817)
Net cash (used in) provided by investing activities	(393,421)	(137,237)	45,433	53,520	127,710
Net cash (used in) provided by financing activities	412,715	135,766	(119,190)	(96,733)	(44,312)
Net (decrease) increase in cash and restricted cash	$ 29,651	$ 48,867	$ (42,175)	$(22,186)	$ 30,581

Net Cash from Operating Activities

Our main sources of cash provided by operating activities are our revenue from fees earned under contracts with bank partners and loan investors and interest income we receive for loans held on our balance sheet.

Our main uses of cash in our operating activities include payments to marketing partners, vendor payments, payroll and other personnel-related expenses, payments for facilities, and other general business expenditures.

Net cash used in operating activities was $52.8 million for the nine months ended September 30, 2020, which primarily consisted of a $84.0 million change in net operating assets and liabilities, offset by a change in fair value of financial instruments of $18.8 million, net income before attribution to noncontrolling interests of $4.6 million and stock-based compensation of $7.1 million. The change in fair value of financial instruments was primarily due to a decrease in the fair value of loans. The change in net operating assets and liabilities was mainly related to a $109.1 million increase in purchases of loans held for sale.

Net cash provided by operating activities was $21.0 million for the nine months ended September 30, 2019, which primarily consisted of a net loss before attribution to noncontrolling interests of $9.9 million, offset by a change in fair value of financial instruments of $29.6 million. The change in fair value of financial instruments was primarily related to a $33.1 million decrease in the fair value of loans, partially offset by a $4.3 million decrease in the fair value of payable to securitization note holders and residual certificate holders.

Net cash provided by operating activities was $31.6 million for the year ended December 31, 2019, which primarily consisted of a net loss before attribution to noncontrolling interests of $5.0 million, offset by a change in fair value of financial instruments of $34.7 million. The change in fair value of financial instruments was primarily related to a $42.1 million decrease in the fair value of loans held-for-investment, partially offset by a $6.1 million decrease in the fair value of payable to securitization note holders and residual certificate holders.

Net cash provided by operating activities was $50.3 million for the year ended December 31, 2018, which primarily consisted of a net loss before attribution to noncontrolling interests of $11.2 million,

offset by a change in fair value of financial instruments of $42.3 million and a $14.0 million change in net operating assets and liabilities. The change in fair value of financial instruments was primarily related to a $45.8 million decrease in the fair value of loans held-for-investment. The change in net operating assets and liabilities was mainly related to a $14.1 million increase in payable to investors.

Net cash provided by operating activities was $10.4 million for the year ended December 31, 2017, which primarily consisted of a net loss before attribution to noncontrolling interests of $8.9 million and a change in fair value of financial instruments of $5.2 million, offset by a $21.0 million change in net operating assets and liabilities. The change in fair value of financial instruments was primarily related to a $12.3 million decrease in the fair value of payable to securitization note holders and residual certificate holders, partially offset by a $9.5 million decrease in the fair value of loans held-for-investment. The change in net operating assets and liabilities was mainly related to a $23.5 million increase in payable to investors.

Net Cash from Investing Activities

Our primary sources of cash from investing activities are principal repayments received on loans held-for-investment through credit facilities and held by consolidated securitizations, proceeds from the sale of loans and payments on residual certificates held for risk retention purposes in sponsored securitizations.

The primary use of cash for investing activities includes purchases of loans held-for investment, including loans collateralized in consolidated securitizations, as well as purchases of securitization notes and residual certificates to fulfill risk retention requirements in securitizations we have sponsored in the past.

Net cash provided by investing activities was $127.7 million for the nine months ended September 30, 2020 as a result of $88.1 million of net proceeds from sale of loans and $36.3 million of principal payments received for loans.

Net cash provided by investing activities was $53.5 million for the nine months ended September 30, 2019 as a result of $170.9 million of principal payments received on loans, $64.2 million net proceeds from sale of loans, which were partially offset by and $185.3 million of purchase of loans held-for-investment.

Net cash provided by investing activities was $45.4 million for the year ended December 31, 2019 as a result of $207.0 million of principal payments received on loans and $100.7 million in net proceeds from the sale of loans, which were partially offset by $265.3 million in purchase of loans held-for-investment.

Net cash used in investing activities was $137.2 million for the year ended December 31, 2018 as a result of $421.1 million in purchases of loans, which was partially offset by $238.0 million in principal payments received on loans and $45.7 million in net proceeds from the sale of loans.

Net cash used in investing activities was $393.4 million for the year ended December 31, 2017 as a result of $513.9 million in purchases of loans, which was partially offset by $76.2 million in principal payments received on loans and $45.1 million in net proceeds from the sale of loans.

Net Cash from Financing Activities

The main sources of cash from financing activities include proceeds from issuance of securitization notes and residual certificates from consolidated securitizations, proceeds from borrowings, and proceeds from the issuance of convertible preferred stock, notes payable and convertible notes.

The primary uses of cash for financing activities include payments made to holders of securitization notes and residual certificates for consolidated securitizations and repayments of notes payable and borrowings.

Net cash used in financing activities was $44.3 million for the nine months ended September 30, 2020 as a result of $126.0 million in payment on borrowings and securitization notes and certificates, which was partially offset by $81.8 million in proceeds from borrowings.

Net cash used in financing activities was $96.7 million for the nine months ended September 30, 2019 as a result of $245.6 million in payment on borrowings, notes payable and securitization notes and certificates, which was partially offset by $110.8 million in proceeds from borrowings and $39.9 million in proceeds from issuance of notes payable.

Net cash used in financing activities was $119.2 million for the year ended December 31, 2019 as a result of $199.4 million in payment on notes payable and securitization notes and certificates, which was partially offset by $43.6 million in net proceeds from borrowings and $39.9 million in proceeds from issuance of notes payable.

Net cash provided by financing activities was $135.8 million for the year ended December 31, 2018 as a result of $285.0 million in proceeds from issuance of notes payable and securitization notes and certificates, $51.1 million in net proceeds from borrowings and $49.9 million in proceeds from the issuance of convertible preferred stock, net of issuance costs, which were partially offset by $248.2 million in payment on notes payable and securitization notes and certificates.

Net cash provided by financing activities was $412.7 million for the year ended December 31, 2017, primarily driven by $432.3 million in proceeds from the issuance of notes payable and securitization notes and certificates.

Contractual Obligations and Off-Balance Sheet Arrangements

Contractual Obligations

Our principal commitments consist of obligations under our loan purchase agreements, debt obligations related to our revolving credit facilities, term loans and risk retention funding loans, and operating leases for office spaces. The following table summarizes our contractual obligations as of December 31, 2019 and the timing and effect that such commitments are expected to have on our liquidity and capital requirements in future periods:

(In thousands)	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Loan purchase obligations(1)	$ 51,854	$ 51,854	$ —	$ —	$ —
Term loans	17,200	2,200	15,000	—	—
Interest payments on term loans	3,089	1,727	1,362	—	—
Warehouse and revolving credit facilities	84,596	5,500	79,096	—	—
Risk retention funding loans	16,941	—	3,167	13,774	—
Operating lease obligations	19,566	4,117	8,593	5,959	897
Total contractual obligations	$193,246	$ 65,398	$ 107,218	$ 19,733	$ 897

(1) Represents loans facilitated through our platform of which certain of our originating banks retain ownership for the duration of the holding period required by our contracts with the banks. This period is generally equal to three business days. We have committed to purchase the loans for the unpaid principal balance, plus accrued interest, at the conclusion of the required period.

For a discussion of our long-term debt obligations, operating lease obligations and loan repurchase agreement as of September 30, 2020, see “Note 7. Borrowings,” “Note 12. Leases,” and “Note 13. Commitments and Contingencies,” respectively, to our consolidated financial statements included elsewhere in this prospectus for further information.

Off-Balance Sheet Arrangements

In the ordinary course of business, we engage in activities that are not reflected on our consolidated balance sheets, generally referred to as off-balance sheet arrangements. These activities involve transactions with unconsolidated VIEs, including our sponsored and co-sponsored securitization transactions, which we contractually service. We use these transactions to provide a source of liquidity to finance our business and to diversify our investor base. When required by law, we retain at least 5% of the credit risk of the securities issued in these securitizations. We also engaged in activities with a personal loan trust entity created to facilitate fractional loan transactions. The fractional loan program was closed to new investments in 2019. We provide additional information regarding transactions with unconsolidated VIEs in “Note 3. Securitizations and Variable Interest Entities” to our consolidated financial statements included elsewhere in this prospectus.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

Our significant accounting policies are described in “Note 1. Description of Business and Significant Accounting Policies” to our consolidated financial statements included elsewhere in this prospectus. We believe that the accounting policies described below reflect our most critical accounting policies and estimates, which represent those that involve a significant degree of judgment and complexity. Accordingly, we believe these policies are critical in fully understanding and evaluating our reported financial condition and results of operations.

Variable Interest Entities

A legal entity is considered a VIE if it either has a total equity investment that is insufficient to finance its operations without additional subordinated financial support or whose equity holders lack the characteristics of a controlling financial interest. Our variable interest arises from contractual, ownership, or other monetary interests in the entity. We consolidate a VIE when we are deemed to be the primary beneficiary. We determine whether we are the primary beneficiary if we have the power to direct activities that significantly impact the VIE’s economic performance and we have the obligation to absorb losses or receive benefits of the VIE that could be potentially significant to the VIE.

We are required to apply judgment in performing this assessment, including in identifying the activities that most significantly impact a VIE’s economic performance and determining significance of our obligation to absorb losses or receive benefits. Factors considered in assessing the significance include: the design of the VIE, including its capitalization structure; subordination of interests; payment priority; relative share of interests held within the VIE’s capital structure; and the nature of or reason behind our interest in the entity.

We also apply judgment to determine whether decision-maker or service-provider fees are variable interests. Decision-maker or service-provider fees are not considered variable interests when the arrangement does not expose Upstart to risks of loss that a potential VIE was designed to pass on to its variable interest holders, the fees are commensurate, the arrangement is at market, and we do not have any other interests (including direct interests and certain indirect interests held through related parties) that absorb more than an insignificant amount of a VIE's potential variability. Changes in our level of other interests in a potential VIE, such as those resulting from disposals of investments in securitization trusts serviced by us subsequent to the expiration of applicable risk retention requirements, can affect whether a decision-maker or service-provider fee is deemed a variable interest. This determination can have a significant impact on our consolidation conclusions, as it could affect whether a legal entity is a VIE and whether Upstart is the primary beneficiary of a VIE.

At a VIE's inception, we determine whether we are the primary beneficiary based on the facts and circumstances. We assess whether or not we are the primary beneficiary of a VIE on an ongoing basis.

Upstart has an ongoing contractual relationship with one of its VIEs, Upstart Loan Trust, which is a bankruptcy-remote special purpose borrowing entity. Upstart, from time to time and as-desired, sells loans to Upstart Loan Trust pursuant to a loan sale agreement, and services those loans from the time of transfer to Upstart Loan Trust until such loans are either charged-off or mature pursuant to a loan servicing agreement. Upstart Loan Trust borrows from one bank pursuant to a revolving credit and security agreement in order to finance the purchases of the loans from Upstart.

Upstart has also established a VIE special purpose trust, Upstart Loan Trust 2, that holds loans that have been repurchased by us following breaches of loan-level representations and warranties, loans that are ineligible to finance through the warehouse trust or loans that are held by Upstart. Upstart services the loans held by Upstart Loan Trust 2 until the loans are either charged-off or mature pursuant to a loan servicing agreement.

Upstart has also established VIEs and grantor trusts pursuant to its sponsored securitization transactions involving the issuance of asset-backed securities, or ABS. Such VIEs or grantor trusts are respectively referred to elsewhere in this registration statement with the nomenclature Upstart Securitization Trust [Year]-[Number] and Upstart Funding Grantor Trust [Year]-[Number]. For each such securitization transaction, we (along with certain other loan contributors that have previously purchased whole loans from us) sold Upstart-powered loans via a bankruptcy-remote intermediate entity to the issuing trust and then to the grantor trust. For each transaction, the grantor trust holds legal title to the loans and issues a collateral certificate representing the beneficial interest in such loans to the issuing trust. The issuing trust in turn issues various tranches of asset-backed securitization notes and certificates, which are purchased by one or more investment bank initial purchasers for resale to qualified institutional buyers and backed by the payments from the grantor trust to the issuing trust reflecting payments on the underlying securitized loans. Upstart, in addition to being party to various loan transfer agreements that facilitate the contribution of loans to the grantor trust, also services the loans held by each grantor trust from the time of transfer to the trust until the loans are charged off or mature pursuant to a loan servicing agreement.

In connection with each sponsored securitization transaction, Upstart facilitated the creation of a majority-owned affiliate, or MOA, which is a limited liability company and VIE. The purpose of these MOAs is to enable Upstart's compliance with its risk retention obligations as a securitization sponsor pursuant to Regulation RR. Each MOA has held the requisite amount of ABS to comply with these obligations for the length of time required by the regulation. Upstart is party to the limited liability company agreement establishing each MOA.

Upstart has also established Upstart Network Trust, a special purpose entity that purchased loans from Upstart in which individual accredited investors in turn have purchased securities representing

fractional interests in such purchased loans. Upstart, in addition to being party to a transfer agreement that facilitates the contribution of loans to Upstart Network Trust, services the loans held by Upstart Network Trust from the time of transfer until the loans are charged off or mature pursuant to a loan servicing agreement. Upstart Network Trust was closed to new investments as of the end of 2019.

Fair Value of Loans, Notes Receivable and Residual Certificates, Payable to Securitization Note Holders and Residual Certificate Holders, and Notes Payable

We have elected the fair value option for loans, notes payable to investors who participate in the legacy fractional loan-related securities program, and financial instruments related to securitization transactions, including notes receivable and residual certificates representing required risk retention for sponsored non-consolidated securitizations, and amounts payable to note holders and residual certificate holders in consolidated securitizations. We believe the estimate of fair value of these financial instruments requires significant judgment. We use a discounted cash flow model to estimate the fair value of these financial instruments based on the present value of estimated future cash flows. This model uses both observable and unobservable inputs and reflects our best estimates of the assumptions a market participant would use to calculate fair value. Primary inputs that require significant judgment include discount rates, credit risk rates, and expected prepayment rates. These inputs are based on historical performance of loans facilitated through our platform, as well as the consideration of market participant requirements. See “Note 4. Fair Value Measurement” to our consolidated financial statements included elsewhere in this prospectus for additional information.

Fair Value of Loan Servicing Assets and Liabilities

We also record loan servicing assets and liabilities at estimated fair value when we transfer loans which qualify as sales under Topic 860, *Transfers and Servicing* with servicing rights retained or when we enter into servicing agreements with banks partners that retain Upstart-powered loans. Loan servicing assets and liabilities are reported in other assets and other liabilities on our consolidated balance sheets. The gain or loss on loan sale, as well as changes in the fair value of loan servicing assets and liabilities are reported in revenue from fees, net, on our consolidated statements of operations and comprehensive income (loss) in the period in which the changes occur. We use a discounted cash flow model to estimate the fair values of loan servicing assets and liabilities. The cash flows in the valuation model represent the difference between the servicing fees charged to loan investors and an estimated market servicing fee. Since servicing fees are generally based on the monthly unpaid principal balance of the underlying loans, the expected cash flows in the model incorporate estimated credit risk and expected prepayments on the loans. These inputs are consistent with the assumptions used in the valuation of loans held-for-investment and related securitization notes and residual certificates. See “Note 4. Fair Value Measurement” to our consolidated financial statements included elsewhere in this prospectus for additional information.

Revenue Recognition

Our revenue consists of two components: revenue from fees, net and interest income and fair value adjustments, net.

Revenue From Fees, Net

The revenue from fees, net line item on the consolidated statements of operations is primarily comprised of platform and referral fees, net, which are recognized based on Accounting Standards Update, or ASU, 2014-09, *Revenue from Contracts with Customers* (Topic 606). Income historically recognized under Topic 860, *Transfers and Servicing* and Topic 310, *Receivables* is excluded from the scope of the standard; as such, we have concluded that interest income and fair value adjustments,

net and income from servicing fees will not change under the standard. We adopted Topic 606 as of January 1, 2019, using the modified retrospective method for all contracts not completed as of the date of adoption. The adoption of Topic 606 had no material impact on our consolidated balance sheet, consolidated statement of operations and comprehensive income (loss) and consolidated statement of cash flows as of the adoption date or for the year ended December 31, 2019.

Topic 606 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. The core principle, involving a five-step process, of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Our arrangements for platform and referral services typically consist of an obligation to provide one or both of these services to customers on a when and if needed basis (a stand-ready obligation), and we recognize revenue as such services are performed, which coincides with the amount billable to the customer. Additionally, the services have the same pattern and period of transfer, and when provided individually or together, are accounted for as a single combined performance obligation representing a series of distinct days of service.

Our platform and referral fees represent variable consideration. Since the variable fees relate directly to the day the service is provided, they generally meet the criteria for allocating variable consideration entirely to one or more, but not all, performance obligations in a contract. Accordingly, when the requisite criteria are met, variable fees are allocated to and recognized on the day the services are provided.

We also charge an ongoing loan servicing fee to the holder of the loan (either a bank or institutional investor) based on a predetermined percentage of the outstanding principal balance. Loan servicing fees are recognized in the period the services are provided. Servicing fees, net also includes gains and losses on assets and liabilities recognized under loan servicing arrangements for loans retained by bank partners or loans sold to institutional investors. Such gains or losses are recognized based on whether the benefits of servicing are expected to more than adequately compensate us for carrying out our servicing obligations. Servicing fees also include changes in fair value of loan servicing assets and liabilities in the periods presented.

Interest Income and Fair Value Adjustments, Net

Interest income and fair value adjustments, net is comprised of interest income, interest expense and net changes in fair value of financial instruments from our normal course of business held at fair value, including loans, notes receivable and residual certificates, payable to securitization note holders and residual certificate holders, and notes payable. We record these adjustments in earnings in the period incurred and include both realized and unrealized adjustments to the value of related assets and liabilities. See the subsection titled “Fair Value of Loans, Notes Receivable and Residual Certificates, Payable to Securitization Note Holders and Residual Certificate Holders, and Notes Payable” above for further details on the estimates of fair value of these assets and liabilities.

Stock-Based Compensation

We estimate the grant date fair value of stock options granted to employees and nonemployees using the Black-Scholes option-pricing model. The fair value of stock options that is expected to vest is recognized as compensation expense on a straight-line basis over the requisite service period, which is typically the vesting period of the respective awards.

The Black-Scholes option-pricing model considers several variables and assumptions in estimating the grant date fair value of stock-based awards. These assumptions include:

- *Fair Value of Common Stock*—See the subsection titled "Common Stock Valuations" below.
- *Expected Term*—The expected term represents the period that the stock-based awards are expected to be outstanding. We determined the expected term for employee stock options based on historical terminations and exercise behavior, which factors in an extended post-termination exercise provision for vested awards for certain employees who provide more than three years of service. We use the contractual term for all nonemployee awards.
- *Expected Volatility*—Since we are not yet a public company and do not have any trading history for our common stock, the expected volatility is estimated based on the average historical volatilities of common stock of comparable publicly traded entities over a period equal to the expected term of the stock option grants. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the stock option award.
- *Expected Dividend*—We have never paid dividends on our common stock since our inception, nor do we expect to pay dividends in the foreseeable future. Therefore, we used an expected dividend yield of zero.

See "Note 11. Equity Incentive Plans" of our consolidated financial statements included elsewhere in this prospectus for information concerning certain of the specific assumptions we used in applying the Black-Scholes option-pricing model to determine the estimated fair value of our stock options granted in the years ended December 31, 2018 and 2019. Such assumptions involved inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our stock-based compensation could be materially different.

Stock-based compensation expense was $1.3 million, $2.0 million, $3.8 million, and $7.1 million during the years ended December 31, 2017, 2018 and 2019, and the nine months ended September 30, 2020, respectively. As of December 31, 2019 and September 30, 2020, we had $15.3 million and $22.9 million, respectively, of total unrecognized stock-based compensation costs which we expect to recognize over a weighted-average period of 2.5 years and 1.3 years, respectively. These amounts reflect our reassessment of the fair value of our common stock in the year ended December 31, 2019 and the nine months ended September 30, 2020.

The intrinsic value of all outstanding options as of September 30, 2020 was approximately $346.4 million, based on the initial public offering price of $21.0 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, fair value estimated by the board of directors as of that date, of which approximately $226.5 million is related to vested options and approximately $119.8 million is related to unvested options.

Common Stock Valuations

Historically, for all periods prior to this initial public offering, since there has been no public market of our common stock to date, the fair value of the shares of common stock underlying our share-based awards was estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things,

input from management, valuations of our common stock prepared by unrelated third-party valuation firms in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, and our board of directors' assessment of additional objective and subjective factors that it believed were relevant, and factors that may have changed from the date of the most recent valuation through the date of the grant. These factors include, but are not limited to:

- our results of operations and financial position, including our levels of available capital resources;
- our stage of development and material risks related to our business;
- our business conditions and projections;
- the valuation of publicly traded companies in the financial technology sectors, as well as recently completed mergers and acquisitions of peer companies;
- the lack of marketability of our common stock as a private company;
- the prices at which we sold shares of our convertible preferred stock to outside investors in arms-length transactions;
- the rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the likelihood of achieving a liquidity event for our securityholders, such as an initial public offering or a sale of our company, given prevailing market conditions;
- the hiring of key personnel and the experience of management;
- trends and developments in our industry; and
- external market conditions affecting the financial technology industry sector.

Our board of directors considered the fair value of our common stock by first determining the equity value of our company, and then allocating that value among the various classes of our equity securities to derive a per share value of our common stock.

The equity value of our company was determined using the market approach by reference to the closest round of equity financing, if any, preceding the date of valuation and analysis of the trading values of publicly traded companies deemed comparable to us.

In allocating the equity value of our company among various classes of stock, for our valuations performed on and prior to June 30, 2019, we used the option pricing method, or OPM, backsolve method. In an OPM framework, the backsolve method for inferring the equity value implied by a recent financing transaction involves making assumptions for the expected time to liquidity, volatility and risk-free rate and then solving for the value of equity such that value for the most recent financing equals the amount paid. This method was selected as management concluded that the contemporaneous financing transaction was an arms-length transaction. Furthermore, as of June 30, 2019, we were at an early stage of development and future liquidity events were difficult to forecast.

For our valuations performed subsequent to June 30, 2019, we used a hybrid method of the OPM and the Probability-Weighted Expected Return Method, or PWERM. PWERM considers various potential liquidity outcomes. Our approach included the use of different timing of initial public offering scenarios and a scenario assuming continued operation as a private entity. Under the hybrid OPM and PWERM method, the per share value calculated under the OPM and PWERM are weighted based on expected exit outcomes and the quality of the information specific to each allocation methodology to arrive at a final estimated fair value per share value of the common stock before a discount for lack of marketability is applied.

In the course of preparing our consolidated financial statements with a retrospective view, we have reassessed the fair value of our common stock in 2019 solely for accounting purposes. For purposes of this determination, we determined that the reassessed fair value of our common stock increased on a linear basis between the dates of our third-party valuation reports. We believe that linear interpolation between these is appropriate as no single event caused the valuation of our common stock to increase.

Following the closing of this offering, our board of directors will determine the fair market value of our common stock based on its closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

Recent Accounting Pronouncements

See “Note 1. Description of Business and Significant Accounting Policies” to our consolidated financial statements included in this prospectus for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this prospectus.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. The JOBS Act does not preclude an emerging growth company from early adopting a new or revised accounting standard earlier than the time that such standard applies to private companies. We early adopted ASU 2016-02, *Leases* (Topic 842) effective January 1, 2019 and have elected not to restate comparative periods presented in the consolidated financial statements. We expect to use the extended transition period for any other new or revised accounting.

Quantitative and Qualitative Discussions of Market Risk

We are exposed to market risks in the ordinary course of our business, which primarily relate to fluctuations in market discount rates, credit risks, and interest rates. We are exposed to market risk directly through loans and securities held on our consolidated balance sheets, access to the securitization markets, investor demand for unsecured personal loans facilitated through our platform, and availability of funding under our current credit facilities and term loans. Such fluctuations to date have not been significant.

Discount Rate Risk

Discount rate sensitivity refers to the risk of loss to future earnings, values or future cash flows that may result from changes in market discount rates.

Loans at Fair Value—As of December 31, 2019 and September 30, 2020, we were exposed to market discount rate risk on $141.6 million and $122.7 million, respectively of loans held-for-investment and held-for-sale on our consolidated balance sheet. The fair value of these loans is estimated using a discounted cash flow methodology, where the discount rate represents an estimate of the required rate

of return by market participants. The discount rates for loans facilitated through our platform may change due to changes in expected loan performance or changes in the expected returns of similar financial instruments available in the market. Any gains and losses from discount rate changes are recorded in earnings. As of December 31, 2019, a hypothetical 100 basis point and 200 basis point increase in discount rate would result in a $1.9 million and $3.8 million decrease, respectively, in the fair value of these loans. As of September 30, 2020, a hypothetical 100 basis point and 200 basis point increase in discount rate would result in a $1.5 million and $2.9 million decrease, respectively, in the fair value of these loans.

Assets and Liabilities related to Securitization Transactions—As of December 31, 2019, we were exposed to discount rate risk on $34.1 million of notes receivable and residual certificates and $89.7 million of payable to securitization note holders and residual certificate holders. As of September 30, 2020, we were exposed to discount rate risk on $22.1 million of notes receivable and residual certificates. We assess the sensitivity of securitization notes and residual certificates by reviewing the average impact across all securitization transactions. As of December 31, 2019, a hypothetical 100 basis point and 200 basis point increase in discount rates would result in a decrease in fair value of these securities of 1.40% and 2.77%, respectively, on average across all securitizations. As of September 30, 2020, a hypothetical 100 basis point and 200 basis point increase in discount rates would result in a decrease in fair value of these securities of 1.15% and 2.28%, respectively, on average across all securitizations.

Credit Risk

Credit risk refers to the risk of loss arising from individual borrower default due to inability or unwillingness to meet their financial obligations. The performance of certain financial instruments, including loans, securitization notes and residual certificates, on our consolidated balance sheets are dependent on the credit performance of loans facilitated by us. To manage this risk, we monitor borrower payment performance through our lending platform and utilize our AI capabilities to price loans in a manner that we believe is reflective of their credit risk.

The fair values of these loans, securitization notes, and residual certificates are estimated based on a discounted cash flow model which involves the use of significant unobservable inputs and assumptions. These instruments are sensitive to changes in credit risk.

Loans, at Fair Value—As of December 31, 2019 and September 30, 2020, we were exposed to credit risk on $141.6 million and $122.7 million, respectively of loans in held-for-investment and held-for-sale in our consolidated balance sheet. These loans bear fixed interest rates and are carried on our consolidated balance sheets at fair value. As of December 31, 2019, a hypothetical 10% and 20% increase in credit risk would result in a $2.3 million and $4.7 million decrease, respectively, in the fair value of loans held-for-investment (excluding loans held as collateral by consolidated securitizations). As of September 30, 2020, a hypothetical 10% and 20% increase in credit risk would result in a $2.0 million and $3.9 million decrease, respectively.

Assets and Liabilities related to Securitization Transactions—Transactions—As of December 31, 2019, we were exposed to credit risk on $34.1 million of notes receivable and residual certificates and $89.7 million of payable to securitization note holders and residual certificate holders. As of September 30, 2020, we were exposed to credit risk on $22.1 million of notes receivable and residual certificates.

The securities issued in the securitizations are senior or subordinated based on the waterfall criteria of loan payments to each security class, with the residual interest, or the residual certificates, issued being the first to absorb credit losses in accordance with the waterfall criteria. Accordingly, the

residual certificates are the most sensitive to adverse changes in credit risk rates. Depending on the specific securitization, a hypothetical increase in the credit risk rate of 10% to 20% would result in significant decreases in the fair value of the residual certificates. On average, a hypothetical increase in the credit risk rate of 20% would result in a 25% decrease in the fair value of the residual certificates. The remaining classes of securities, with the exception of those in the August 2018 securitization transaction, are all overcollateralized such that changes in credit risk rates are not expected to have significant impacts on their fair values.

As of December 31, 2019 and September 30, 2020, we are exposed to credit risk of $80.1 million and $110.6 million, respectively, related to cash and restricted cash held in business checking accounts and interest-bearing deposit accounts at various financial institutions in the United States. We are exposed to credit risk in the event of default by these financial institutions to the extent the amount recorded on our consolidated balance sheets exceeds the insured amounts by the Federal Deposit Insurance Corporation, or FDIC. We reduce credit risk by placing our cash and restricted cash in reputable institutions.

Interest Rate Risk

The interest rates charged on the loans that our bank partners originate are determined based upon a margin above a market benchmark at the time of onboarding. Increases in the market benchmark would result in increases in the interest rates on new loans. Increased interest rates may adversely impact the spending levels of our individual borrowers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of individual borrowers to remain current on their obligations to our bank partners and, therefore, lead to increased delinquencies, defaults, customer bankruptcies and charge-offs, and decreasing recoveries, all of which could have a material adverse effect on our business.

Term Loans, Warehouse Credit Facilities and Revolving Credit Facility—As of December 31, 2019 and September 30, 2020, we are exposed to interest rate risk on $101.8 million and $91.3 million, respectively, under the term loans and revolving credit facility arrangements which bear floating interest rates. Changes in interest rates may impact our cost of borrowing. Future funding activities under the revolving credit facilities may increase our exposure to interest rate risk, as the interest rates payable on such funding are tied to short-term market rates. From time to time, we enter into interest rate hedges in connection with our warehouse credit facilities.

Our inability or failure to manage market risks could harm our business, financial condition or results of operations.

BUSINESS

Overview

Our mission is to enable effortless credit based on true risk.

We are a leading, cloud-based AI lending platform. AI lending enables a superior loan product with improved economics that can be shared between consumers and lenders. Our platform aggregates consumer demand for high-quality loans and connects it to our network of Upstart AI-enabled bank partners. Consumers on our platform benefit from higher approval rates, lower interest rates, and a highly automated, efficient, all-digital experience. Our bank partners benefit from access to new customers, lower fraud and loss rates, and increased automation throughout the lending process. Since inception, our bank partners have originated over 620,000 personal loans that have generated more than 9 million repayment events. In the nine months ended September 30, 2020, approximately 70% of Upstart-powered loans were entirely automated.

Credit is a cornerstone of the U.S. economy, and access to affordable credit is central to unlocking upward mobility and opportunity. The FICO score was invented in 1989 and remains the standard for determining who is approved for credit and at what interest rate.[64] While FICO is rarely the only input in a lending decision, most banks use simple rules-based systems that consider only a limited number of variables. Unfortunately, because legacy credit systems fail to properly identify and quantify risk, millions of creditworthy individuals are left out of the system, and millions more pay too much to borrow money.[65]

The first generation of online lenders focused on bringing credit online. Analogous to earlier internet pioneers, these companies made shopping for and accessing credit simpler and easier for consumers and businesses. It was no longer necessary to stand in line at a bank branch, to sit across the desk from a loan officer and to wait weeks or months for a decision. These lenders enabled the emergence of personal loan products that were previously unprofitable for banks to offer. While they brought the credit process online, they inherited the decision frameworks that banks had used for decades and did not address the more rewarding and challenging opportunity of reinventing the credit decision.

We leverage the power of AI to more accurately quantify the true risk of a loan. Our AI models have been continuously upgraded, trained and refined for more than eight years. We have discrete AI models that target fee optimization, income fraud, acquisition targeting, loan stacking, prepayment prediction, identity fraud and time-delimited default prediction. Our models incorporate more than 1,600 variables and benefit from a rapidly growing training dataset that currently contains more than 9 million repayment events. The network effects generated by our constantly improving AI models provide a significant competitive advantage—more training data leads to higher approval rates and lower interest rates at the same loss rate.

We have been able to demonstrate through several studies that AI lending works. First, in 2019 the CFPB reported that a study by Upstart of its data using a methodology specified by the CFPB showed that our AI model approves 27% more borrowers than a high-quality traditional model, with a 16% lower average APR for approved loans.[66] Second, when compared to credit models from several large banks, our AI models approve approximately 2.7 times as many borrowers at the same loss rate.[67] Third, for pools of securitized loans, our realized loss rates were only approximately half of

64 Kaufman; see the section titled “Industry, Market and Other Data.”
65 Ficklin and Watkins; see the section titled “Industry, Market and Other Data.”
66 Ficklin and Watkins; see the section titled “Industry, Market and Other Data.”
67 In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart’s applicant base in late 2017. Such result represents the average rate of improvement exhibited by Upstart’s platform against each of the three respective bank models.

those predicted by Kroll, a prominent credit rating agency; over that same time period, realized losses for the same pool of loans were on average only 5% different than our internal forecasts.[68] And finally, we regularly monitor the accuracy of our AI models in comparison with simple credit score-based models and have observed higher model accuracy across a variety of statistical measures relating to each model's predictive accuracy.[69]

Our AI models are provided to bank partners within a consumer-facing cloud application that streamlines the end-to-end process of originating and servicing a loan. We have built a configurable, multi-tenant cloud application designed to integrate seamlessly into a bank's existing technology systems. Our highly configurable platform allows each bank to define its own credit policy and determine the significant parameters of its lending program. Our AI models use and analyze data from all of our bank partners. As a result, these models are trained by every Upstart-powered loan, and each bank partner benefits from participating in a shared AI lending platform.

Consumers can discover Upstart-powered loans in one of two ways: either via Upstart.com or through a white-labeled product on our bank partners' own websites.

Loans issued through our platform can be retained by our originating bank partners, distributed to our broad base of approximately 100 institutional investors and buyers that invest in Upstart-powered loans or funded by Upstart's balance sheet. In the third quarter of 2020, 22% of the loans funded through our platform were retained by the originating bank and 76% of loans were purchased by institutional investors through our loan funding programs. Our institutional investors and buyers that participate in our loan funding programs, which include Goldman Sachs, PIMCO and funds managed by Morgan Stanley Investment Management, invest in Upstart-powered loans through whole loan purchases, purchases of pass-through certificates and investments in asset-backed securitizations. We enter into nonexclusive agreements with our whole loan purchasers and each of the grantor trust entities in our asset-backed securitizations, or ABS, under which our ABS investors benefit from our loan servicing capabilities.[70] The remaining 2% of loans funded through our platform in the third quarter of 2020 were funded through our balance sheet.

Our revenue is primarily comprised of fees paid by banks. We charge banks referral fees for each loan referred through Upstart.com and originated by a bank partner, platform fees for each loan originated (regardless of its source) and loan servicing fees as consumers repay their loans. Our agreements with our bank partners are nonexclusive, generally have 12-month terms that

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68 In an internal study, Upstart compared the actual realized loss rates of Upstart loans securitized in five securitization transactions between June 2017 and September 2019 and the loss rate predictions for those loans obtained from KBRA Surveillance Reports published by Kroll Bond Rating Agency in December 2019. As compared to Kroll's loss predictions, actual realized losses were approximately 31% to 71% lower, with an average deviation across all five securitization transactions of -48%. As compared to our internal forecasts, actual realized losses ranged from approximately 35% higher (for the earliest securitization transaction) to approximately 17% lower (for the most recent securitization transaction), with an average absolute deviation across all of five securitization transactions of approximately 13%.

69 Upstart compares on a monthly basis its AI models to (i) a FICO-only model and (ii) a "FICO+" model, which considers loan amount, debt-to-income ratio, monthly income, number of inquiries and number of trade accounts in addition to FICO score, which we believe is representative of the model many of our sophisticated competitors would use. To conduct a comparison of the Upstart AI models to the models described in (i) and (ii), we run applicant information through the Upstart AI models, the FICO-only model, and FICO+ model, comparing performance by analyzing five commonly-used statistical metrics, each of which measures the deviation between predicted losses and actual losses for each model. These metrics include: the root mean square error of net present value of losses, normalized logistic loss, ratio of the gini coefficients of predicted to observed rankings, the area under the receiver operating characteristics curve, and the Kolmogorov-Smirnov statistic.

70 See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Term loans and revolving loan facilities" and Note 7 to our consolidated financial statements for more information about our loan funding programs, including the role of our warehouse credit facilities and special purpose entities. See "Note 3. Securitizations and Variable Interest Entities" to our consolidated financial statements for additional information regarding transactions with our VIEs.

automatically renew, subject to certain early termination provisions and minimum fee amounts, and do not include any minimum origination obligation or origination limits. As a usage-based platform, we target positive unit economics on each transaction, resulting in a cash efficient business model that features both high growth rates and profitability. As of September 30, 2020, we had 10 bank partners. In the nine months ended September 30, 2020, Cross River Bank originated 72% of the loans facilitated on our platform and fees received from Cross River Bank accounted for 65% of our total revenue.[71] Our current agreement with Cross River Bank began on January 1, 2019 and has an initial four year term, with a renewal term for an additional two years following the initial four year term.

We have achieved rapid growth while improving our margin profile in recent years. The number of loans facilitated on our platform increased by 88% from 114,125 in 2018 to 215,122 in 2019, and 30% from 136,468 in the nine months ended September 30, 2019 to 176,983 over the same period in 2020. Our revenue for the nine months ended September 30, 2019 and 2020 was $101.6 million and $146.7 million, respectively, representing an increase of 44%. For the nine months ended September 30, 2019 and 2020, our net income (loss) was $(6.5) million and $5.0 million, respectively.

Industry Overview

Affordable Credit is Critical to Unlocking Upward Mobility and Opportunity

With $3.6 trillion of consumer credit originated between April 2019 and March 2020,[72] credit is a cornerstone of the U.S. economy. Access to affordable credit is central to unlocking upward mobility and opportunity. Reducing the price of borrowing for consumers has the potential to dramatically improve the quality of life for millions of people. Studies have demonstrated a strong statistical link among access to affordable credit, personal well-being and income growth.[73] The average American has approximately $29,800 in personal debt.[74] While access to affordable credit has allowed Americans to purchase and improve their homes, buy cars, pay for college tuition and cover emergency expenses, high interest rates can negatively impact a consumer's financial health. The U.S. Federal Reserve reports that on average, 10% of household disposable personal income is spent on debt repayment.[75] In addition, 16% of Americans spend 50% to 100% of their monthly income repaying debt.[76]

Affordable Credit Is Inaccessible for Millions because Existing Systems Fail to Accurately Quantify Risk

The FICO score was invented in 1989 and has not fundamentally changed since that time.[77] The FICO score is used by over 90% of lenders to determine who is approved for credit and at what interest rate.[78] While FICO is rarely used in isolation, many credit models are simple rules-based systems. A leading expert found that bank credit models commonly incorporate eight to 15 variables, with the more sophisticated models using as many as 30.[79] Unsurprisingly, the world is more complicated than can be represented by these models, so they are limited in their ability to reliably estimate the probability of default.

71 See the section titled "—Bank Partnerships" for more information about our arrangements with CRB and other bank partners.
72 Based on loan origination dollar amounts published by TransUnion; see the section titled "Industry, Market and Other Data."
73 Wysen; see the section titled "Industry, Market and Other Data."
74 Northwestern Mutual; see the section titled "Industry, Market and Other Data."
75 Federal Reserve Household Debt; see the section titled "Industry, Market and Other Data."
76 Northwestern Mutual; see the section titled "Industry, Market and Other Data."
77 Kaufman; see the section titled "Industry, Market and Other Data."
78 Kaufman; see the section titled "Industry, Market and Other Data."
79 Siddiqi; see the section titled "Industry, Market and Other Data."

Many borrowers suffer from the effects of inaccurate credit models. Many are approved for a loan that they ultimately will be unable to repay, negatively impacting both the consumer and the lender. Many others may be declined for a loan that they could have successfully repaid if given the opportunity—again doing harm to both consumer and lender. According to an Upstart retrospective study completed in December 2019, four out of five Americans who have taken out a loan have never defaulted, yet less than half of Americans have access to prime credit.[80] Even consumers with high credit scores tend to pay too much for loans because the rates they pay effectively subsidize the losses from borrowers who default.

Banks Will Continue to be at the Forefront of Consumer Lending

Banks have been at the forefront of consumer lending in the U.S. for more than a century. They benefit from long-term structural advantages, including a low cost of funding, a unique regulatory framework, and high levels of consumer trust. Through large and reliable deposit bases, banks are able to maintain a very low cost of funds—approximately 1% on average.[81] These cost savings are passed through to borrowers in the form of lower interest rates, a significant competitive advantage over non-depository lending institutions. Banks also benefit from a regulatory framework that allows them to create nation-wide lending programs that are largely uniform. Given these advantages, we believe that a partnership-based bank enablement approach will be more successful than a disruption strategy.

Banks Must Undergo a Digital Transformation to Remain Competitive

The largest four U.S. banks spend an estimated $38 billion on technology and innovation annually.[82] These four banks may attempt to build AI lending models over time, once general market acceptance has been achieved. However, outside the largest four banks, there are approximately 5,200 FDIC insured institutions[83] that are at risk of falling behind. Despite holding over $8 trillion in deposits,[84] we believe these banks, particularly small to medium-sized banks, have outdated technology and lack the technical resources of larger banks to fund the digitization process.

At the same time, consumers are increasingly seeking digital, personalized and automated experiences.[85] A 2017 Bain survey found that approximately 50% of the U.S. population would be

80 The study defined access to prime credit as individuals with credit reports with VantageScores of 720 or above.
81 Federal Home Loan Bank of San Francisco; see the section titled “Industry, Market and Other Data.”
82 Garcia; see the section titled “Industry, Market and Other Data.”
83 FDIC; see the section titled “Industry, Market and Other Data.”
84 The dollar amount of deposits held by banks, other than the four largest banks, was aggregated by Upstart using data provided by the FDIC; see the section titled “Industry, Market and Other Data.”
85 Bain, PwC and RedPoint Global; see the section titled “Industry, Market and Other Data.”

comfortable buying financial products from technology companies.[86] We believe that as consumers, both young and old, move their financial lives online, small and medium-sized banks will be increasingly ill-equipped to serve them.

We believe that these trends have been accelerated by the COVID-19 pandemic, as the lack of access to physical bank branches has increased the banking industry's focus on digital capabilities. The performance of our platform through this crisis has also given existing and prospective bank partners an important new data point to underpin their growing confidence in our solution.

Increasing Recognition from Regulators

Many regulators including the FDIC, the OCC, the Federal Reserve and the CFPB increasingly recognize the opportunity to modernize techniques used in lending.[87] In December 2019, these agencies issued an inter-agency report in support of the use of alternative data in lending decisions.[88] Additionally, in November 2019, the CFPB director noted that despite external uncertainty regarding how AI will fit into regulatory frameworks, the CFPB is focused on ensuring a path to regulatory clarity because it recognizes the value AI lending products can offer consumers.[89] In fact, in 2017, in response to a request by Upstart, the CFPB issued Upstart the first no-action letter, which provides that the CFPB has no present intention to recommend enforcement action with regard to the application of the Equal Credit Opportunity Act against Upstart for its use of alternative variables and AI and machine learning in credit decision-making.[90] This no-action letter expired on December 1, 2020. On November 30, 2020, the CFPB issued a new no-action letter to Upstart under the CFPB's revised 2018 policy on no-action letters. This new no-action letter, which will expire on November 30, 2023, covers the use of our AI model to underwrite and price unsecured closed-end loans, and is conditional on our implementation of a Model Risk Assessment Plan that was developed with the CFPB.

The AI Opportunity

AI has the potential to add $13 trillion to the current global economic output by 2030, a 16% increase over today's output.[91] According to the McKinsey Global Institute, AI will be slowly adopted in its early stages, followed by steep acceleration as the technology matures and companies learn how to best deploy it.[92] We believe the lending industry will follow this path.

Lending is a compelling application for AI. First, it involves sophisticated decisioning for events that occur millions of times each day. Second, there is an almost unlimited supply of data that has the potential to be predictive and improve the accuracy of credit decisions. Third, given the costs and risks associated with lending, the economic wins from AI are dramatic for both banks and consumers. This means that the significant investment required to overcome the technical and regulatory hurdles is well worth the effort.

With our eight-year head start, our AI lending platform is well-positioned to power a significant portion of the U.S. credit market. To date, we have focused on the unsecured personal loan market, one of the fastest-growing segment of consumer credit.[93] From April 2019 to March 2020, there were $118 billion[94] in U.S. unsecured personal loan originations, representing 8% growth over the prior year.

86 Bain; see the section titled "Industry, Market and Other Data."
87 FDIC Interagency Statement; see the section titled "Industry, Market and Other Data."
88 FDIC Interagency Statement; see the section titled "Industry, Market and Other Data."
89 Kraninger; see the section titled "Industry, Market and Other Data."
90 CFPB No-Action Letter; see the section titled "Industry, Market and Other Data."
91 McKinsey; see the section titled "Industry, Market and Other Data."
92 McKinsey; see the section titled "Industry, Market and Other Data."
93 Beiseitov; see the section titled "Industry, Market and Other Data."
94 Based on loan origination dollar amounts published by TransUnion; see the section titled "Industry, Market and Other Data."

In the same period, we facilitated the origination of $3.5 billion in unsecured personal loans, or less than 5% of the total market.[95] We not only have a large opportunity to capture market share in unsecured personal loans, but by applying our AI models and technology to adjacent opportunities, we believe we are well-positioned to address the U.S. auto loan, credit card and mortgage markets. From April 2019 to March 2020, there were $625 billion in U.S. auto loan originations, $363 billion in U.S. credit card originations and $2.5 trillion in U.S. mortgage originations.[96] In June 2020, we began offering auto loans on our platform, and in September 2020, the first auto loan was originated through the Upstart platform. Over time, we believe we are also capable of capturing market share in student loans, point-of-sales loans and HELOCs.

Our AI Lending Platform

Our AI models are central to our value proposition and unique position in the industry. Our models incorporate more than 1,600 variables, which are analogous to the columns in a spreadsheet. They have been trained by more than 9 million repayment events, analogous to rows of data in a spreadsheet. Interpreting these almost 15 billion cells of data are increasingly sophisticated machine learning algorithms that enable a more predictive model.

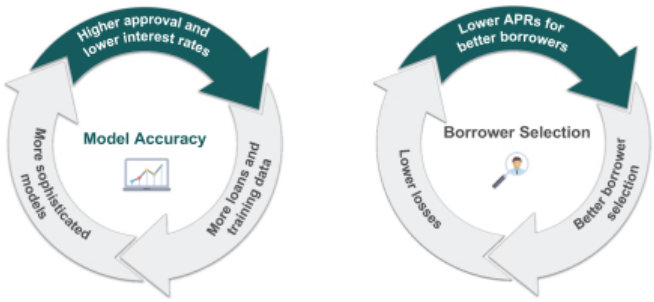
These elements of our model are co-dependent; the use of hundreds or thousands of variables is impractical without sophisticated machine learning algorithms to tease out the interactions between them. And sophisticated machine learning depends on large volumes of training data. Over time, we have been able to deploy and blend more sophisticated modeling techniques, leading to a more accurate system. This co-dependency presents a challenge to others who may aim to short-circuit the development of a competitive model. While incumbent lenders may have vast quantities of historical repayment data, their training data lacks the hundreds of columns, or variables, that power our model. For more details regarding the variables, training data, and algorithms in our models, please see “Business—Evolution of Upstart’s AI Model.”

Despite their sophistication, our AI models are delivered to banks in the form of a simple cloud application that shields borrowers from the underlying complexity. Additionally, our platform allows banks to tailor lending applications based on their policies and business needs. Our bank partners can configure many aspects of their lending programs, including factors such as loan duration, loan amount, minimum credit score, maximum debt-to-income ratio and return target by risk grade. Within the construct of each bank’s self-defined lending program, our platform enables the origination of conforming and compliant loans at a low per-loan cost.

Our platform benefits from powerful flywheel effects that drive continuous improvements as our business scales. Our platform benefits first from increasingly sophisticated models, variable expansion and rapid growth of training data. Upgrades to our platform allow us to offer higher approval rates and lower interest rates to consumers, which increases the number of borrowers on our platform. Upgrades to our platform also lead to better borrower selection, which lowers losses and lowers interest rates to borrowers. The flywheel effect created by self-reinforcing AI increases the economic opportunity that can be shared by borrowers and lenders over time.

95 Based on loan origination dollar amounts published by TransUnion; see the section titled “Industry, Market and Other Data.”
96 Based on loan origination dollar amounts published by TransUnion; see the section titled “Industry, Market and Other Data.”

Upstart's AI Flywheel



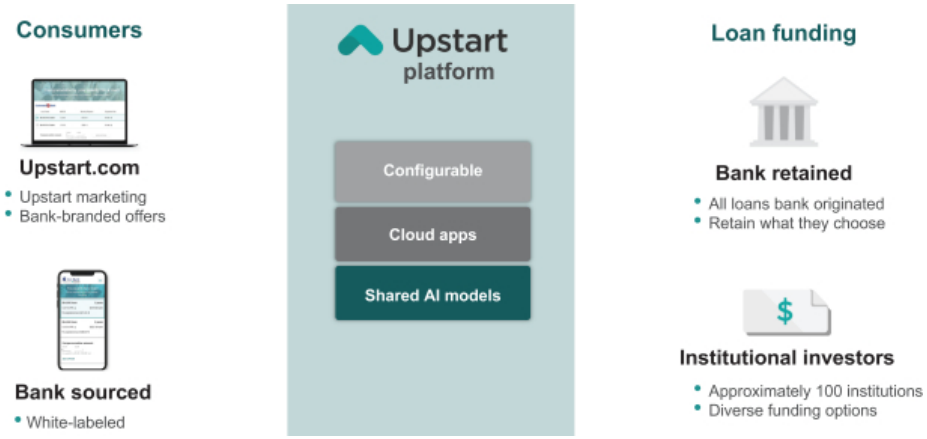
Our Ecosystem

Our platform connects consumers, banks and institutional investors through a shared AI lending platform. Because AI is a new and disruptive technology, and banking is a traditionally conservative industry, we have brought our technology to market in a way that allows us to grow rapidly and improve on our AI models, while allowing banks to take a prudent and responsible approach to assessing and adopting our platform.

On the consumer side, we aggregate demand on Upstart.com, where consumers are presented with bank-branded offers from our bank partners. In this way, we benefit banks who have adopted our AI lending technology. Bank partners can also offer Upstart-powered loans through a white-labeled interface on their own website or mobile application. Consumers on our platform are generally offered unsecured personal loans ranging from $1,000 to $50,000 in size, at APRs typically ranging from approximately 6.5% to 35.99%, with terms typically ranging from three to five years, with a monthly repayment schedule and no prepayment penalty.

On the funding side, our bank partners can retain loans that align with their business and risk objectives, while the remainder can be sold to our network of institutional investors, which have far broader and more diverse capacity to absorb and distribute risk. This flexible approach allows banks to adopt AI lending at their own pace, while we continue to grow and improve our platform.

Upstart's Ecosystem



Value Proposition to Consumers

- *Higher approval rates and lower interest rates*—The CFPB reported that a study by Upstart of its data using a methodology specified by the CFPB, showed that our AI model approves 27% more borrowers than high-quality traditional lending models with a 16% lower average APR for approved loans.[97] Our analyses suggest that our loan offers have improved significantly over time relative to those of competitors.[98]
- *Superior digital experience*—Whether consumers apply for a loan through Upstart.com or directly through a bank partner's website, the application experience is streamlined into a single application process and the loan offers provided are firm. In the third quarter of 2020, approximately 70% of Upstart-powered loans were instantly approved with no document upload or phone call required, an increase from 0% in late 2016. Such automation improvements were due in large part to improvements to our AI models and the application of such models to different aspects of the loan process, including data verification and fraud detection.

Value Proposition to Bank Partners

- *Competitive digital lending experience*—We provide regional banks and credit unions with a cost effective way to compete with the technology budgets of their much larger competitors. The NPS for our bank partners' lending programs are approximately 79, well above published benchmarks for the largest banks.[99]
- *Expanded customer base*—We refer customers that apply for loans through Upstart.com to our bank partners, helping them grow both loan volumes and number of customers. The most common age of Upstart-referred borrowers in the third quarter of 2020 was 28 years old, a compelling demographic that is often challenging for banks to access.

97 Ficklin and Watkins; see the section titled "Industry, Market and Other Data."

98 Since 2017, Upstart has used a third-party service to perform quarterly comparative studies of the interest rates offered for Upstart-powered loans versus the interest rates offered by six other companies offering personal loans online.

99 Upstart used a third-party service to administer surveys to loan applicants immediately following an applicant's acceptance of a loan on Upstart's platform. The disclosed figure represents the weighted average of the Net Promoter Scores of each of our bank partners in the third quarter of 2020. While the Net Promoter Score methodology used by Upstart's third-party service was designed to be consistent with the methodology used in the referenced benchmark study, any differences in the timing or method in which the surveys were administered could negatively impact the comparability of such Net Promoter Scores. For further information, see the section titled "Industry, Market and Other Data."

- *Lower loss rates*—An internal study comparing our model to that of several large U.S. banks found that our model could enable these banks to lower loss rates by almost 75% while keeping approval rates constant.[100]
- *New product offering*—Personal loans are one of the fastest-growing segment of credit in the U.S.[101] Our platform helps banks provide a product their customers want, rather than letting customers seek loans from competitors.
- *Institutional investor acceptance*—Analyses by credit rating agencies, loan and bond buying institutions, and credit underwriters help banks gain confidence that Upstart-powered loans are subject to significant and constant scrutiny from experts, the results of which are often publicly available.

Our Competitive Strengths

Constantly Improving AI Models

We have been building and refining our AI models for more than eight years, and they have led directly to our growth and profitability. Our models currently incorporate more than 1,600 variables and are trained by more than 9 million repayment events. Beyond the advantages accrued by our constantly growing volume of training data, our data science team continues to update our modeling techniques regularly. Model and technology improvements have increased our conversion rate from the initial rate inquiry to funded loan by a factor of ten since inception. We have a pipeline of potential model improvements that we expect will further increase our conversion rates in the future.

Flexible Two-Sided Ecosystem

We benefit from aggregating consumer demand on Upstart.com, referring consumers directly to our network of AI-enabled bank partners. Our consumer presence allows us to increase awareness of and interest in Upstart-powered loans, directly contributing to our own growth, as well as the growth and success of our bank partners' lending programs.

With an expanding list of bank partners, we can solve the borrowing needs of an increasingly diverse array of consumers. As more banks leverage the Upstart platform, consumers benefit from better offers of credit, while experiencing a consistently high-quality experience.

Capital Efficient Fee-Based Business

In the third quarter of 2020, we generated 96% of revenue from fees from banks and loan servicing. We have also achieved a high degree of automation, with approximately 70% of Upstart-powered loans approved instantly and fully automated in the third quarter of 2020, driving operating leverage and improving unit economics.

Regulatory Compliance

We have worked with regulators since our inception to ensure we operate in compliance with applicable laws and regulations. AI lending expands access to affordable credit by constantly finding new ways to identify qualified borrowers, yet AI models must avoid unlawful disparate impact or

100 In an internal study, Upstart replicated three bank models using their respective underwriting policies and evaluated their hypothetical loss rates and approval rates using Upstart's applicant base in late 2017. To compare the hypothetical loss rates between Upstart's model and each of the replicated bank models, Upstart held approval rates constant at the rate called for by each bank's respective underwriting policy. Such result represents the average rate of improvement exhibited by Upstart's platform against each of the three respective bank models.

101 Beiseitov; see the section titled "Industry, Market and Other Data."

statistical bias that would be harmful to protected groups. We have demonstrated to the CFPB that our platform does not introduce unlawful bias to the credit decision and we have developed sophisticated reporting procedures to ensure future versions of the model remain fair.[102]

In September 2017, we received the CFPB's first no-action letter.[103] The CFPB issues no-action letters to reduce potential regulatory uncertainty for innovative products that may offer significant consumer benefit.[104] On November 30, 2020, at the expiration of our first no-action letter, we received a new no-action letter from the CFPB, which expires on November 30, 2023. At this time, we do not know of any other lending platforms that have received similar no-action letters for fair lending from the CFPB.

Our Growth Strategy

Model Improvements

Our growth has historically been driven by AI model improvements and technology upgrades, and we expect this trend to continue for the foreseeable future. Model upgrades typically result in higher approval rates, better loan offers, higher degrees of automation and other improvements that increase our total number of funded loans. As our model accuracy increases, we are able to re-target and approve consumers who previously visited our site but were not eligible for a loan. A more efficient funnel also has the effect of enabling new marketing and acquisition channels that may not have been economical in the past, providing a second-order growth driver.

More Efficient Funding

Growth is also driven by a reduced cost of funding for Upstart-powered loans. This can happen because more banks adopt our platform, or existing partners increase their budget for Upstart-powered loans. Cost of funding can also be reduced as bank partners gain more confidence in our models and lower some of the constraints, they choose to place on their lending program. The cost of funding through institutional investors can also improve regularly, as credit rating agencies and loan and residual buyers gain confidence in the credit performance of Upstart-powered loans.

Our internal data suggests that each 100 basis point reduction in interest rate offered to the consumer increases conversion by 15%.[105] Therefore, reduced cost of funding can be a direct driver of growth.

Bank Distribution

Today, the vast majority of borrowers are referred to our bank partners via Upstart.com. But these banks are also beginning to offer Upstart-powered loans through their own websites, supported by their own marketing programs. We expect the bank-driven distribution of Upstart-powered loans to grow over time, as more bank partners roll out white-labeled versions of Upstart to serve their new and existing customers directly.

New Products

Personal loans are one of the fastest-growing segment of consumer credit in the U.S., but they are far from the largest.[106] As we apply our AI models and technology to other credit verticals, we will be able to serve the needs of more consumers and to play a broader technology enablement role for

102 Ficklin and Watkins; see the section titled "Industry, Market and Other Data."
103 CFPB No-Action Letter; see the section titled "Industry, Market and Other Data."
104 Consumer Financial Protection Bureau, Policy on No-Action Letters, September 2019.
105 In a series of internal studies conducted in April 2016, September 2016 and January 2018, Upstart compared changes in conversion rates between test groups of Upstart loan applicants when loan offer APRs were increased or decreased for certain groups. The average change in conversion rates across the three studies is presented.
106 Beiseitov; see the section titled "Industry, Market and Other Data."

our bank partners. There is significant opportunity to expand from personal loans to auto loans, credit cards, mortgages, student loans, point-of-sale loans and HELOCs. In June 2020, we began offering auto loans on our platform and in September 2020, the first auto loan was originated through the Upstart platform.

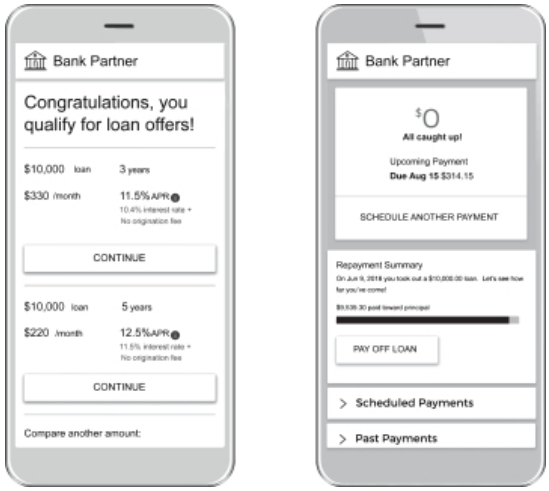
Our Platform

Our AI lending platform enables banks to provide consumers access to credit. The first credit product offered through our platform was an unsecured personal loan.

Consumers

We have built a mobile-responsive web application at Upstart.com, where consumers can quickly and easily inquire about a rate, evaluate and choose a loan offer, provide necessary information for verification and review required disclosures before final acceptance of the loan. A virtually identical experience is also offered as a white-labeled product on bank partners' websites. In the nine months ended September 30, 2020, over half of consumers that received an Upstart-powered loan applied for such loan on their mobile phone. Further detail on our consumer experience is outlined below.

- *Rate inquiry*—To begin the process, consumers answer a series of questions in an online questionnaire. Questions cover basic personal information, educational background and employment history. The majority of consumers complete the questionnaire in less than five minutes.
- *Offer presentation*—If a consumer is approved, a loan offer will be presented from one of our bank partners on Upstart.com. Consumers are typically able to review potential rates and fees for loans of different amounts and terms. If the rate inquiry was on a bank partner's website, consumers will only see loan offers from that specific bank partner. The loan offer presented will not change in later phases of the application as long as the information provided by the applicant is verified as accurate.
- *Verification*—If a consumer chooses to move forward with a loan offer, we proceed to verify the information provided by the consumer, including their identity, employment or income, education, and bank account information. For the majority of Upstart-powered loans, this process happens automatically and immediately, with no documentation upload or phone call required of the consumer. For applications flagged as involving higher fraud risk, there is a more extensive technology-enabled verification process.
- *Loan funding*—For a consumer who successfully completes the verification process and agrees to their loan terms, loan proceeds will typically be deposited in the consumer's bank account by our bank partner the next business day.
- *Repayment*—A consumer who accepts a loan is directed toward a servicing portal through which the consumer can manage their repayments. Monthly payment dates automatically default to a day when the consumer is most likely to have sufficient cash in their account, but consumers are able to adjust this date as necessary. Consumers can also make one-time pre-payments or make other adjustments as necessary, all from the Upstart-powered web application.



Bank Partners

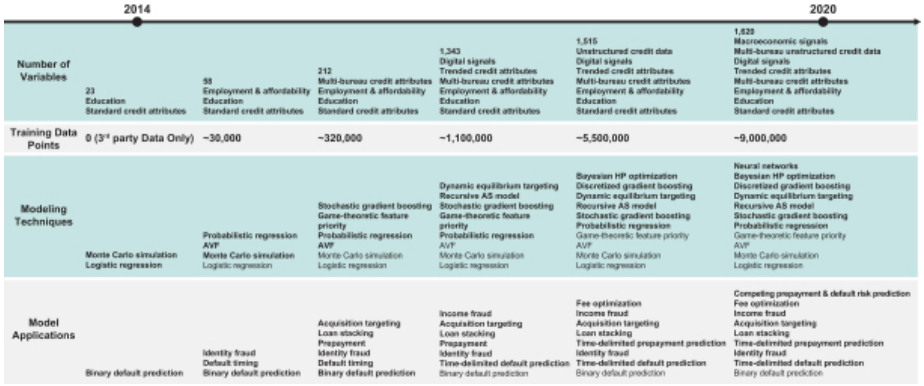
Our platform is designed to help our bank partners originate loans according to their unique requirements. In order to do this, we provide a wide variety of options for banks to define and control their lending program.

- *Upstart.com referrals*—Once we aggregate consumer demand on our website, we pass those customers to our bank partners.
- *White-labeled product*—Bank partners can serve customers with a white-labeled Upstart application on their own website or mobile application.
- *Configurations*—Because banks have complete authority and control over their lending programs, our bank partners pre-determine many aspects of their loan offering, including interest rate and loan size ranges, maximum target loss rate, minimum credit score, maximum debt-to-income ratio, target returns for various risk profiles, fee structures and disclosures. Banks accepting referrals from Upstart.com sets maximum volume targets for each month, expressed in the form of monthly dollar originations. These attributes can be adjusted by bank partners as necessary.
- *Servicing*—While most bank partners choose to have us service their loans (through a white-labeled servicing portal), each has the option of directly servicing loans itself. Our servicing platform manages all communication with borrowers, credit reporting agencies, and when necessary, collections agencies.

Evolution of Upstart's AI Model

The AI models underpinning the Upstart platform are central to its efficacy and the high-quality experience we provide to borrowers. Our models have evolved rapidly since our founding, as illustrated below.[107]

107 Dates for variables and training data correspond to: March 24, 2014, May 28, 2015, September 6, 2016, January 1, 2018 and December 31, 2019, respectively.



The key aspects of our AI models include:

Variables

Variables in our AI models have increased from 23 in 2014 to more than 1,600 as of September 30, 2020. These include factors related to credit experience, employment, educational history, bank account transactions, cost of living and loan application interactions.

Training Data

As of September 30, 2020, our models have been trained by more than 9 million repayment events such as a successful repayment or a delinquency. Upstart's models learn from repayment data even while loan principal remains outstanding, allowing the models to improve in real time.

Modeling Techniques

Growth in training data has enabled the development of increasingly sophisticated modeling techniques. For example, while earlier versions of our AI models were centered on logistic regression, our more recent models incorporate stochastic gradient boosting. We expect that our data science investments and continued growth of training data will unlock even more powerful techniques over time.

Model Applications

While our first model focused on predicting the likelihood of loan default, we have since applied models throughout the process of credit origination. These models quantify and reduce risk in various ways, while also increasing automation and funnel conversion.

The currently active AI models within the Upstart platform—shared by and available to all Upstart's bank partners—include:

- *Fee optimization*—optimizes assignment of origination fees;
- *Income fraud*—quantifies potential misrepresentation of borrower income;
- *Acquisition targeting*—identifies consumers likely to qualify for and have need for a loan;

- *Loan stacking*—identifies consumers likely to take out multiple loans in a short period of time;
- *Prepayment prediction*—quantifies the likelihood that a consumer will make payments on a loan earlier than originally scheduled;
- *Identity fraud*—quantifies the risk that an applicant is misrepresenting their identity; and
- *Time-delimited default prediction*—quantifies the likelihood of default for each period of the loan term.

Our Technology Infrastructure

Our cloud-based software platform incorporates modern technologies and software development approaches to allow for rapid development of new features.

Cloud-Native Technologies

We run our technology platform as containerized services on the AWS cloud. Our architecture is designed for high availability and horizontal scalability. Our primary development platforms are Ruby on Rails and Python, but our Kubernetes-based compute environment gives us the flexibility to run heterogeneous workloads with minimal operational overhead. We deploy new software regularly without platform downtime, allowing borrowers and banks to immediately benefit from the latest updates to our platform.

Data Integrity and Security

Our information security program governs how we safeguard the confidentiality, integrity, and availability of our consumer data. Our environment is continuously monitored with a suite of tools designed to detect security events in both internal and user-facing systems. We engage with third parties to audit our security program and to perform regular penetration tests of our Web application and cloud environment.

Configurable Multi-Tenant Architecture

Our multi-tenant architecture enables multiple lending partners to use the same version of our application while securely segmenting their data. Though all tenants are using the same version of our platform, our software is designed to be highly configurable to meet the needs of our diverse bank partners, allowing customizations to everything from the applicant user interface to the core rules governing credit decisioning.

Machine Learning Platform

In order to support innovation in our underwriting, fraud detection and acquisition models, we have developed proprietary technologies to enable data scientists to develop, train, test and deploy new model updates with minimal engineering support. Our backend systems are designed to flexibly integrate with multiple third-party data sources to feed these models and support real-time decisioning.

Responsive Web Design

Our user interface is responsive to ensure applicants and borrowers have a smooth experience regardless of whether they are accessing our website from a desktop, mobile device or tablet.

Robust Reporting and Integration Capabilities

Our reporting APIs provide investors and bank partners the ability to access data through a programmatic interface. Our integration capabilities with bank partners include an ability to pre-fill applicant information via API and provide loan details in real-time to facilitate a seamless process from application to origination.

Consumer Marketing

Our growth and marketing approach is driven by the strength of our product and the interest rates we offer. While many lenders see consumer choice as a detractor from sales volume, we benefit when consumers compare our offers to other lenders' offers. Over time, our ability to offer lower rates than our competitors has improved significantly.[108] Because our model changes in real time, we are able to extend new offer loans to applicants who were previously not eligible or were previously quoted a higher rate.

Our growth and marketing initiatives are primarily focused on bringing potential borrowers to Upstart.com, where they can learn if they qualify for a loan from one of our bank partners and on what terms in only a few minutes. Our consumer acquisition channels combine a mix of online and offline, as well as paid and unpaid, channels. While we constantly experiment to expand and optimize our acquisition strategies, our largest channels include:

- *Marketing affiliates*—A variety of online media partners, such as loan aggregators, send us traffic on a cost per origination basis. Many loan aggregators also incorporate credit data to provide online prescreened offers, which leads to highly targeted and interested referrals. We currently have relationships with approximately 30 online media partners.
- *Direct mail*—We apply our strengths in data science to target individuals who both qualify for and may have a need for an Upstart-powered loan. The ability to analyze an individual's credit data to target and mail prescreened offers of credit gives this channel a meaningful data advantage over other channels.
- *Organic traffic*—As our brand recognition and reputation grow, an increasing number of potential borrowers come directly to Upstart.com simply by word of mouth.
- *Email marketing*—We have an automated email program that sends customized messages and reminders to potential borrowers once they have created accounts to encourage them to complete their loan application.
- *Online advertising*—Search engines and social channels enable targeted outreach to potential borrowers with specific messages.
- *Podcast advertising*—We purchase 30 or 60-second advertising placements on podcasts with a listener base that we believe overlaps with Upstart's target consumer base. These advertisements are designed by the Upstart team but are delivered to listeners by the podcast hosts.

A significant number of consumers that apply for a loan on Upstart.com learn about and access Upstart.com through the website of a loan aggregator, Credit Karma. The percentage of loan originations that were derived from traffic from Credit Karma was 28%, 38%, 38% and 52% in 2017, 2018, 2019 and the nine months ended September 30, 2020, respectively, and the percentage of loan originations that were derived from direct mail was 36%, 28%, 23% and 12%, in 2017, 2018, 2019 and the nine months

108 Since 2017, Upstart has used a third-party service to perform quarterly comparative studies of the interest rates offered for Upstart-powered loans versus the interest rates offered by six other companies offering personal loans online.

ended September 30, 2020, respectively. No other marketing channel contributed significantly compared to Credit Karma and direct mail. We have entered into a promotion agreement with Credit Karma that governs the terms and conditions between us and Credit Karma with respect to advertising the loans offered on our platform. Either party may terminate our arrangement immediately upon a material breach of any provision of the agreement or at any time, with or without cause, by providing no less than 30 days' notice. Our agreement does not require Credit Karma to display offers from lenders on Upstart.com or prohibit them from working with our competitors or from offering competing services. In this regard, Credit Karma recently began directing more customer traffic to a program that hosts and aggregates the credit models of other loan providers directly on its platform for the purpose of giving credit offers. To date, Upstart has opted not to participate in this program. In November 2020, we experienced a reduction in the number of loan applicants directed to the Upstart platform by Credit Karma and a corresponding decrease in the number of loans originated on our platform, and we may experience additional reductions in traffic from Credit Karma in the future.

Bank Partnerships

Outside of the four largest U.S. banks, there are approximately 5,200 FDIC insured institutions holding over $8 trillion in deposits.[109] We predominantly target small to medium-sized banks with an appetite to invest in improved underwriting, digital originations and unsecured lending. As of September 30, 2020, we had 10 bank partners, including Cross River Bank, Customers Bank, FinWise Bank, First Federal Bank of Kansas City, First National Bank of Omaha, KEMBA Financial Credit Union, TCF Bank, Apple Bank for Savings and Ridgewood Savings Bank.

For the years ended December 31, 2017, 2018 and 2019, fees received from Cross River Bank, or CRB, accounted for 83%, 81% and 80% of our total revenue, respectively. For the nine months ended September 30, 2019 and 2020, fees received from CRB accounted for 81% and 65% of our total revenue, respectively. We have entered into a loan program agreement that governs the terms and conditions between us and CRB with respect to loans facilitated through our platform and issued by CRB. The most recent loan program agreement with CRB began on January 1, 2019 and has a term of four years with an automatic renewal provision for an additional two years following the initial four year term. Either party may choose not to renew by providing the other party 120 days' notice prior to the end of the initial term or any renewal term. In addition, during the term of our arrangement, CRB may reduce the volume of Upstart-powered loans that it chooses to fund and retain on its balance sheet or not to originate at all. We or CRB may terminate our arrangement immediately upon a material breach and failure to cure such breach within a cure period, if any representations or warranties are found to be false and such error is not cured within a cure period, bankruptcy or insolvency of either party, receipt of an order or judgement by a governmental entity, a material adverse effect, or a change of control whereby such party involved in such change of control provides 90 days' notice to the other and pays a termination fee of $450,000.

We have also entered into separate agreements with each of our other bank partners. Our agreements with our bank partners are non-exclusive, generally have 12-month terms that automatically renew, subject to certain early termination provisions and minimum fee amounts, and do not include any minimum origination obligations or origination limits. Our typical sales and onboarding process can be long and typically takes between six to 15 months. For three to six months, our sales team will work with a prospective bank partner to develop the business case for launching an Upstart-powered loan program and securing a line of business commitment. After this process is complete, the bank will typically spend three to six months conducting diligence, which includes sign-off from internal and external stakeholders, including regulators. Lastly, the bank will work with our solutions architecture and engineering team to integrate with our systems, which typically takes one to three months.

109 The dollar amount of deposits held by banks, other than the largest four banks, was aggregated by Upstart using data provided by the FDIC; see the section titled "Industry, Market and Other Data."

After launch, our account managers and customer success team provide ongoing support to the bank. This includes operational communications, quality assurance, assistance with regulatory requests and quarterly business reviews. Our focus on providing exceptional ongoing support has resulted in minimal bank partner attrition to date. Instead, our partners have expanded credit limits and increased originations. Additionally, many of our bank partners have expressed interest in new Upstart products.

Our platform includes a cloud-based web application for all user interactions, including rate inquiry, loan offer presentation, adverse action notification, bank account verification and connectivity, borrower identity and credential verification, disclosure presentation and loan servicing. The software includes a variety of embedded AI models supporting and automating fraud prevention, credit decisioning and borrower verification. Bank partners also have access to an administrative interface for reporting and program management. We also perform regulatory fairness tests on bank partners' behalf.

Institutional Investors

Our platform allows bank partners to originate and retain loans that meet their business objectives. Because banks vary with respect to program objectives, risk tolerance and funding capacity, each bank's program parameters can vary significantly. In the third quarter of 2020, approximately 22% of Upstart-powered loans originated by bank partners were retained by those bank partners.

Upstart-powered loans originated by bank partners can be sold to institutional investors through a variety of funding structures developed and supported by Upstart. As of September 30, 2020, loans from our bank partners were purchased or funded by our broad base of approximately 100 institutional investors and buyers. By leveraging our institutional investors' broad and diverse capacity to absorb and distribute credit risk, we can develop our business and our AI models faster than if we relied only on the funding capacity of our bank partners. Accordingly, our growth is not limited by bank funding capacity or risk tolerance.

We began working with six institutional investors in 2015 and have relationships with approximately 100 institutional investors today, which include Goldman Sachs, PIMCO and funds managed by Morgan Stanley Investment Management. The institutional investors that participate in our loan funding programs include banks, insurance companies, '40 Act funds, hedge funds, private equity funds and other sources of institutional capital. These relationships have allowed us to expand our model beyond the risk profile of a typical bank. The combination of bank and institutional investor funding provides our platform with competitive and diverse capital, without Upstart having to retain risk in its capital markets programs.

Our network of institutional investors includes purchasers of whole loans originated via Upstart's platform, as well as capital markets investors that buy securities, such as pass-through certificates.

In the case of whole loan purchasers, we typically enter into loan purchase agreements and loan servicing agreements with such purchasers. The loan purchase agreements provide for the purchaser to place requests (ordinarily on a monthly basis) to purchase pools of whole loans originated via Upstart's platform by certain bank partners, which Upstart may attempt to fulfill on an uncommitted basis. Both the loan purchase and loan servicing agreements are typically terminable (i) for convenience after a notice period, (ii) following the passage of a term or (iii) after certain events of default. Loan purchasers may also cease to place requests to purchase loans at any time.

Investors may also purchase interests in loans originated via Upstart's platform in the form of pass-through certificates rather than whole loans. We have pass-through certificate programs sponsored by certain financial institutions under which investors can purchase securities collateralized by Upstart-powered loans from an issuer trust. Under each program, an affiliate of the sponsor

(depositor) purchases loans from Upstart on an ongoing basis. Periodically, each of the master trusts form a new series trust that acquires loans originated in the prior month from the depositor and issues certificates, evidencing beneficial ownership in the series trust, to purchasers of such pass-through certificates. These institutional investors then receive a monthly distribution from the series trust.

From Upstart's perspective, there is little difference between whole loan sales and sales of pass-through certificates. Both programs are offered to provide flexibility to investors in our loan funding programs. Institutional investors may prefer pass-through certificates, which are more liquid, while other institutional investors may prefer whole loan purchases, which are generally more cost effective. The below table provides a breakdown of Upstart-powered loans purchased through whole loan sales and pass-through certificates.

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
Pass-Through Certificates	—	19,702	41,623	22,793	30,266
Whole Loan Sales	53,190	76,720	132,597	86,912	123,205

The whole loans or pass-through certificates purchased after origination may later be included in our asset-backed securitization transactions whereby interests in these Upstart-powered loans are sold to other institutional investors. The number of whole loans and pass-through certificates sold that were later included in an asset-backed securitization transaction were 15,971, 27,189 and 85,032 in 2017, 2018 and 2019, respectively. The number of whole loans and pass-through certificates sold that were later included in an asset-backed securitization transaction were 50,389 and 42,954 in the nine months ended September 30, 2019 and 2020, respectively.

For our asset-backed securitization transactions, we collaborate with investment banks to structure investments under which we and/or certain of the purchasers of whole loans or pass-through certificates described in the preceding paragraphs sell pools of whole loans to a bankruptcy-remote securitization special purpose entity. The special purpose entities, through one or more intermediate transfers and entities, create and sell tranched asset-backed notes and subordinated certificates, in each case, backed by the collective pools of Upstart-powered loans sold into the investment structure. We are typically retained by participating institutional investors to service the loans, and act in such servicing capacity for the life of the investment transaction.

Operations

We have developed sophisticated tools that our internal operations team uses to support the origination and servicing of credit. While verification is primarily and increasingly handled by our software and AI models, we also offer Upstart-designed tools to guide credit analysts and fraud specialists in cases where our software is not yet able to sufficiently verify borrower information. By providing a prescriptive and unique path for each applicant, our system helps our operations team provide a streamlined experience for as many borrowers as possible.

Our operations teams, including credit analysts, fraud specialists, customer support and payments specialists, work to deliver a seamless user experience to consumers on behalf of our bank partners.

Customer operations is divided functionally by teams that focus on pre-origination experience (verification and customer support) and post-origination experience (loan servicing). Team members are distributed between our headquarters in San Mateo, California and our second headquarters in Columbus, Ohio.

Verification and Customer Support Operations

This team focuses on the minority of borrowers whose applications are not entirely automated (currently approximately 31% of Upstart-powered loans) or any applicant who has questions or issues throughout the application process. While approximately 31% of Upstart-powered loans involve human intervention, the vast majority of these loans are not fraudulent. Thus, our team focuses on expediting applicants through the process to the extent possible, while identifying and rejecting fraudulent applications. Our operations team works closely with our engineering and data science teams to further increase our levels of automation.

Most prospective borrowers and applicants interact with Upstart via our online platform and help center, but we also make agent-based support readily available to all borrowers. For phone support, we partner with an external call center vendor and have a team of dedicated Upstart agents with specialized training.

Servicing Operations

Upstart-powered loans are serviced via our homegrown platform. For borrowers who miss payments, we focus on early intervention and attempt to reach them via emails, calls, texts and skip-trace to help bring their account current or offer hardship options. Borrowers on our platform are supported via a combination of internal payments specialists and a third-party service provider.

We do not conduct collections activities in house. Accounts that are more than 30 days past due are referred to third-party collection agencies for collections. Debt collection calls and collection performance are reviewed regularly by our vendor management and quality assurance teams. Our operations and compliance teams each also perform onsite audits annually.

The average NPS for our bank partners' lending programs reached 79 in the third quarter of 2020, we believe due to our continued focus on streamlining borrower interactions through automation.[110]

Competition

Consumer lending is a vast and competitive market, and we compete in varying degrees with all other sources of unsecured consumer credit, including banks, non-bank lenders (including retail-based lenders) and other financial technology lending platforms. Because personal loans often serve as a replacement for credit cards, we also compete with the convenience and ubiquity that credit cards represent.

On the bank partnership side, we compete with a variety of technology companies that aim to help banks with the digital transformation of their business, particularly with respect to all-digital lending. This includes new products from legacy bank technology providers as well as newer companies focused entirely on lending software infrastructure for banks. We may also face competition from banks or companies that have not previously competed in the consumer lending market, including companies with large and experienced data science teams and access to vast amounts of consumer-related information that could be used in the development of their own credit risk models.

We believe we compete favorably based on the following competitive factors:

- Constantly improving AI models;
- Compelling loan offers to consumers that improve regularly;

110 Upstart used a third-party service to administer surveys to loan applicants immediately following an applicant's acceptance of a loan on Upstart's platform. For further information, see the section titled "Industry, Market and Other Data."

- Automated and user-friendly loan application process;
- Consistent and predictable loan performance;
- Cloud-native, multi-tenant architecture;
- Combination of technology and customer acquisition for bank partners;
- Robust and diverse loan funding program; and
- Brand recognition and trust.

Government Regulation

We and the loans made through our platform by our bank partners are subject to extensive and complex rules and regulations and examination by various federal, state and local government authorities. Failure to comply with any of the applicable rules and regulations may result in, among other things, revocation of required licenses or registration, loss of approved status, effective voiding or rescission of the loan contracts, class action lawsuits, administrative enforcement actions and civil and criminal liability. While compliance with such requirements is at times complicated by our novel business model, we believe we are, at a minimum, in substantial compliance with these rules and regulations.

We are currently, and expect in the future, to be regulated by the CFPB. In addition to the CFPB, other state and federal agencies have the ability to regulate aspects of our business. For example, the Dodd-Frank Act, as well as many state statutes, provide a mechanism for state attorneys general to investigate us. In addition, as a result of our relationships with bank partners, we are subject to oversight by federal banking agencies, including the FDIC and the Federal Trade Commission has jurisdiction to investigate aspects of our business, including with respect to marketing practices. Further, we are subject to inspections, examinations, supervision and regulation by applicable agencies in each state in which we are licensed. Regulatory oversight of our business may change over time. By way of example, California's governor has enacted legislation to create a "mini-CFPB" agency, which seeks to emulate the CFPB with respect to its enforcement and supervisory capabilities as well as require additional state registration for certain covered persons. We expect that regulatory examinations by both federal and state agencies will continue, and there can be no assurance that the results of such examinations will not have a material adverse effect on us.

Below, we summarize several of the material federal lending, servicing and related laws applicable to our business. Many states have laws and regulations that are similar to the federal consumer protection laws referred to below, but the degree and nature of such laws and regulations vary from state to state.

Federal Lending and Related Laws

Truth in Lending Act

The Truth in Lending Act, or TILA, and Regulation Z, which implements it, require creditors to provide consumers with uniform, understandable information concerning certain terms and conditions of their loan and credit transactions, and to comply with certain lending practice requirements and restrictions. These rules apply to loans facilitated through our platform, and we assist with compliance as part of the services we provide to our bank partners. For closed-end credit transactions, required disclosures include, among others, providing the annual percentage rate, the finance charge, the amount financed, the number of payments, the amount of the monthly payment, the presence and amount of certain fees, and the presence of certain contractual terms. TILA also regulates the advertising of credit and gives borrowers, among other things, certain rights regarding updated

disclosures and the treatment of credit balances. We, on behalf of the applicable bank partner, provide applicants with a TILA disclosure when applicants complete their loan applications on our platform. If the applicant's request is not fully funded and the applicant chooses to accept a lesser amount offered, we provide an updated TILA disclosure on behalf of the applicable bank partner. We also seek to comply with TILA's disclosure requirements related to credit advertising and, to the extent that we hold or service loans, TILA's requirements related to treatment of credit balances for closed-end loans. We also can facilitate the origination of a limited number of credit card accounts through our platform. In connection with such accounts, TILA requires the provision of certain solicitation and account-opening disclosures. TILA also imposes requirements on the terms of credit card accounts, and the process of originating and servicing such accounts. Though our platform may facilitate the origination of credit card accounts by a bank partner, we do not originate or service such accounts at this time.

Equal Credit Opportunity Act

The Equal Credit Opportunity Act, or ECOA, prohibits creditors from discriminating against credit applicants on the basis of race, color, sex, age (provided that the applicant has the capacity to enter into a binding contract), religion, national origin, marital status, the fact that all or part of the applicant's income derives from any public assistance program, or the fact that the applicant has in good faith exercised any right under the federal Consumer Credit Protection Act or certain state laws. Regulation B, which implements ECOA, restricts creditors from requesting certain types of information from loan applicants or engaging in certain loan-related practices, and from using advertising or making statements that would discourage on a prohibited basis a reasonable person from making or pursuing an application. These requirements apply to bank partners for loans facilitated through our platform as well as to us as a service provider that assists in the process. We abide by policies and procedures implemented by our bank partners to comply with ECOA's provisions prohibiting discouragement and discrimination. ECOA also requires creditors to provide applicants with timely notices of adverse action taken on credit applications, including disclosing to applicants who have been declined their rights and the reason for their having been declined. On behalf of our bank partners, we provide prospective borrowers who apply for a loan through our platform but are denied credit with an adverse action notice in compliance with applicable requirements.

On February 5, 2020, a consumer advocacy group released a report alleging that lenders may charge higher rates to certain borrowers who attend community colleges or historically Black or Hispanic colleges or universities. To support this conclusion, the consumer advocacy group selectively compared the results from only a small number of consumer interest rate inquiries made to, among others, lenders using Upstart's platform. In addition, on February 13, 2020, we received an inquiry from five members of the U.S. Senate seeking information regarding our compliance with ECOA, and in July 2020, three of these Senators recommended to the CFPB as part of their inquiry findings, that the CFPB further review Upstart's use of educational variables in its model and requested that the CFPB stop issuing no-action letters related to ECOA. Upstart strongly disputes the underlying conclusions of the consumer advocacy group's report as it pertained to Upstart's practices, given that Upstart's model considers over 1,600 variables, all of which contribute to the quoted rate. Notwithstanding that we believe our model and our bank partners' lending facilitated by our model comply with ECOA, reports from consumer advocacy groups and associated legislative and/or regulatory inquiries could create negative publicity and increase the risk of private litigation or government enforcement. On December 1, 2020, in connection with these inquiries, we entered into an agreement with the LDF and the SBPC, in which we agreed to, among other things, participate in fair lending reviews of our AI model. See the section titled "Risk Factors—Risks Related to Our Business and Industry" for more information.

Fair Credit Reporting Act

The federal Fair Credit Reporting Act, or FCRA, as amended by the Fair and Accurate Credit Transactions Act, and administered by the CFPB, promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. FCRA requires a permissible purpose to obtain a consumer credit report and requires that persons who report loan payment information to credit bureaus do so accurately and to resolve disputes regarding reported information timely. FCRA also imposes disclosure requirements on creditors who take adverse action on credit applications based on information contained in a credit report.

Under FCRA, certain information must be provided to applicants whose credit applications are not approved on the basis of a report obtained from a consumer reporting agency, promptly update any credit information reported to a credit reporting agency about a customer and have a process by which customers may inquire about credit information furnished by us to a consumer reporting agency. We and our bank partners have a permissible purpose for obtaining credit reports on potential borrowers, and we also obtain explicit consent from borrowers to obtain such reports. As part of our loan servicing activities, we accurately report loan payment and delinquency information to appropriate consumer reporting agencies. We provide an adverse action notice to a rejected applicants on behalf of each bank partner on our platform at the time the applicant is rejected that includes all the required disclosures. We also have processes in place to ensure that consumers are given “opt-out” opportunities, as required by the FCRA, regarding the sharing of their personal information. We have also implemented an identity theft prevention program, as required by FCRA and its implementing regulations.

Fair Debt Collection Practices Act

The federal Fair Debt Collection Practices Act, or FDCPA, provides guidelines and limitations on the conduct of certain debt collectors in connection with the collection of consumer debts. The FDCPA limits certain communications with third parties, imposes notice and debt validation requirements, and prohibits threatening, harassing or abusive conduct in the course of debt collection. While the FDCPA primarily applies to third-party debt collectors, debt collection laws of certain states impose similar requirements more broadly on creditors who collect their own debts. In addition, the CFPB prohibits unfair, deceptive or abusive acts or practices, or UDAAPs in debt collection, including first-party debt collection. In addition, on October 30, 2020, the CFPB issued a final rule implementing the requirements of the FDCPA, which will likely take effect in late 2021. The CFPB also anticipates issuing a second final rule on debt collection focused on consumer disclosures in December 2020, which would also likely take effect approximately one year after publication. We use our internal collection team and professional third-party debt collection agents to collect delinquent accounts. Any third-party debt collection agents we use are required to comply with the FDCPA and all other applicable laws in collecting delinquent accounts of borrowers. While our internal servicing team is not subject to the formal requirements of the FDCPA in most cases, we have established policies intended to substantially comply with the collection practice requirements under the FDCPA as a means of complying with more general UDAAP standards.

Privacy and Data Security Laws

The federal Gramm-Leach-Bliley Act, or GLBA, includes limitations on financial institutions’ disclosure of nonpublic personal information about a consumer to nonaffiliated third parties, in certain circumstances requires financial institutions to limit the use and further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information and requires financial institutions to disclose certain privacy policies and practices with respect to information sharing with affiliated and nonaffiliated entities as well as to safeguard personal customer information. We collect and use a wide variety of information to help ensure the integrity of our services and to provide features

and functionality to our customers. This aspect of our business, including the collection, use, and protection of the information we acquire from our own services as well as from third-party sources, is subject to laws and regulations in the United States. Accordingly, we publish our privacy policies and terms of service, which describe our practices concerning the use, transmission, and disclosure of information. We have a detailed privacy policy, which complies with GLBA and is accessible from every page of our website. We maintain consumers' personal information securely, and we do not sell, rent or share such information with third parties for marketing purposes unless previously agreed to by the consumer. In addition, we take measures to safeguard the personal information of borrowers and investors and protect against unauthorized access to this information. As our business continues to expand, and as state and federal laws and regulations continue to be passed and their interpretations continue to evolve, additional laws and regulations may become relevant to us.

Dodd-Frank Wall Street Reform and Consumer Protection Act

In July 2010, the Dodd-Frank Act was signed into law. The Dodd-Frank Act is extensive and significant legislation that includes consumer protection provisions. Among other things, the Dodd-Frank Act created the CFPB, which commenced operations in July 2011 and has significant authority to implement and enforce federal consumer financial laws, such as the TILA and ECOA. The CFPB is authorized to prevent "unfair, deceptive or abusive acts or practices" through its regulatory, supervisory and enforcement authority. The CFPB also engages in consumer financial education, requests data and promotes the availability of financial services to underserved customers and communities. The CFPB has regulatory and enforcement powers over most providers of consumer financial products and services, including us. It also has supervisory and examination powers over certain providers of consumer financial products and services, including large banks, payday lenders, "larger participants" in certain financial services markets defined by CFPB regulation, and non-bank entities determined to present a risk to consumers after notice and an opportunity to respond.

The CFPB has imposed, and will continue to impose, restrictions on lending practices, including with respect to the terms of certain loans. We and our bank partners are subject to the CFPB's enforcement authority and, although the number of public enforcement actions has decreased under the new CFPB leadership, it has not fully ceased, and could increase under different leadership. The CFPB may request reports concerning our organization, business conduct, markets and activities. In addition, the CFPB may, in connection with its supervisory authority, also conduct on-site examinations of our and our bank partners' businesses on a periodic basis, subject to whether the applicable bank partner satisfies the assets threshold for CFPB supervision. If the CFPB were to conclude that our loan origination assistance or servicing activities, or any loans originated by our bank partners on our platform, violate applicable laws or regulations, we could be subject to a formal or informal inquiry, investigation and/or enforcement action. Formal enforcement actions are generally made public, which carries reputational risk. In addition, the market price of our common stock could decline as a result of the initiation of a CFPB investigation of Upstart or even the perception that such an investigation could occur, even in the absence of any finding by the CFPB that we have violated any state or federal law. We are not currently subject to any enforcement actions by the CFPB.

For more information regarding the CFPB and the CFPB rules to which we are subject or may become subject, see "Risk Factors" included elsewhere in this prospectus.

Federal Trade Commission Act

Under Section 5 of the Federal Trade Commission Act, we and our bank partners are prohibited from engaging in unfair and deceptive acts and practices. For nonbank financial institutions, the FTC is the primary regulator enforcing this prohibition, and in recent years the FTC has been focused on practices of financial technology companies. Based on publicly available actions, the FTC's primary

focus has been with respect to financial technology company marketing and disclosure practices. For instance, in October 2018 the FTC took action against student loan refinance lender SoFi, claiming that the company made prominent false statements regarding the average savings a consumer would realize over the lifetime of the loan if they refinanced with SoFi. In addition, SoFi allegedly exaggerated claims of anticipated borrower savings by excluding certain customer populations from the analysis. The FTC also is currently engaged in litigation with LendingClub regarding, among other things, the adequacy of its disclosures of an origination fee associated with the product. Based upon recent statements by FTC officials, we believe this scrutiny will continue in the near future.

Electronic Fund Transfer Act and NACHA Rules

The federal Electronic Fund Transfer Act, or EFTA, provides guidelines and restrictions on the electronic transfer of funds from consumers' bank accounts. Under EFTA, and Regulation E that implements it, we must obtain consumer consents prior to receiving electronic transfer of funds from consumers' bank accounts, and our bank partners may not condition an extension of credit on the borrower's agreement to repay the loan through preauthorized (recurring) electronic fund transfers. In addition to compliance with federal laws, transfers performed by ACH electronic transfers are subject to detailed timing and notification rules and guidelines administered by the National Automated Clearinghouse Association, or NACHA. While NACHA guidelines are not laws, failure to comply with them may nevertheless result in commercial harm to our business. All transfers of funds related to our operations conform to the EFTA, its regulations and NACHA guidelines. As part of our servicing activities, we obtain necessary electronic authorization from borrowers and investors for such transfers in compliance with such rules. The loans offered on our platform by our bank partners must also comply with the requirement that a loan cannot be conditioned on the borrower's agreement to repay the loan through recurring electronic fund transfers.

Electronic Signatures in Global and National Commerce Act

The federal Electronic Signatures in Global and National Commerce Act, or ESIGN, and similar state laws, particularly the Uniform Electronic Transactions Act, or UETA, authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures. ESIGN and UETA require businesses that want to use electronic records or signatures in consumer transactions and provide disclosures to consumers (otherwise required to be "in writing" in electronic form), to obtain the consumer's consent to receive information electronically. When a consumer registers on our platform, we obtain his or her consent to transact business electronically, receive electronic disclosures and maintain electronic records in compliance with ESIGN and UETA requirements, and we maintain electronic signatures and records in a manner intended to support enforceability of relevant consumer agreements and consents.

Federal Marketing Regulations

The Telephone Consumer Protection Act, or TCPA, generally prohibits robocalls, including those calls made using an auto-dialer or prerecorded or artificial voice calls made to a wireless telephone without the prior express consent of the called party (or prior express written consent, if messages constitute telemarketing). In addition, the FTC Telemarketing Sales Rule implements the FTC's Do-Not-Call Registry and imposes numerous other requirements and limitations in connection with telemarketing. Upstart's policies address the requirements of the TCPA as well as FTC Telemarketing Sales Rule and other laws limiting telephone outreach. Furthermore, Upstart does not engage in certain activities covered by the TCPA, such as using an automated dialer.

The Federal Controlling the Assault of Non-Solicited Pornography and Marketing, or CAN-SPAM, Act makes it unlawful to send certain electronic mail messages that contain false or deceptive

information and provide other protections for email users. CAN-SPAM also requires the need to provide a functioning mechanism that allows the recipient to opt-out of receiving future commercial e-mail messages from the sender of such messages. Upstart's email communications with all consumers are formulated to comply with the CAN-SPAM Act.

Servicemembers Civil Relief Act

Under the Servicemembers Civil Relief Act, or SCRA, there are limits on interest rates chargeable to military personnel and civil judicial proceedings against them, and there are limitations on our ability to collect on a loan to servicemembers on active duty originated prior to the servicemember entering active duty status and, in certain cases, for a period of time thereafter. The SCRA allows military members to suspend or postpone certain civil obligations so that the military member can devote his or her full attention to military duties. The SCRA requires us to adjust the interest rate charged on loans to borrowers who qualify for and request relief. If a borrower with an outstanding loan qualifies for SCRA protection the interest rate on their loan (including certain fees) will be reduced to 6% for the duration of the borrower's active duty. During this period, any interest holder in the loan will not receive the difference between 6% and the loan's original interest rate. As part of the services we provide, we require the borrower to send us a written request and a copy of the borrower's mobilization orders to obtain an interest rate reduction on a loan due to military service. Other protections offered to servicemembers under the SCRA, including protections related to the collection of loans, do not require the servicemember to take any particular action, such as submitting military orders, to claim benefits.

Military Lending Act

Under the Military Lending Act, certain members of the armed forces serving on active duty and their dependents must be identified and be provided with certain protections when becoming obligated on a consumer credit transaction. These protections include: a limit on the Military Annual Percentage Rate (an all-in cost-of-credit measure which is the same as the APR for loans facilitated on our platform) of 36%, certain required disclosures before origination, a prohibition on charging prepayment penalties and a prohibition on arbitration agreements and certain other loan agreement terms. As part of the services we provide, we ensure compliance with the requirements of the Military Lending Act.

Bank Secrecy Act, USA PATRIOT Act, and U.S. Sanctions Laws

Under the Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, or USA PATRIOT ACT, and certain U.S. sanctions laws, our bank partners are required to maintain anti-money laundering, customer due diligence and record-keeping policies and procedures, which we perform on behalf of our bank partners, and to avoid doing business with certain sanctioned persons or entities or certain types of sanctioned activity in certain countries. We have implemented an AML program designed to prevent our platform from being used to facilitate money laundering, terrorist financing, and other illicit activity. Our AML program is designed to prevent our platform from being used to facilitate business in countries, or with persons or entities, included on designated lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Controls and equivalent foreign authorities. Our AML compliance program includes policies, procedures, reporting protocols, and internal controls, including the designation of an AML compliance officer, and is designed to address these legal and regulatory requirements and to assist in managing risk associated with money laundering and terrorist financing. With respect to new borrowers, we apply the customer identification and verification program rules and screen names against the list of specially designated nationals maintained by the U.S. Department of the Treasury and OFAC pursuant to the USA PATRIOT Act amendments to the Bank Secrecy Act and its implementing regulation.

Bankruptcy Code

Under the Bankruptcy Code, we are regulated and in certain circumstances prohibited by the automatic stay, reorganization plan and discharge provisions, among others, in seeking enforcement of debts against parties who have filed for bankruptcy protection. Our policies are designed to support compliance with the Bankruptcy Code as we service and collect loans.

State Lending Regulations

State Usury Limitations

With respect to bank partners that are subject to Section 521 of the Depository Institution Deregulation and Monetary Control Act of 1980, or DIDMCA, (for FDIC-insured, state banks originating loans on our platform, which represent the vast majority of loans originated) or Section 85 of the National Bank Act, or NBA, (for national banks originating loans on our platform), federal case law interpreting such provisions (including interpretations of the NBA under *Tiffany v. National Bank of Missouri* and *Marquette National Bank of Minneapolis v. First Omaha Service Corporation*), and relevant regulatory guidance (including FDIC advisory opinion 92-47) permit certain depository institutions to "export" requirements regarding interest rates and certain fees considered to be "interest" under federal law from the state or U.S. territory where the bank is located for all loans originated from such state, regardless of the usury limitations imposed by the state law of the borrower's residence or other states with which the loan may have a geographic nexus, unless the state has chosen to opt out of the exportation regime. We believe, however, if a state or U.S. territory in which we operate opted out of rate exportation, judicial interpretations support the view that such opt outs would apply only to loans "made" in those states. We believe that the "opt-out" of any state would not affect the ability of our platform to benefit from the exportation of rates. If a loan made through our platform by a bank partner were deemed to be subject to the usury laws of a state or U.S. territory that had opted-out of the exportation regime, if the loan were not originated in a manner that permitted exportation of interest rate requirements from the state we and our bank partners believed applied at the time of origination, if the loan bore interest or certain fees in excess of the amounts permitted by the state in which the loan was "made" for exportation purposes (or was otherwise in violation of such state's relevant usury and fee laws) or if the interest exportation authority were determined not to apply to a loan under any particular circumstances, we, our bank partners, or subsequent holders of such loans could become subject to fines, penalties and possible forfeiture of amounts charged to borrowers, and we could decide not to permit bank partners to originate loans in that jurisdiction through our platform or our bank partners or loan investors could choose not to continue doing business with us in such jurisdiction or more broadly, which could adversely impact our growth.

There have also been recent judicial decisions that could affect the collectability of loans sold by our bank partners after origination and the exposure of loan purchasers to potential fines or other penalties for usury violations. See the section titled "Risk Factors" for more information about recent case law developments.

State Disclosure and Lending Practice Requirements

The loans originated on our platform by our bank partners may be subject to state laws and regulations that impose requirements related to loan disclosures and terms, credit discrimination, credit reporting, debt collection, and unfair or deceptive business practices. Our ongoing compliance program seeks to comply with these requirements.

State Licensing/Registration

We hold licenses, registrations, and similar filings so that we can conduct business, including providing referral services and origination assistance to lenders on our platform and servicing and

collecting loans, in all states and the District of Columbia where our activities require such licensure, registration or filing. With respect to our securitization trusts, we have a national bank that serves as our owner trustee and is itself exempt from licensure. Although we are not aware of a state taking the position that the trust itself needs licensure, it is possible that a state or states could take such position in the future. Licenses granted by the regulatory agencies in various states are subject to periodic renewal and may be revoked or suspended for failure to comply with applicable state and federal laws and regulations. In addition, as the product offerings of Upstart or our bank partners change, as states enact new licensing requirements or amend existing licensing laws or regulations, or as states regulators or courts adjust their interpretations of licensing statutes and regulations, we may be required to obtain additional licenses. To that end, we have a small number of applications submitted and pending to obtain additional licenses, particularly with respect to obtaining additional authorization to engage in student loan servicing and collection activities. We are also typically required to complete an annual report (or its equivalent) to each state's regulator. The statutes also typically subject us to the supervisory and examination authority of state regulators.

State licensing statutes impose a variety of requirements and restrictions, including:

- record-keeping requirements;
- collection and servicing practices;
- requirements governing electronic payments, transactions, signatures and disclosures;
- examination requirements;
- surety bond and minimum net worth requirements;
- financial reporting requirements;
- notification requirements for changes in principal officers, stock ownership or corporate control; and
- restrictions on advertising and other loan solicitation activity, as well as restrictions on loan referral or similar practices.

Federal Securities Regulations

Securities Act

We have relied upon the availability of Rule 506 of Regulation D to exempt our prior offerings of equity securities from registration under the Securities Act. Upstart and certain of our subsidiaries have also relied on Section 4(a)(2) of the Securities Act for placement of asset-backed securities, or ABS directly to investors or to investment bank initial purchasers, which have relied on Rule 144A and Regulation S exemptions from registration to place such ABS to qualified institutional buyers and non-U.S. investors, respectively.

Investment Company Act

The Investment Company Act contains substantive legal requirements that regulate the manner in which "investment companies" are permitted to conduct their business activities. In general, an "investment company" is a company that holds itself out as an investment company or holds more than 40% of the total value of its assets (minus cash and government securities) in "investment securities." We believe we are not an investment company. We do not hold ourselves out as an investment company. We understand, however, that the loans held on our balance sheet could be viewed by the SEC or its staff as "securities," which could in turn cause the SEC or its staff to view Upstart Holdings, Inc., Upstart Network, Inc., or an affiliate as an "investment company" subject to regulation under the

Investment Company Act. To provide clarity on this issue, we applied for and, on December 1, 2020, received an exemptive order from the SEC exempting us from regulation under the Investment Company Act, subject to certain conditions. Notwithstanding the exemptive order, we believe that we have never been an investment company, because, among other reasons, we are primarily engaged in the business of providing an AI-based lending platform to banks.

Exemptive orders provided by the SEC under the Investment Company Act may cease to be effective if the facts and analysis upon which they are based materially change or the recipient of the order fails to comply with conditions outlined in the order. Although not currently anticipated, it is possible that our business will change in the future in a way that causes the exemptive order to no longer apply to our business, either because the facts of how we conduct our business change or because we no longer meet the conditions outlined in the order. If the exemptive order ceases to apply to our business, we could be deemed an investment company.

Investment Advisers Act

The Investment Advisers Act of 1940, as amended, or IAA, contains substantive legal requirements that regulate the manner in which "investment advisers" are permitted to conduct their business activities. We believe that our business consists of providing a platform for consumer lending for which investment adviser registration and regulation does not apply under applicable federal or state law, and do not believe that we or any of our subsidiaries are required to register as an investment adviser with either the SEC or any of the various states.

Broker-Dealer Regulations under the Exchange Act

We are not currently registered with the SEC as a broker-dealer under the Exchange Act or any comparable state law. The SEC heavily regulates the manner in which broker-dealers are permitted to conduct their business activities. We believe we have conducted, and we intend to continue to conduct, our business in a manner that does not result in Upstart being characterized as a broker-dealer, based on guidance published by the SEC and its staff.

ABS Risk Retention Rules

Regulation RR was jointly issued by a group of federal agencies under section 15G of the Exchange Act, as well as under the Federal Reserve Act, section 8 of the Federal Deposit Insurance Act, the Bank Holding Company Act of 1956, the Home Owners' Loan Act of 1933; section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and the International Banking Act of 1978. Its purpose is to require securitizers to retain an economic interest in a portion of the credit risk of assets that the securitizer transfers or sells to an issuing entity and that collateralize asset-backed securities that are sold to a third party. We believe we have structured our organization such that we are in compliance with Regulation RR and will continue to conduct our business in a manner that allows us to remain in compliance with this regulation.

Compliance

We review our policies and procedures to ensure compliance with applicable regulatory laws and regulations applicable to us and our bank partners. We have built our systems and processes with controls in place in order to permit our policies and procedures to be followed on a consistent basis. For example, to ensure proper controls are in place to maintain compliance with the consumer protection related laws and regulations, we have developed a compliance management system consistent with the regulatory expectations published by governmental agencies. While no compliance program can assure that there will not be violations, or alleged violations, of applicable laws, we believe that our compliance management system is reasonably designed and managed to minimize compliance-related risks.

Intellectual Property

We protect our intellectual property through a combination of trademarks, domain names, copyrights and trade secrets, as well as through contractual provisions, our information security infrastructure and restrictions on access to or use of our proprietary technology. As of September 30, 2020, we had 2 patent applications in the United States related to our proprietary risk model. We may file additional patent applications or pursue additional patent protection in the future to the extent we believe it will be beneficial.

We have trademark rights in our name, our logo and other brand indicia, and have trademark registrations for select marks in the United States. We will pursue additional trademark registrations to the extent we believe it will be beneficial. We also have registered domain names for websites that we use in our business. We may be subject to third party claims from time to time with respect to our intellectual property.

Additionally, we rely upon unpatented trade secrets and confidential know-how and continuing technological innovation to develop and maintain our competitive position. We also enter into confidentiality and intellectual property rights agreements with our employees, consultants, contractors and business partners. Under such agreements, our employees, consultants and contractors are subject to invention assignment provisions designed to protect our proprietary information and ensure our ownership in intellectual property developed pursuant to such agreements.

For additional information about our intellectual property and associated risks, see the section titled “Risk Factors—Risks Related to Our Business and Industry.”

Employees and Human Capital

We have built something very special at Upstart in terms of our company culture. Building a great place to work for the best talent was a priority for us from day one. It is not an accident that we have received best place to work awards in both our San Mateo and Columbus locations. Our employee engagement results are seven points higher than our technology peers and have even increased over the past year during the COVID-19 pandemic.[111]

We have brought together a remarkable diversity of thinkers. The members of our management team come from diverse backgrounds with varying ethnicities, education backgrounds, genders and ages. As the focal point of our human capital strategy, we attract and recruit diverse, exceptionally talented, highly educated, experienced and motivated employees.

We have an extremely rigorous recruiting and employee candidate screening process. For example, since August 2015, we considered, on average, close to 1,000 data science candidates for every hire we made in our machine learning team. Our machine learning team, responsible for the development and constant improvement of our AI models, is unlike any other in consumer lending. The majority of the members of our machine learning team have doctorate degrees in statistics, mathematics, computer science, economics or physics and many have extensive past experience in quantitative finance.

Beyond delivering on business results, our employees are engaged in a culture of collaboration and community—they have founded more than 20 clubs and special interest groups, created seven employee resource groups and hosted countless lunch and learns on topics ranging from startup financing to salsa classes taught by our chief compliance officer.

[111] Based on internal survey results obtained using a third-party service as compared to an industry benchmark for technology companies of a similar size provided by such third-party.

As of September 30, 2020, we had 429 full-time employees. We also engage temporary employees, contractors and consultants as needed to support our operations. None of our employees are represented by a labor union or subject to a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Facilities

Our corporate headquarters are located in San Mateo, California and Columbus, Ohio and consist of approximately 48,000 square feet and 13,000 square feet of space, respectively, under leases that expire in March 2024 and December 2026, respectively. We also lease and license facilities in New York, New York. We believe that our facilities are adequate for our current needs and that, if necessary, additional facilities will be available to accommodate the expansion of our business.

Legal Proceedings

From time to time, we and certain of our subsidiaries may be subject to legal proceedings and claims that arise in the ordinary course of business, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. We are not currently subject to any legal proceedings that, if determined adversely to us, would, in our opinion, have a material adverse effect on our business, results of operations or financial condition. Future litigation may be necessary to defend ourselves or our partners by determining the scope, enforceability and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of September 30, 2020:

Name	Age	Position(s)
Executive Officers:		
Dave Girouard	54	Co-Founder, Chief Executive Officer, Chairperson of the Board
Sanjay Datta	46	Chief Financial Officer
Anna M. Counselman	39	Co-Founder, SVP, People and Operations
Paul Gu	29	Co-Founder, SVP, Product and Data Science, Director
Alison Nicoll	48	General Counsel
Non-Employee Directors:		
Mary Hentges	61	Director
Oskar Mielczarek de la Miel	47	Director
Ciaran O'Kelly	52	Director
Robert Schwartz	58	Director
Sukhinder Singh Cassidy	50	Director
Hilliard C. Terry III	50	Director

Executive Officers

Dave Girouard. Mr. Girouard is one of our co-founders and has served as our Chief Executive Officer and a member of our board of directors since our incorporation. From February 2004 to April 2012, Mr. Girouard served in various roles at Google, a technology company, most recently as President of Google Enterprise, where he helped build Google's cloud applications business worldwide, including product development, sales, marketing, and customer support. He started his career in Silicon Valley as a Product Manager at Apple, a technology company, and previously served as an associate in the consulting firm Booz Allen's Information Technology practice. Mr. Girouard's career began in software development with the Boston office of Accenture, a consulting firm. He graduated from Dartmouth College with a B.A. in Engineering Sciences and a B.E. in Computer Engineering. Mr. Girouard also holds an M.B.A. from the University of Michigan with High Distinction.

Mr. Girouard was selected to serve on our board of directors because of the perspective and experience he brings as our Chief Executive Officer and as one of our co-founders, as well as his extensive experience with technology companies.

Sanjay Datta. Mr. Datta has served as our Chief Financial Officer since December 2016. From June 2005 to December 2016, he served in various roles at Google, including as Vice President of Finance for Global Advertising, Finance Director of Corporate Revenue and Product Profitability, and in various international finance leadership positions based in Asia and Europe. Prior to Google, Mr. Datta worked at Artisan Capital, a private investment group, from November 2002 to May 2005, sourcing and reviewing prospective private equity investments, and worked at Deloitte Consulting, a consulting firm, from June 1996 to July 2000. Mr. Datta has a joint honors degree in Economics and Finance from McGill University in Montreal and an M.B.A. from Stanford University.

Anna M. Counselman. Ms. Counselman is one of our co-founders and has served in various roles since May 2012, including most recently as Senior Vice President, People and Operations. From February 2007 to May 2012, she served in various roles at Google, including most recently as Head of Premium Services & Customer Programs. Ms. Counselman began her career in industrial operations

at a management development program at McMaster-Carr, a supplier of hardware, tools, raw materials, and maintenance equipment industrial materials. Ms. Counselman graduated Summa Cum Laude from Boston University with a B.A. in Finance and Entrepreneurship.

Paul Gu. Mr. Gu is one of our co-founders and has served in various roles since April 2012, including most recently as our Senior Vice President, Product and Data Science. He has also served as a member of our board of directors since April 2015. Mr. Gu has a background in quantitative finance, built his first algorithmic trading strategies on the Interactive Brokers API at the age of 20 and previously worked in risk analysis at the D.E. Shaw Group, a hedge fund, in 2011. During college, Mr. Gu led underwriting for two non-profit microlenders in the United States. Mr. Gu studied economics and computer science at Yale University and then joined the Thiel Fellowship.

Mr. Gu was selected to serve on our board of directors because of the perspective and experience he brings as our Senior Vice President, Product and Data Science and as one of our co-founders, as well as his expertise in data science.

Alison Nicoll. Ms. Nicoll has served as our General Counsel since May 2012. From July 2006 to May 2012, Ms. Nicoll worked on the legal team at PayPal, Inc., a financial services technology company, where she ultimately served as Associate General Counsel and managed the North America legal team responsible for supporting multiple business units on issues ranging from corporate strategy, general commercial matters, regulatory developments and compliance, consumer protection, online and mobile payments and merchant payment acceptance. From 2003 to 2006, she also served as the General Counsel of TSYS Prepaid, a prepaid payments processing company. Ms. Nicoll holds a law degree from the University of Glasgow in Scotland and a Masters of Law from Columbia Law School.

Non-Employee Directors

Mary Hentges. Ms. Hentges has served as a member of our board of directors since December 2019. Ms. Hentges currently serves as the Interim Chief Financial Officer for ShotSpotter, a precision-policing solutions company. Ms. Hentges previously served as the Chief Financial Officer of Yapstone, Inc., a financial services company, from 2012 to 2014, the Chief Financial Officer of CBS Interactive, a media company, from 2010 to 2012, and the Chief Financial Officer of PayPal, Inc. from 2003 to 2010. She is also a Certified Public Accountant (inactive). Ms. Hentges holds a B.S. in Accounting from Arizona State University.

Ms. Hentges was selected to serve on our board of directors because of her financial expertise and extensive experience as an executive in the technology industry.

Oskar Mielczarek de la Miel. Mr. Mielczarek de la Miel has served as a member of our board of directors since November 2016. Mr. Mielczarek de la Miel is an executive officer of Rakuten, Inc. a technology company, and is Managing Partner at Rakuten Capital, the corporate venture capital arm of Rakuten, Inc., where he manages fintech, mobility, digital media and other investments. He also serves on the board of directors for Rakuten Europe S.a.r.l., IXL PremFina, Ltd, Cyndx Holdco, Inc., Glovapp23, S.L., FeverLabs, Inc. and Contenidos y Marcas, S.L. Prior to joining Rakuten, Mr. Mielczarek de la Miel served in various roles in the financial industry, including in investment banking at J.P. Morgan and Merrill Lynch, financial services firms. Mr. Mielczarek de la Miel holds a B.A. from ICADE in Spain and an M.B.A. from Harvard Business School.

Mr. Mielczarek de la Miel was selected to serve on our board of directors because of his experience in the venture capital industry and his international market knowledge and experience serving as a director of various private companies.

Ciaran O'Kelly. Ciaran O'Kelly has served as a member of our board of directors since April 2018. Mr. O'Kelly has been a full-time employee of Square, Inc. since August 2020. From 2009 to 2013, Mr. O'Kelly served in various roles at Nomura Securities, a financial services firm, most recently as Senior Managing Director and Head of Equities, Americas. Prior to 2009, Mr. O'Kelly served in various roles at two financial services firms, Bank of America, including Head of Global Equities and Head of Equity Capital Markets, and Salomon Smith Barney, including Head of Equity Trading. He previously served on the board of Square Financial Services, Inc., a technology company, Bank of America Securities and Nomura Securities International. Mr. O'Kelly holds a B.B.S. in Business Studies from Dublin City University.

Mr. O'Kelly was selected to serve on our board of directors because of the perspective and extensive experience he brings from his background in financial services.

Robert Schwartz. Mr. Schwartz has served as a member of our board of directors since June 2015. Since June 2000, Mr. Schwartz has been Managing Partner of Third Point Ventures, the Menlo Park, California based venture capital arm of Third Point LLC, which is a registered investment adviser based in New York and the investment manager of the Third Point Funds. He previously served on the board of Apigee and the board of Enphase Energy until 2016. Previously, for 23 years, Mr. Schwartz was the President of RF Associates North, a privately held communications semiconductor manufacturer's representative firm. Mr. Schwartz holds a multi-discipline engineering degree from the University of California, Berkeley.

Mr. Schwartz was selected to serve on our board of directors because of his experience in the venture capital industry and his market knowledge and experience serving as a director of various private and public companies.

Sukhinder Singh Cassidy. Ms. Singh Cassidy has served as a member of our board of directors since February 2020. Since June 2015, Ms. Singh Cassidy has served as the founder and chairman of theBoardlist, and most recently served as the President of StubHub Inc., a technology company, from May 2018 to May 2020. From 2011 to September 2017, Ms. Singh Cassidy served in various roles at Joyus, Inc., an internet video shopping network, most recently as Founder and Chairman. From 2003 to 2009, she served in various senior executive roles at Google, Inc., a technology company, most recently as President of Asia Pacific and Latin America Operations. She is currently a director of Urban Outfitters, Inc. Ms. Singh Cassidy previously served on the board of Tripadvisor, Inc. and the board of Ericsson until 2018. Ms. Singh Cassidy holds a B.A. in Business Administration from the Ivey Business School at Western University.

Ms. Singh Cassidy was selected to serve on our board of directors because of her extensive experience as an executive in the technology industry and her experience serving as a director of a publicly traded company.

Hilliard C. Terry, III. Mr. Terry has served as a member of our board of directors since February 2019. Currently, Mr. Terry is an advisor and interim CEO to a private equity-backed portfolio company. From January 2012 to October 2018, he served as Executive Vice President and Chief Financial Officer of Textainer Group Holdings Limited, an intermodal marine container management and leasing company. Before joining Textainer, Mr. Terry was Vice President and Treasurer of Agilent Technologies, Inc., which he joined in 1999, prior to the company's initial public offering and spinoff from Hewlett-Packard Company. He previously held positions in investor relations and/or investment banking with Kenetech Corporation, an alternative energy company, VeriFone, Inc., a payments company, and Goldman Sachs & Co., a financial services firm. He is currently a director of Umpqua Holdings Corporation, a bank holding company, where he chairs the Audit and Compliance Committee and serves on the Finance and Capital, Nominating & Governance and Strategy Committees. Mr. Terry holds a B.A. in Economics from the University of California, Berkeley and an M.B.A. from Golden Gate University.

Mr. Terry was selected to serve on our board of directors because of his financial expertise and experience in the banking industry.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Code of Ethics

Our board of directors has adopted a code of ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our code of business conduct and ethics will be posted on the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act.

Board of Directors

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of eight directors. Pursuant to our current certificate of incorporation and amended and restated voting agreement, our current directors were elected as follows:

- Messrs. Girouard, Gu and O'Kelly and Ms. Hentges were elected as the designees nominated by holders of our common stock;
- Mr. Terry was elected as the designee nominated by holders of our preferred stock and common stock;
- Ms. Singh Cassidy was elected as the designee nominated by holders of our Series Seed preferred stock, Series A preferred stock and Series B preferred stock;
- Mr. Schwartz was elected as the designee nominated by holders of our Series C preferred stock; and
- Mr. Mielczarek de la Miel was elected as the designee nominated by holders of our Series C-1 preferred stock; and
- the holders of our Series D preferred stock have the right to elect a member of our board of directors, but such position is currently vacant.

Our amended and restated voting agreement will terminate and the provisions of our current certificate of incorporation by which our directors were elected will be amended and restated in connection with this offering. After this offering, the number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation or removal.

Classified Board of Directors

We intend to adopt an amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering. Our amended and restated certificate of incorporation will provide that, immediately after the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of

their respective three-year terms. Our current directors will be divided among the three classes as follows:

- the Class I directors will be Dave Girouard, Oskar Mielczarek de la Miel and Hilliard C. Terry III, and their terms will expire at the annual meeting of stockholders to be held in 2021;
- the Class II directors will be Paul Gu, Sukhinder Singh Cassidy and Robert Schwartz, and their terms will expire at the annual meeting of stockholders to be held in 2022; and
- the Class III directors will be Ciaran O'Kelly and Mary Hentges, and their terms will expire at the annual meeting of stockholders to be held in 2023.

Each director's term will continue until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal. Any increase or decrease 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 our directors.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

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 Mary Hentges, Oskar Mielczarek de la Miel, Ciaran O'Kelly, Robert Schwartz, Sukhinder Singh Cassidy and Hilliard C. Terry III do not have a relationship 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 the Nasdaq Global Select Market. 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 capital stock by each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."

Lead Independent Director

Our board of directors intends to adopt corporate governance guidelines that will provide that one of our independent directors should serve as our Lead Independent Director at any time when our Chief Executive Officer serves as the Chairperson of our board of directors or if the Chairperson is not otherwise independent. Because Mr. Girouard is our Chairperson and is not an "independent" director as defined in the listing standards of the Nasdaq Global Select Market, our board of directors has appointed Sukhinder Singh Cassidy to serve as our Lead Independent Director. As Lead Independent Director, Ms. Singh Cassidy will preside over periodic meetings of our independent directors, serve as a liaison between our Chairperson and our independent directors, and perform such additional duties as our board of directors may otherwise determine and delegate.

Committees of the 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 is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of Hilliard C. Terry III, Mary Hentges, and Ciaran O'Kelly with Mr. Terry serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Nasdaq Global Select Market and SEC rules and regulations. Each member of our audit committee also meets the financial literacy and sophistication requirements of the listing standards of the Nasdaq Global Select Market. In addition, our board of directors has determined that Ms. Hentges and Mr. Terry are both audit committee financial experts within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Following the completion of this offering, our audit committee will, among other things:

- select a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;
- discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operation;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- review our policies on risk assessment and risk management;
- review related party transactions; and
- approve or, as required, pre-approve, all audit and all permissible non-audit services, other than de minimis 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 rules and regulations of the SEC and the listing standards of the Nasdaq Global Select Market.

Compensation Committee

Our compensation committee consists of Sukhinder Singh Cassidy, and Robert Schwartz, with Ms. Singh Cassidy serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Nasdaq Global Select Market and SEC rules and regulations. Each member of our compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3. Following the completion of this offering, our compensation committee will, among other things:

- review, approve, and determine, or make recommendations to our board of directors regarding, the compensation of our executive officers;
- administer our equity compensation plans;
- review and approve and make recommendations to our board of directors regarding incentive compensation and equity compensation plans; and
- establish and periodically review policies and programs relating to compensation and benefits of our employees and executives.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules and regulations of the SEC and the listing standards of the Nasdaq Global Select Market.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Ciaran O'Kelly, Oskar Mielczarek de la Miel and Robert Schwartz, with Mr. O'Kelly serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Nasdaq Global Select Market and SEC rules and regulations. Following the completion of this offering, our nominating and corporate governance committee will, among other things:

- identify, evaluate, and select, or make recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluate the performance of our board of directors and of individual directors;
- consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees;
- review developments in corporate governance practices;
- evaluate the adequacy of our corporate governance practices and reporting; and
- develop and make recommendations to our board of directors regarding corporate governance guidelines and matters.

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 the Nasdaq Global Select Market.

Compensation Committee Interlocks and Insider Participation

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

Non-Employee Director Compensation

The table set forth below provides information regarding the compensation of our non-executive officer directors for service as directors during the year ended December 31, 2019. In 2019, we did not pay any compensation to any person who served as a non-employee member of our Board of Directors. Our employee directors, Messrs. Girouard and Gu, did not receive any compensation for their services as directors and therefore are not included in the table below. The compensation received by Messrs. Girouard and Gu as employees is set forth in the section titled "Executive Compensation—Summary Compensation Table."

Name	Option Awards[1][2] ($)	Total ($)
Mary Hentges[3]	771,091	771,091
Oskar Mielczarek de la Miel	—	—
Ciaran O'Kelly	—	—
Andrew Palmer[4]	—	—
Andrew Quigg[5]	—	—
Robert Schwartz	—	—
Sukhinder Singh Cassidy[6]	—	—
Hilliard C. Terry, III[7]	328,871	328,871

(1) The amount reported represents the aggregate grant-date fair value of the stock options awarded to the director in 2019, calculated in accordance with Topic 718, "Compensation—Stock Compensation." Such grant-date fair value does not take into account any estimated forfeitures related to vesting conditions. The assumptions used in calculating the grant-date fair value of the stock options reported in this column are set forth in Note 11 to our Consolidated Financial Statements. These amounts do not reflect the actual economic value that may be realized by the non-employee director.

(2) The following table lists all outstanding equity awards held by non-executive officer directors as of December 31, 2019:

Name	Grant Date	Number of Shares Underlying Option Awards[a]	Option Exercise Price	Option Expiration Date
Mary Hentges	December 6, 2019	128,295[b]	$ 3.89	December 6, 2029
Oskar Mielczarek de la Miel	—	—	—	—
Ciaran O'Kelly	March 31, 2018	128,295[c]	$ 2.15	March 31, 2028
Andrew Palmer	—	—	—	—
Andrew Quigg	—	—	—	—
Robert Schwartz	—	—	—	—
Sukhinder Singh Cassidy		—		
Hilliard C. Terry, III	March 29, 2019	128,295[d]	$ 3.80	March 29, 2029

(a) Each of the outstanding equity awards listed in the table above was granted pursuant to our 2012 Plan.
(b) The shares underlying this option vest, subject to Ms. Hentges' continued role as a service provider to us, in 24 equal monthly installments beginning on January 1, 2020.
(c) The shares underlying this option vest, subject to Mr. O'Kelly's continued role as a service provider, in 24 equal monthly installments beginning on April 1, 2018.
(d) The shares underlying this option vest, subject to Mr. Terry's continued role as a service provider to us, in 24 equal monthly installments beginning on March 1, 2019.

(3) Ms. Hentges became a member of our board of directors in December 2019.
(4) Mr. Palmer resigned from our board of directors in December 2019.
(5) Mr. Quigg resigned from our board of directors in February 2020.
(6) Ms. Singh Cassidy became a member of our board of directors in February 2020.
(7) Mr. Terry became a member of our board of directors in February 2019.

April 2020 Option Grants

In April 2020, our board of directors approved option grants under our 2012 Plan to each of Ms. Singh Cassidy and Mr. O'Kelly. In connection with Ms. Singh Cassidy's appointment as a member of the board of directors in February 2020, Ms. Singh Cassidy received an option to purchase 128,295 shares of our common stock, which vests in 24 equal monthly installments beginning on March 1, 2020, subject to Ms. Singh Cassidy's continued role as a service provider to us. Mr. O'Kelly received an option to purchase 64,148 shares of our common stock, which vests in 12 equal monthly installments beginning on May 1, 2020, subject to Mr. O'Kelly's continued role as a service provider to us.

Outside Director Compensation Policy

Prior to this offering, we did not have a formal policy with respect to compensation payable to our non-employee directors for service as directors. From time to time, we have granted equity awards to certain non-employee directors to entice them to join our board of directors and for their continued service on our board of directors. We reimburse our directors for necessary and reasonable expenses associated with attending meetings of our board of directors or its committees.

In October 2020, our board of directors adopted, and in November 2020 our board of directors amended and our stockholders approved, a new compensation policy for our non-employee directors that will be effective as of the date of the effectiveness of the registration statement of which this prospectus forms a part. This policy was developed with input from our independent compensation consultant regarding practices and compensation levels at comparable companies. It is designed to attract, retain, and reward non-employee directors.

Under this compensation policy, each non-employee director will receive the cash and equity compensation for board services described below. We also will continue to reimburse our non-employee directors for reasonable, customary and documented travel expenses to board of directors or committee meetings.

The compensation policy includes a maximum annual limit of $1,000,000 of cash compensation and equity awards that may be paid, issued, or granted to a non-employee director in any fiscal year, increased to $2,000,000 in an individual's first year of service as a non-employee director. For purposes of this limitation, the value of equity awards is based on the grant date fair value (determined in accordance with GAAP). Any cash compensation paid or equity awards granted to a person for their services as an employee, or for their services as a consultant (other than as a non-employee director), will not count for purposes of the limitation. The maximum limit does not reflect the intended size of any potential compensation or equity awards to our non-employee directors.

Cash Compensation

Following the completion of this offering, non-employee directors will be entitled to receive the following cash compensation for their services under the outside director compensation policy:

- $30,000 per year for service as a board member;
- $40,000 per year for service as non-employee chair of the board;
- $25,000 per year for service as a lead independent director;
- $20,000 per year for service as chair of the audit committee;
- $10,000 per year for service as a member of the audit committee;
- $14,000 per year for service as chair of the compensation committee;
- $7,000 per year for service as a member of the compensation committee;
- $8,000 per year for service as chair of the nominating and corporate governance committee; and
- $4,000 per year for service as a member of the nominating and corporate governance committee.

Each non-employee director who serves as the chair of a committee will receive only the additional annual cash fee as the chair of the committee, and not the annual fee as a member of the committee, provided that each non-employee director who serves as the non-employee chair or the lead independent director will receive the annual fee for service as a board member and an additional annual fee as the non-employee chair or lead independent director. All cash payments to non-employee directors are paid annually in arrears on a pro-rated basis.

Election to receive Restricted Stock Units in lieu of Cash Compensation

Each non-employee director may elect to convert all or a portion of his or her annual cash retainer payments into an award covering a number of restricted stock units, or a Retainer Award, with a grant date fair value (determined in accordance with GAAP) equal to the amount of the applicable annual cash retainer payment to which the Retainer Award relates.

Each individual who first becomes a non-employee director must make an election to receive Retainer Awards in lieu of cash payments, or a Retainer RSU Election, with respect to annual cash retainer payments relating to services to be performed in the same calendar year as such individual

first becomes a non-employee director on or prior to the date that the individual first becomes a non-employee director. Each non-employee director must make a Retainer RSU Election with respect to annual cash retainer payments relating to services to be performed in the following calendar year by no later than December 31 of each calendar year, or such earlier deadline as established by our board of directors or the compensation committee of our board of directors.

If a non-employee director who has made a valid Retainer RSU election ceases to be a non-employee director prior to the applicable grant date of a Retainer Award to which the Retainer RSU Election relates, the Retainer RSU Election will be treated as cancelled and the non-employee director will be eligible to receive a prorated payment of the annual payment of the non-employee director's applicable annual cash retainer, calculated based on the number of days during the applicable calendar year the non-employee director served in the relevant capacities, in accordance with the terms and conditions of the policy.

Retainer Awards will be granted on January 10 immediately following the end of the calendar year for which the corresponding annual cash retainer payment was earned, except that if such date is not a trading day, the associated grant of the applicable Retainer Award shall occur on the next trading day following such date. Each Retainer Award will be fully vested on the date of grant.

Equity Compensation

Initial Award: Each person who first becomes a non-employee director after the date of the effective date of the policy will receive, on the first trading date on or after the date on which the person first becomes a non-employee director, an initial award of restricted stock units, or the Initial Award, covering a number of shares of our common stock having a grant date fair value (determined in accordance with GAAP) equal to $165,000; provided that any resulting fraction will be rounded down to the nearest whole share. The Initial Award will vest in its entirety on the one (1) year anniversary of the non-employee director's initial start date, subject to the non-employee director continuing to be a non-employee director through the applicable vesting date. If the person was a member of our board of directors and also an employee, becoming a non-employee director due to termination of employment will not entitle them to an Initial Award.

Annual Award: Each non-employee director automatically will receive, on the date of each annual meeting of our stockholders following the effective date of the policy, an annual award of restricted stock units, or an Annual Award, covering a number of shares of our common stock having a grant date fair value (determined in accordance with GAAP) of $165,000; provided that the first annual award granted to an individual who first becomes a non-employee director following the effective date of the policy will have a grant date fair value equal to the product of (A) $165,000 multiplied by (B) a fraction, (i) the numerator of which is equal to the number of fully completed days between the non-employee director's initial start date and the date of the first annual meeting of our stockholders to occur after such individual first becomes a non-employee director, and (ii) the denominator of which is 365; and provided further that any resulting fraction will be rounded down to the nearest whole share. Each Annual Award will vest in its entirety on the earlier of (x) the 1-year anniversary of the Annual Award's grant date, or (y) the day immediately before the date of the next annual meeting of our stockholders that follows the grant date of the Annual Award, subject to the non-employee director's continued service through the applicable vesting date.

Pursuant to the policy, for purposes of determining the grant date fair value of Initial Awards, Annual Awards and Retainer Awards, the grant date fair value per share will equal the average closing price of one share of our common stock for the 30 trading days immediately prior to the applicable date of grant.

In the event of a “change in control” (as defined in our 2020 Plan), each non-employee director will fully vest in their outstanding company equity awards issued under the director compensation policy, including any Initial Award or Annual Award, immediately prior to the consummation of the change in control provided that the non-employee director continues to be a non-employee director through such date.

EXECUTIVE COMPENSATION

Our named executive officers, consisting of our principal executive officer and the next two most highly compensated executive officers, as of December 31, 2019, were:

- Dave Girouard, our Chief Executive Officer and member of our board of directors;
- Sanjay Datta, our Chief Financial Officer; and
- Paul Gu, our Senior Vice President of Product and Data Science and member of our board of directors.

Summary Compensation Table

The amounts below represent the compensation awarded to or earned by or paid to our named executive officers for the year ended December 31, 2019:

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)	Total ($)
Dave Girouard(3) *Chief Executive Officer*	2019	360,000		—	—	—	360,000
Sanjay Datta *Chief Financial Officer*	2019	375,000		384,525	189,000	—	948,525
Paul Gu(3) *SVP, Product and Data Science*	2019	269,773		384,525	145,677	—	799,975

(1) The amount reported represents the aggregate grant-date fair value of the stock options awarded to the named executive officer in 2019, calculated in accordance with Topic 718, "Compensation—Stock Compensation." Such grant-date fair value does not take into account any estimated forfeitures related to vesting conditions. The assumptions used in calculating the grant-date fair value of the stock options reported in this column are set forth in Note 11 to our Consolidated Financial Statements. These amounts do not reflect the actual economic value that may be realized by the named executive officer.

(2) The amounts reported represent the amounts earned by the named executive officers in calendar year 2019 under Upstart's 2019 Bonus Plan, as described in more detail below under "Employee Benefit and Stock Plans—2019 Bonus Plan." The amounts reported were paid out, less applicable withholdings, on February 14, 2020.

(3) Mr. Girouard and Mr. Gu serve on our board of directors but are not paid additional compensation for such service.

Outstanding Equity Awards at Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2019:

	Option Awards				
Name	Grant Date[1]	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)[2]	Option Expiration Date
Dave Girouard	September 20, 2016[3]	1,017,042	234,703	$0.83	September 20, 2026
Sanjay Datta	December 28, 2016[4]	474,619	176,288	$1.35	December 28, 2026
	December 28, 2016[5]	60,500	39,639	$1.35	December 28, 2026
	December 18, 2017[6]	47,916	52,084	$2.15	December 18, 2027
	March 29, 2019[7]	—	150,000	$3.80	March 29, 2029
Paul Gu	May 11, 2012[8]	210,000	—	$0.15	May 11, 2022
	August 21, 2012[9]	120,000	—	$0.15	August 21, 2022
	May 23, 2013[10]	300,000	—	$0.23	May 23, 2023
	June 19, 2014[11]	270,000	—	$0.43	June 19, 2024
	January 14, 2015[12]	200,000	—	$0.60	January 14, 2025
	December 18, 2015[13]	244,791	5,209	$1.17	December 18, 2025
	June 24, 2016[14]	256,249	43,751	$1.17	June 24, 2026
	January 9, 2017[15]	182,291	67,709	$1.35	January 9, 2027
	December 18, 2017[16]	95,833	104,167	$2.15	December 18, 2027
	March 29, 2019[17]	—	150,000	$3.80	March 29, 2029

(1) Each of the outstanding equity awards listed in the table above was granted pursuant to our 2012 Plan.
(2) This column represents the fair value of a share of our common stock on the grant date, as determined by our board of directors.
(3) The shares underlying this option vest, subject to Mr. Girouard's continued role as a service provider to us, in 48 equal monthly installments beginning on October 1, 2016.
(4) The shares underlying this option vest, subject to Mr. Datta's continued role as a service provider to us, as to 1/4th of the total shares on January 1, 2018 with 1/48th of the total shares vesting monthly thereafter.
(5) The shares underlying this option vest, subject to Mr. Datta's continued role as a service provider to us, as to 1/4th of the total shares on July 1, 2018 with 1/48th of the total shares vesting monthly thereafter.
(6) The shares underlying this option vest, subject to Mr. Datta's continued role as a service provider to us, in 48 equal monthly installments beginning on February 1, 2018.
(7) The shares underlying this option vest, subject to Mr. Datta's continued role as a service provider to us, in 12 equal monthly installments beginning on February 1, 2021.
(8) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, as to 1/4th of the total shares on May 1, 2013 with 1/48th of the total shares vesting monthly thereafter.
(9) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, as to 1/4th of the total shares on September 1, 2013 with 1/48th of the total shares vesting monthly thereafter.
(10) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, as to 1/4th of the total shares on May 1, 2014 with 1/48th of the total shares vesting monthly thereafter.
(11) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, as to 1/4th of the total shares on April 1, 2015 with 1/48th of the total shares vesting monthly thereafter.
(12) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, in 48 equal monthly installments beginning on February 1, 2015.
(13) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, in 48 equal monthly installments beginning on February 1, 2016.
(14) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, in 48 equal monthly installments beginning on August 1, 2016.
(15) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, in 48 equal monthly installments beginning on February 1, 2017.
(16) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, in 48 equal monthly installments beginning on February 1, 2018.
(17) The shares underlying this option vest, subject to Mr. Gu's continued role as a service provider to us, in 12 equal monthly installments beginning on February 1, 2021.

Fiscal Year 2020 Option Grants

In January 2020, our board of directors approved option grants under our 2012 Plan to each of Mr. Datta and Mr. Gu. Mr. Datta received an option to purchase 200,000 shares of our common stock, which vests in 12 equal monthly installments beginning on January 1, 2022, subject to Mr. Datta's continued role as a service provider to us. Mr. Gu received an option to purchase 200,000 shares of our common stock, which vests in 12 equal monthly installments beginning on January 1, 2022, subject to Mr. Gu's continued role as a service provider to us.

In November 2020, our board of directors approved an option grant under our 2012 Plan to Mr. Girouard. Mr. Girouard received an option to purchase 550,000 shares of our common stock, which vests in 28 equal monthly installments beginning on September 1, 2020, subject to Mr. Girouard's continued role as a service provider to us.

Potential Payments upon Termination or Change in Control

In October 2020, our board of directors approved our Executive Change in Control and Severance Policy, or the Severance Policy, which will become effective as of the date of the effectiveness of the registration statement of which this prospectus forms a part. Each of our named executive officers participates in the Severance Policy. Pursuant to our Severance Policy, if, within the 3 month period prior to or the 12 month period following a "change in control" (as defined in the Severance Policy), we terminate the employment of an executive without "cause" (excluding death or disability) or the executive resigns for "good reason" (as such terms are defined in the applicable agreement), and within 60 days following such termination, the executive executes a waiver and release of claims in our favor that becomes effective and irrevocable, the executive will be entitled to receive (i) a lump sum payment equal to 12 months of the executive's then current annual base salary, (ii) a lump sum payment equal to 100% of the executive's target annual bonus amount for the year of termination (provided such amount will be prorated based on days of service during the applicable bonus period with respect to Messrs. Datta and Gu), (iii) reimbursement of premiums to maintain group health insurance continuation benefits pursuant to "COBRA" for the executive and the executive's respective eligible dependents for up to 12 months, and (iv) vesting acceleration as to 100% of the then-unvested shares subject to each of the executive's then outstanding equity awards (and in the case of awards with performance vesting, unless the applicable award agreement governing such award provides otherwise, all performance goals and other vesting criteria will be deemed achieved at target or as earned (determined on a pro rata basis) if greater.

Pursuant to the Severance Policy, in the event any payment to an executive would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended, or the Code (as a result of a payment being classified as a parachute payment under Section 280G of the Code), the executive will receive such payment as would entitle the executive to receive the greatest after-tax benefit, even if it means that we pay the executive a lower aggregate payment so as to minimize or eliminate the potential excise tax imposed by Section 4999 of the Code.

Employee Benefit and Stock Plans

2020 Equity Incentive Plan

In October 2020, our board of directors adopted, and in November 2020 our board of directors amended and our stockholders approved, our 2020 Plan. Our 2020 Plan will become effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. Our 2020 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock,

restricted stock units, or RSUs, and performance awards to our employees, directors, and consultants and our parent and subsidiary corporations' employees and consultants. Our 2012 Plan will terminate immediately prior to effectiveness of the 2020 Plan with respect to the grant of future awards.

Authorized Shares

Subject to the adjustment provisions of and the automatic increase described in our 2020 Plan, a total of 5,520,000 shares of our common stock are reserved for issuance pursuant to our 2020 Plan. In addition, subject to the adjustment provisions of our 2020 Plan, the shares reserved for issuance under our 2020 Plan also include any shares subject to awards granted under our 2012 Plan that, on or after the effective date of the registration statement of which this prospectus forms a part, expire or otherwise terminate without having been exercised or issued in full, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations, or are forfeited to or repurchased by us due to failure to vest (provided that the maximum number of shares that may be added to our 2020 Plan pursuant to outstanding awards under the 2012 Plan is 15,000,000 shares). Subject to the adjustment provisions of our 2020 Plan, the number of shares available for issuance under our 2020 Plan will also include an annual increase on the first day of each fiscal year beginning with the 2021 fiscal year and ending on the ten year anniversary of the date our board of directors approved the 2020 Plan, in an amount equal to the least of:

- 15,000,000 shares of our common stock;
- 5% of the outstanding shares of our common stock on the last day of our immediately preceding fiscal year; or
- such number of shares of our common stock as the administrator may determine.

If a stock option or stock appreciation right granted under the 2020 Plan expires or becomes unexercisable without having been exercised in full or is surrendered pursuant to an exchange program or, with respect to restricted stock, RSUs or stock settled performance awards, is forfeited to, or repurchased by, us due to failure to vest, then the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) which were subject thereto will become available for future grant or sale under the 2020 Plan (unless the 2020 Plan has terminated). With respect to stock appreciation rights, only the net shares actually issued will cease to be available under the 2020 Plan and all remaining shares under stock appreciation rights will remain available for future grant or sale under the 2020 Plan (unless the 2020 Plan has terminated). Shares that have actually been issued under the 2020 Plan under any award will not be returned to the 2020 Plan; provided, however, that if shares issued pursuant to awards of restricted stock, RSUs or performance awards are repurchased or forfeited to us due to failure to vest, such shares will become available for future grant under the 2020 Plan. 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 or sale under the 2020 Plan. To the extent an award is paid out in cash rather than shares, the cash payment will not result in a reduction in the number of shares available for issuance under the 2020 Plan.

Plan Administration

Our compensation committee administers our 2020 Plan and may further delegate authority to one or more subcommittees or officers to the extent such delegation complies with applicable laws. Subject to the provisions of our 2020 Plan, the administrator will have the power to administer our 2020 Plan and make all determinations deemed necessary or advisable for administering our 2020 Plan, including but not limited to: the power to determine the fair market value of our common stock; select the service providers to whom awards may be granted; determine the number of shares covered by each award; approve forms of award agreements for use under our 2020 Plan; determine the terms

and conditions of awards (including, but not limited to, the exercise price, the times or times at which the awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions, and any restriction or limitation regarding any award or the shares relating thereto); construe and interpret the terms of our 2020 Plan and awards granted under it, including but not limited to determining whether and when a change in control has occurred; establish, amend, and rescind rules and regulations relating to our 2020 Plan, and adopt sub-plans relating to the 2020 Plan; interpret, modify or amend each award, including but not limited to the discretionary authority to extend the post-termination exercisability period of awards; allow participants to satisfy tax withholding obligations in any manner permitted by the 2020 Plan; delegate ministerial duties to any of our employees; authorize any person to take any steps and execute, on our behalf, any documents required for an award previously granted by the administrator to be effective; temporarily suspend the exercisability of an award if the administrator deems such suspension to be necessary or appropriate for administrative purposes, provided that, unless prohibited by applicable laws, such suspension shall be lifted in all cases not less than ten trading days before the last date that the award may be exercised; allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award; and make any determinations necessary or appropriate under the adjustment provisions of the 2020 Plan. The administrator also has the authority to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator and to institute an exchange program by which outstanding awards may be surrendered or canceled in exchange for awards of the same type which may have a higher or lower exercise price and/or different terms, awards of a different type and/or cash, or by which the exercise price of an outstanding award is increased or reduced. The administrator's decisions, interpretations, and other actions will be final and binding on all participants to the full extent permitted by law.

Stock Options

Our 2020 Plan permits the grant of options. The exercise price of options granted under our 2020 Plan must be at least equal to the fair market value of our common stock on the date of grant, except that options may be granted with a lower exercise price to a service provider who is not a U.S. taxpayer, or pursuant to certain transactions. The term of an option is determined by the administrator, provided that the term of an incentive stock option may not exceed ten years. With respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term of an incentive stock option granted to such participant must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator determines the methods of payment of the exercise price of an option, which may include cash, check or wire transfer, cashless exercise, net exercise, promissory note, shares, or other consideration or method of payment acceptable to the administrator, to the extent permitted by applicable law. After the termination of service of an employee, director, or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the option will remain exercisable for six months. In all other cases, in the absence of a specified time in an award, the option will remain exercisable for thirty days. These exercise periods may be tolled in certain circumstances, for example if exercise prior to the end of the applicable period is not permitted because of applicable laws. However, in no event may an option be exercised later than the expiration of its term.

Stock Appreciation Rights

Our 2020 Plan permits the grant of stock appreciation rights. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. The term of stock appreciation rights is determined by the administrator. After the termination of service of an employee, director, or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her stock appreciation rights

agreement. In the absence of a specified time in an award agreement, if termination is due to death or disability, the stock appreciation rights will remain exercisable for six months. In all other cases, in the absence of a specified time in an award agreement, the stock appreciation rights will remain exercisable for thirty days following the termination of service. These exercise periods may be tolled in certain circumstances, for example if exercise prior to the end of the applicable period is not permitted because of applicable laws. However, in no event may a stock appreciation right be exercised later than the expiration of its term. Subject to the provisions of our 2020 Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right must be no less than 100% of the fair market value per share on the date of grant.

Restricted Stock

Our 2020 Plan permits the grant of restricted stock. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator determines the number of shares of restricted stock granted to any employee, director, or consultant and, subject to the provisions of our 2020 Plan, determines the terms and conditions of such awards. The administrator has the authority to impose whatever conditions to vesting it determines to be appropriate (for example, the administrator will be able to set restrictions based on the achievement of specific performance goals or continued service to us); provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest will be subject to our right of repurchase or forfeiture.

Restricted Stock Units

Our 2020 Plan permits the grant of RSUs. Each RSU will represent an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2020 Plan, the administrator determines the terms and conditions of RSUs, including the vesting criteria and the form and timing of payment. The administrator has the authority to set vesting criteria based upon the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned RSUs in the form of cash, in shares, or in some combination of both. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the vesting, or reduce or waive the criteria that must be met for vesting, of the RSUs or the time at which any restrictions will lapse or be removed.

Performance Awards

Our 2020 Plan permits the grant of performance awards. Performance awards are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator may establish performance objectives or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance awards to be paid out to participants. The administrator has the authority to set performance objectives based on the achievement of company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. Each performance award's threshold, target, and maximum payout values are established by the administrator on or before the grant date. After the grant

of a performance award, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such performance award. The administrator, in its sole discretion, may pay earned performance awards in the form of cash, in shares, or in some combination thereof.

Non-Employee Directors

Our 2020 Plan provides that all outside (non-employee) directors will be eligible to receive all types of awards (except for incentive stock options) under our 2020 Plan. In order to provide a maximum limit on the awards that can be made to our non-employee directors, our 2020 Plan provides that in any given fiscal year, a non-employee director will not be granted awards having a grant-date fair value greater than $1,000,000, but this limit is increased to $2,000,000 in connection with his or her initially joining our board of directors (in each case, excluding awards granted to him or her as a consultant or employee). The grant-date fair values will be determined according to GAAP. The maximum limits do not reflect the intended size of any potential grants or a commitment to make grants to our outside directors under our 2020 Plan in the future.

Non-Transferability of Awards

Unless the administrator provides otherwise, our 2020 Plan generally does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferrable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain Adjustments

If any extraordinary dividend or other extraordinary distribution (whether in cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of shares of our common stock or other of our securities, other change in our corporate structure affecting the shares, or any similar equity restructuring transaction affecting our shares occurs (including a change in control), the administrator, to prevent diminution or enlargement of the benefits or potential benefits intended to be provided under the 2020 Plan, will adjust the number and class of shares that may be delivered under the 2020 Plan and/or the number, class, and price of shares covered by each outstanding award, and the numerical share limits set forth in our 2020 Plan. The conversion of any of our convertible securities and ordinary course repurchases of our shares or other securities will not be treated as an event that will require adjustment under the 2020 Plan.

Dissolution or Liquidation

In the event of our proposed dissolution or liquidation, the administrator will notify participants as soon as practicable prior to the effective date of such proposed transaction and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control

Our 2020 Plan provides that in the event of a merger or change in control, as defined under our 2020 Plan, each outstanding award will be treated as the administrator determines, without a requirement to obtain a participant's consent, including, without limitation, that such award will be continued by the successor corporation or a parent or subsidiary of the successor corporation. An award generally will be considered continued if, following the transaction, (i) the award gives the right to purchase or receive the consideration received in the transaction by holders of our shares or (ii) the award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount

that would have been received upon the exercise or realization of the award at the closing of the transaction, which payment may be subject to any escrow applicable to holders of our common stock in connection with the transaction or subjected to the award's original vesting schedule. The administrator will not be required to treat all awards or portions thereof the vested and unvested portions of an award, or all participants similarly.

In the event that a successor corporation or its parent or subsidiary does not continue an outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels, and such award will become fully exercisable, if applicable, for a specified period prior to the transaction, unless specifically provided for otherwise under the applicable award agreement or other written agreement with the participant. The award will then terminate upon the expiration of the specified period of time. If an option or stock appreciation right is not continued, the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

With respect to awards granted to an outside director, in the event of a change in control, all of his or her options and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock and RSUs will lapse, and all performance goals or other vesting requirements for his or her performance awards will be deemed achieved at 100% of target levels, and all other terms and conditions met.

Clawback

Awards will be subject to any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our stock is listed or as otherwise required by applicable laws, and the administrator will also be able to specify in an award agreement that the participant's rights, payments, and/or benefits with respect to an award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events.

Amendment and Termination

The administrator has the authority to amend, alter, suspend, or terminate our 2020 Plan, provided we will obtain stockholder approval of any amendment to the extent necessary or desirable to comply with applicable laws. However, no amendment, alteration, suspension or termination of our 2020 Plan or an Award under it may, taken as a whole, materially impair the existing rights of any participant without the participant's consent. Our 2020 Plan will continue in effect until it is terminated, provided that incentive stock options may not be granted after the ten year anniversary of the date our board of directors approved the 2020 Plan, and the automatic annual share increase will end on the ten year anniversary of the date our board of directors approved the 2020 Plan.

2012 Stock Plan

Our 2012 Plan was originally adopted by the board of directors of Upstart Network, Inc. in April 2012 and was assumed by Upstart Holdings, Inc. in December 2013 pursuant to a restructuring.

Our 2012 Plan provides for the grant of incentive stock options (within the meaning of Section 422 of the Code), or ISOs, to our employees and any of our parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, or NSOs and restricted stock to our employees and consultants, and our parent, subsidiary, and affiliate corporations'

employees and consultants. One business day prior to the effectiveness of the registration statement of which this prospectus forms a part, our 2012 Plan will be terminated, and we will not grant any additional awards under our 2012 Plan thereafter. However, our 2012 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under our 2012 Plan.

As of December 31, 2019, options to purchase 16,502,206 shares of our common stock were outstanding under our 2012 Plan.

Plan Administration

Our 2012 Plan is administered by our board of directors or one or more committees appointed by our board of directors. Each committee will consist of two or more members of our board of directors and will have such authority and be responsible for such functions as our board of directors has assigned to it (the board of directors, or its designated committee, the "administrator"). Our board of directors may also authorize one or more of our officers to administer the 2012 Plan within the parameters specified by the board of directors. All decisions, interpretations, and other actions of the administrator are final and binding on all participants and all persons deriving their rights from a participant.

Subject to the provisions of our 2012 Plan, the administrator has the power to determine the fair market value of shares of stock, to select the participants to whom awards may be granted, to determine the number of shares covered by an award, to approve the form(s) of agreement(s) and other related documents used under our 2012 Plan, to determine the term and conditions of awards, to amend awards or related agreements, to determine under what circumstances an option may be settled in cash, to institute an exchange program by which outstanding awards may be surrendered in exchange for awards with a higher or lower exercise price, to grant awards to foreign nationals or participants employed outside of the United States, and to construe and interpret the terms of the 2012 Plan and agreements related to awards.

Eligibility

Employees, consultants and directors of ours and employees, consultants or directors or our parent, subsidiary, and affiliate companies are eligible to receive awards. Only our employees or employees of our parent or subsidiary companies are eligible to receive incentive stock options.

Stock Options

Stock options have been granted under our 2012 Plan. Subject to the provisions of our 2012 Plan, the administrator determines the term of an option, the number of shares subject to an option and the time period in which an option may be exercised.

The term of an option is stated in the applicable award agreement, but the term of an option may not exceed 10 years from the grant date. The administrator determines the exercise price of options, which generally may not be less than 100% of the fair market value of our common stock on the grant date. However, an incentive stock option granted to a person who owns more than 10% of the total combined voting power of all classes of our outstanding stock or of our parent or any subsidiary may have a term of no longer than five years from the grant date and must have an exercise price of at least 110% of the fair market value of our common stock on the grant date. In addition, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by an employee during any calendar year (under all our plans and those of any parent or subsidiary) exceeds $100,000, such options will be treated as nonstatutory stock options.

The administrator determines how a participant may pay the exercise price of an option, and the permissible methods are generally set forth in the applicable award agreement. If a participant's "continuous service status" (as defined in our 2012 Plan) terminates, that participant may exercise the vested portion of his or her option for the period of time stated in the applicable award agreement. If the award agreement does not specify the terms and conditions upon which an option shall terminate upon termination of a participant's continuous service status, the 2012 Plan provides that the vested portion of such option will (i) be exercisable for three months following the participant's termination for reasons other than death, disability or cause, (ii) be exercisable for twelve months following the participant's termination for reasons of death or disability, and (iii) terminate immediately upon the participant's termination for "cause," as defined in the 2012 Plan. In no event will an option remain exercisable beyond its original term. If a participant does not exercise his or her option within the time specified in the award agreement, the option will terminate. Except as described above, the administrator has the discretion to determine the post-termination exercisability periods for an option.

Restricted Stock

Restricted stock may be granted under our 2012 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator (if any). The administrator will determine the number of shares of restricted stock granted to any employee, consultant or director and, subject to the provisions of our 2012 Plan, will determine any terms and conditions of such awards. The restricted stock will vest at such rate as the administrator may determine. Once the restricted stock is purchased or issued, the participant will have the rights equivalent to those of a holder of capital stock. No adjustment will be made for a dividend or other right for which the record date is prior to the date the restricted stock is purchased or received, except as otherwise provided in the 2012 Plan.

Non-Transferability of Awards

Except as set forth in the 2012 Plan, awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by a participant will not constitute a transfer. An option may be exercised during the lifetime of the holder of the option, only by such holder or a transferee permitted by the 2012 Plan.

The administrator may in its sole discretion grant nonstatutory stock options that may be transferred by instrument to an inter vivos or testamentary trust in which the options are to be passed to beneficiaries upon the death of the trustor or by gift to family members.

Certain Adjustments

In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, reclassification of the shares or subdivision of the shares, proportionate adjustments will automatically be made in each of (i) the numbers and class of shares or other stock or securities: (x) available for future awards under the 2012 Plan and (y) covered by each outstanding award, (ii) the exercise price per share of each such outstanding option, and (iii) any repurchase price per share applicable to shares issued pursuant to any award. In the event of any increase or decrease in the number of issued shares effected without receipt of consideration by us, a declaration of an extraordinary dividend with respect to the shares payable in a form other than shares in an amount that has a material effect on the fair market value, a recapitalization (including a recapitalization through a large nonrecurring cash dividend), a rights offering, a reorganization, merger, a spin-off, split-up, change in corporate structure or a similar occurrence, the administrator at its sole discretion may make appropriate adjustments in one or more of the items listed in (i) through (iii) above.

Mergers and Consolidations

In the event of (i) a transfer of all or substantially all of our assets, (ii) a merger, consolidation or other capital reorganization or business combination transaction of us with or into another corporation, entity or person, or (iii) the consummation of a transaction, or series of related transactions, in which any person becomes the beneficial owner, directly or indirectly, of more than 50% of our outstanding capital stock (each a "corporate transaction"), each outstanding award will be treated as the administrator determines. The administrator's determination may be made without the consent of any participant and need not treat all outstanding awards in an identical manner. The administrator's determination may provide for one or more of the following without limitation with respect to each outstanding award: (i) the continuation of outstanding awards by us; (ii) the assumption of outstanding awards by the surviving corporation or its parent; (iii) the substitution by the surviving corporation or its parent of new options or equity awards for such awards; (iv) the cancellation of awards and a payment to the participants equal to the excess of (x) the fair market value of the shares subject to awards as of the closing date of the corporate transaction over (y) the exercise price or purchase price for the shares to be issued pursuant to the exercise of awards; or (v) the cancellation of awards for no consideration.

With respect to awards providing for accelerated vesting in connection with any termination of service that occurs on or after a corporate transaction, if the successor does not agree to assume the award, or to substitute an equivalent award or right for the award, then any acceleration of vesting that would otherwise occur upon such termination of service will occur immediately prior to, and contingent upon, the consummation of the corporate transaction.

Amendment and Termination

Our board of directors may amend or terminate our 2012 Plan at any time; provided, however no amendment or termination will be made that would materially and adversely affect the rights of any participant under any outstanding award, without his or her consent. To the extent necessary and desirable to comply with applicable laws, we will obtain the approval of holders of capital stock with respect to any amendments to our 2012 Plan as required. As noted above, one business day prior to the effectiveness of the registration statement of which this prospectus forms a part, our 2012 Plan will be terminated, and we will not grant any additional awards under our 2012 Plan thereafter.

2020 Employee Stock Purchase Plan

In October 2020, our board of directors adopted, and in November 2020 our board of directors amended and our stockholders approved, our ESPP. Our ESPP will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part.

Authorized Shares

Subject to the adjustment provisions of our ESPP, a total of 1,380,000 shares of our common stock are reserved for issuance pursuant to our ESPP. The number of shares available for issuance under our ESPP also includes an annual increase on the first day of each fiscal year beginning with the 2021 fiscal year in an amount equal to the least of:

- 2,000,000 shares of our common stock;
- 1% of the outstanding shares of our common stock on the last day of our immediately preceding fiscal year; or
- such number of shares of our common stock as the administrator may determine.

ESPP Administration

The compensation committee of our board of directors administers our ESPP and has full and exclusive discretionary authority to construe, interpret, and apply the terms of the ESPP, delegate ministerial duties to any of our employees, designate separate offerings under the ESPP, designate our subsidiaries and affiliates as participating in the ESPP, determine eligibility, adjudicate all disputed claims filed under the ESPP, and establish procedures that it deems necessary for the administration of the ESPP, including, but not limited to, adopting such procedures and sub-plans as are necessary or appropriate to permit participation in the ESPP by employees who are foreign nationals or employed outside the United States. The administrator's findings, decisions and determinations are final and binding on all participants to the full extent permitted by law.

Eligibility

Generally, all of our employees will be eligible to participate if they are customarily employed by us, or any participating subsidiary or affiliate, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date, for all options to be granted on such enrollment date in an offering, determine that an employee who (i) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date, (ii) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (iii) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in such offering period.

However, an employee may not be granted rights to purchase shares of our common stock under our ESPP if such employee:

- immediately after the grant would own capital stock and/or hold outstanding options to purchase such shares possessing 5% or more of the total combined voting power or value of all classes of capital stock of ours or of any parent or subsidiary of ours; or
- holds rights to purchase shares of our common stock under all employee share purchase plans of ours or any parent or subsidiary of ours that accrue at a rate that exceeds $25,000 worth of our shares of common stock for each calendar year in which such rights are outstanding at any time.

Offering Periods

Our ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Code to designated companies, as described in our ESPP. Our ESPP will provide for consecutive six-month offering periods. The offering periods will be scheduled to start on the first trading day on or after February 15 and August 15 of each year, except the first offering period will commence on the first trading day on or after the effective date of the registration statement of which this prospectus forms a part and will end on the first trading day on or before August 15, 2021, and the second offering period will commence on the last trading day on or after August 15, 2021.

Contributions

Our ESPP permits participants to purchase our shares of common stock through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) of up to 15% of

their eligible compensation, which includes a participant's gross payments of base salary but excludes payments for incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. Unless otherwise determined by the administrator, a participant may make a one-time decrease (but not increase) to the rate of his or her contributions during an offering period, provided that during the first offering period under the ESPP a participant may decrease the rate of his or her contributions two times.

Exercise of Purchase Right

Amounts contributed and accumulated by the participant will be used to purchase our shares of common stock at the end of each offering. A participant may purchase a maximum of 2,000 shares of our common stock during an offering period. The purchase price of the shares will be 85% of the lower of the fair market value of our shares of common stock on the first trading day of the offering period or on the exercise date. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our common stock. Participation ends automatically upon termination of employment with us.

Non-Transferability

A participant may not transfer contributions credited to his or her account nor any rights granted under our ESPP other than by will, the laws of descent and distribution or as otherwise provided under our ESPP.

Merger or Change in Control

Our ESPP provides that in the event of a merger or change in control, as defined under our ESPP, a successor corporation (or a parent or subsidiary of the successor corporation) will assume or substitute each outstanding purchase right. If the successor corporation refuses to assume or substitute for the outstanding purchase right, the offering period with respect to which the purchase right relates will be shortened, and a new exercise date will be set that will be before the date of the proposed merger or change in control. The administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period.

Amendment; Termination

The administrator has the authority to amend, suspend or terminate our ESPP. Our ESPP automatically will terminate in 2040, unless we terminate it sooner.

2019 Bonus Plan

In May 2019, our board of directors adopted an annual bonus plan for calendar year 2019, which we refer to as the 2019 Bonus Plan. Mr. Datta and Mr. Gu were participants in the 2019 Bonus Plan. The 2019 Bonus Plan provided for non-equity incentive compensation based upon the combined achievement of individual and corporate performance goals over calendar year 2019. The corporate performance goals under the 2019 Bonus Plan consisted of revenue attainment and operating profit over calendar year 2019.

Under the 2019 Bonus Plan, bonus payments were determined by multiplying each participant's target bonus by (i) a factor determined by individual performance, capped at 150%, and (ii) a factor determined by the achievement of the corporate performance goals, capped at 200%. We refer to the attainment of such factors as individual and corporate multipliers, respectively.

The individual multiplier was based on achievement of individual goals over calendar year 2019. The individual multiplier scaled from 0% to 150% depending on our assessment of individual performance.

The corporate multiplier was based on the product of (i) the revenue multiplier derived from the achievement of revenue attainment goals and (ii) the profitability multiplier derived from the achievement of operating profit goals over calendar year 2019. With respect to revenue attainment goals, the revenue multiplier scaled linearly from zero to 100% between 66% of the target revenue attainment goal and 100% of the target revenue attainment goal, and scaled linearly from 100% to 200% between 100% of the target revenue attainment goal and 166% of the target revenue attainment goal. With respect to operating profit goals, the profitability multiplier scaled linearly from zero to 100% between 0% of the target operating profit goal and 100% of the target operating profit goal, and scaled linearly from 100% to 200% between 100% of the target operating profit goal and 200% of the target operating profit goal.

In January 2020, our compensation committee reviewed achievement of the corporate performance goals for calendar year 2019, and approved a corporate multiplier of 120%.

The 2019 Bonus Plan required a participant's continued employment through the bonus payment date in order to receive a bonus for the applicable performance period.

401(k) Plan

We maintain a 401(k) plan for employees. The 401(k) is intended to qualify under Section 401(k) of the Code, so that contributions to the 401(k) plan by employees or by us, and the investment earnings thereon, are not taxable to the employees until withdrawn, and so that contributions made by us, if any, will be deductible by us when made. Employees may elect to reduce their current compensation by up to the statutorily prescribed annual limits and to have the amount of such reduction contributed to their 401(k) plans. The 401(k) plan permits us to make contributions up to the limits allowed by law on behalf of all eligible employees.

Employee Incentive Compensation Plan

In October 2020, our board of directors approved our Employee Incentive Compensation Plan, or Master Bonus Plan which became effective on the date it was approved. Messrs. Girouard, Datta and Gu are participants in the Master Bonus Plan, and 2020 annual bonuses, if any will be paid pursuant to the Master Bonus Plan.

Our board of directors or a committee appointed by our board of directors administers the Master Bonus Plan, provided that unless and until our board of directors determines otherwise, our compensation committee will administer the Master Bonus Plan. The Master Bonus Plan allows the administrator to provide awards to employees selected for participation, who may include our named executive officers, which awards may be based upon performance goals established by the administrator. The administrator, in its sole discretion, may establish a target award for each participant under the Master Bonus Plan, which may be expressed as a percentage of the participant's average annual base salary for the applicable performance period, a fixed dollar amount, or such other amount or based on such other formula as the administrator determines to be appropriate.

Under the Master Bonus Plan, the administrator determines the performance goals, if any, applicable to any target award (or portion thereof) for a performance period, which may include, without limitation, goals related to: attainment of research and development milestones; sales bookings; business divestitures and acquisitions; capital raising; cash flow; cash position; contract awards or

backlog; corporate transactions; customer renewals; customer retention rates from an acquired company, subsidiary, business unit or division; earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization and net taxes); earnings per share; expenses; financial milestones; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; leadership development or succession planning; license or research collaboration arrangements; market share; net income; net profit; net sales; new product or business development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; patents; procurement; product defect measures; product release timelines; productivity; profit; regulatory milestones or regulatory-related goals; retained earnings; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales results; sales growth; savings; stock price; time to market; total stockholder return; working capital; unadjusted or adjusted actual contract value; unadjusted or adjusted total contract value; loans and loan originations; and individual objectives such as peer reviews or other subjective or objective criteria. As determined by the administrator, the performance goals may be based on GAAP or non GAAP results and any actual results may be adjusted by the administrator for one-time items or unbudgeted or unexpected items and/or payments of awards under the Master Bonus Plan when determining whether the performance goals have been met. The performance goals may be based on any factors the administrator determines relevant, including without limitation on an individual, divisional, portfolio, project, business unit, segment or company-wide basis. Any criteria used may be measured on such basis as the administrator determines, including without limitation: (a) in absolute terms, (b) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (c) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (d) on a per-share basis, (e) against our performance as a whole or a segment and/or (f) on a pre-tax or after-tax basis. The performance goals may differ from participant to participant and from award to award. Failure to meet the applicable performance goals will result in a failure to earn the target award, subject to the administrator's discretion to modify an award. The administrator also may determine that a target award (or portion thereof) will not have a performance goal associated with it but instead will be granted (if at all) as determined by the administrator.

The administrator may, in its sole discretion and at any time, increase, reduce or eliminate a participant's actual award, and/or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, in the administrator's discretion. The administrator may determine the amount of any increase, reduction, or elimination on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards under the Master Bonus Plan generally will be paid in cash (or its equivalent) in a single lump sum only after they are earned and approved by the administrator, provided that the administrator reserves the right, in its sole discretion, to settle an actual award with a grant of an equity award with such terms and conditions, including vesting requirements, as determined by the administrator in its sole discretion. Unless otherwise determined by administrator, to earn an actual award, a participant must be employed by us (or an affiliate of us, as applicable) through the date the bonus is paid. Payment of bonuses occurs as soon as administratively practicable after the end of the applicable performance period, but in no case after the later of (i) the 15th day of the third month of the fiscal year immediately following the fiscal year in which the bonuses vest and (ii) March 15 of the calendar year immediately following the calendar year in which the bonuses vest.

Awards under our Master Bonus Plan will be subject to reduction, cancellation, forfeiture, or recoupment in accordance with any clawback policy that we adopt pursuant to the listing standards of

any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable laws. In addition, the administrator may impose such other clawback, recovery or recoupment provisions with respect to an award under the Master Bonus Plan as the administrator determines necessary or appropriate, including without limitation a reacquisition right in respect of previously acquired cash, stock, or other property provided with respect to an award.

The administrator will have the authority to amend or terminate the Master Bonus Plan. However, such action may not materially alter or materially impair the existing rights of any participant with respect to any earned bonus without the participant's consent. The Master Bonus Plan will remain in effect until terminated in accordance with the terms of the Master Bonus Plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, discussed in the sections titled “Management” and “Executive Compensation,” the following is a description of each transaction since January 1, 2017 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds $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 Financings

Series D Convertible Preferred Stock Financing

From December 2018 to April 2019, we sold an aggregate of 6,010,911 shares of our Series D convertible preferred stock at a purchase price of $9.000295 per share, for an aggregate purchase price of $54.1 million. The following table summarizes purchases of our Series D convertible preferred stock by related persons:

Stockholder	Shares of Series D Convertible Preferred Stock	Total Purchase Price
Entities affiliated with Andrew Quigg(1)	3,011,011	$ 27,099,987.26

(1) Shares purchased by Progressive Investment Company, Inc. Andrew Quigg, a former member of our board of directors, is the Chief Strategy Officer of Progressive Insurance, an affiliate of Progressive Investment Company, Inc.

Investors’ Rights Agreement

We are party to the IRA, which provides, among other things, that certain holders of our capital stock, including entities affiliated with Third Point Ventures LLC, or Third Point, Stone Ridge Trust V, Khosla Ventures, Rakuten, First Round Capital and Progressive have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. Entities affiliated with Dave Girouard, our co-founder, chief executive officer and a member of our board of directors, are party to the IRA. Robert Schwartz, a member of our board of directors, is affiliated with Third Point. Oskar Mielczarek de la Miel, a member of our board of directors, is affiliated with Rakuten. Andrew Quigg, a former member of our board of directors, is affiliated with Progressive. See the section titled “Description of Capital Stock—Registration Rights” for additional information regarding these registration rights.

Right of First Refusal

Pursuant to certain of our equity compensation plans and certain agreements with our stockholders, including an amended and restated right of first refusal and co-sale agreement, dated as of December 31, 2018, 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 completion of this offering. Dave Girouard, our co-founder, chief executive officer and a member of our board of directors, and

entities affiliated with Third Point, Stone Ridge Trust V, Khosla Ventures, Rakuten, First Round Capital and Progressive are party to the right of first refusal and co-sale agreement. Robert Schwartz, a member of our board of directors, is affiliated with Third Point. Oskar Mielczarek de la Miel, a member of our board of directors, is affiliated with Rakuten. Andrew Quigg, a former member of our board of directors, is affiliated with Progressive.

Voting Agreement

We are party to an amended and restated voting agreement, dated as of December 31, 2018, under which certain holders of our capital stock, including entities affiliated with Third Point, Stone Ridge Trust V, Khosla Ventures, Rakuten, First Round Capital and Progressive, have agreed to vote their shares of our capital stock on certain matters, including with respect to the election of directors. Upon completion of this offering, the voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors. Dave Girouard, our co-founder, chief executive officer and a member of our board of directors, and entities affiliated with Third Point, Stone Ridge Trust V, Khosla Ventures, Rakuten, First Round Capital and Progressive are party to the voting agreement. Robert Schwartz, a member of our board of directors, is affiliated with Third Point. Oskar Mielczarek de la Miel, a member of our board of directors, is affiliated with Rakuten. Andrew Quigg, a former member of our board of directors, is affiliated with Progressive.

Transactions with Stone Ridge and Affiliated Entities

Convertible Promissory Notes

In September and October 2017, we issued two subordinated convertible promissory notes to Stone Ridge Trust V. Each of the notes had an aggregate principal amount of $5.0 million, an interest rate of 8% per annum and a maturity date of June 30, 2018. On June 30, 2018, the outstanding principal and accrued and unpaid interest of $10.6 million on the notes were converted into 2,932,657 shares of Series C-1 convertible preferred stock at a per share price of $3.612, equal to the issue price in the Series C-1 financing round.

Warrants

In September and October 2017, we issued two preferred stock purchase warrants to Stone Ridge Trust V in connection with the convertible promissory notes described above. These warrants entitled Stone Ridge Trust V to purchase up to 415,234 shares of Series C-1 convertible preferred stock for a total of $1.5 million. On June 30, 2018, each of the warrants were cancelled when the convertible promissory notes converted into shares of Series C-1 convertible preferred stock.

Whole Loan Purchases

Stone Ridge Trust V and certain affiliated entities purchased whole loans through our platform in the aggregate amount of $509.5 million, $411.9 million, $173.2 million and $226.4 million in 2017, 2018, 2019 and the nine months ended September 30, 2020, respectively.

Securitization Transactions

As the sponsor of securitization transactions, we create several legal entities for the roles of depositors, issuers, and grantor trusts and majority-owned affiliates, or MOAs, for each securitization transaction. Concurrently with the closing of the 2017-1, 2017-2, and 2018-1 securitization

transactions, we sold 80% of our ownership interests in the related MOAs to Stone Ridge Trust V in exchange for approximately $8.0 million, $7.8 million, and $8.0 million, respectively. For more information about these transactions, see Note 3 to our consolidated financial statements.

In addition, Stone Ridge Trust V and certain affiliated entities also contributed approximately $262.3 million, $100.1 million, and $137.3 million and $45.3 million in loans as collateral in private offering securitization transactions that we sponsored and serviced in 2017, 2018, and 2019 and the nine months ended September 30, 2020, respectively. In connection with these contributions, Stone Ridge Trust V and certain affiliated entities received approximately $62.8 million in asset-backed securities in 2017 and cash payments of $202.5 million, $100.1 million, and $138.5 million and $45.6 million in 2017, 2018 and 2019, and the nine months ended September 30, 2020, respectively.

As of December 31, 2018, and 2019, and September 30, 2020, the balance of payable to securitization note holders and residual certificate holders due to Stone Ridge Trust V and certain affiliated entities was $22.4 million, $0 and $0, respectively.

Servicing Fees

We are the servicer of certain loans purchased and held by Stone Ridge Trust V and certain affiliated entities. In 2017, 2018, and 2019 and the nine months ended September 30, 2020, we received servicing fees in the amount of $1.4 million, $2.1 million, and $2.3 million and $1.1 million, respectively, from Stone Ridge Trust V and certain affiliated entities.

Transactions with Third Point and Affiliated Entities

Convertible Promissory Note

In September 2017, we issued a subordinated convertible promissory note to Third Point Ventures LLC. The note had an aggregate principal amount of $10.0 million, an interest rate of 8% per annum and a maturity date of June 30, 2018. On June 30, 2018, the outstanding principal and accrued and unpaid interest of $10.6 million on the note was converted into 2,938,725 shares of Series C-1 convertible preferred stock at a per share price of $3.612, equal to the issue price in the Series C-1 financing round.

Warrants

In September 2017, we issued a preferred stock purchase warrant to Third Point Ventures LLC in connection with the convertible promissory notes described above. The warrant entitled Third Point Ventures LLC to purchase up to 415,234 shares of Series C-1 preferred stock for a total of $1.5 million. On June 30, 2018, the warrant was cancelled when the convertible promissory note converted into shares of Series C-1 convertible preferred stock.

Pass-Through Certificates

Certain entities affiliated with Third Point purchased approximately $219.4 million, and $454.0 million and $199.9 million in pass-through certificates backed by Upstart-powered loans in 2018, and 2019 and the nine months ended September 30, 2020, respectively, from a series trust affiliated with Jefferies LLC.

Securitization Transactions

In 2017 and 2018, certain entities affiliated with Third Point purchased approximately $9.8 million and $66.1 million of asset-backed securities, respectively, in private offering securitization transactions that we sponsored and serviced.

In 2019 and the nine months ended September 30, 2020, certain entities affiliated with Third Point contributed approximately $340.6 million and $150.3 million, respectively, in loans as collateral in private offering securitization transactions that we sponsored and serviced through a series trust affiliated with Jefferies LLC and related entities. In connection with these contributions, certain entities affiliated with Third Point received approximately $53.5 million and $0 in asset-backed securities and cash payments of $306.9 million and $151.8 million.

As of December 31, 2018, and 2019 and the period ending September 30, 2020, the balance of payable to securitization note holders and residual certificate holders due to certain entities affiliated with Third Point was $61.4 million, and $41.3 million and $0, respectively.

Other Transactions

In 2017, 2018, and 2019 and the nine months ended September 30, 2020, certain of our executive officers and directors participated in Upstart's platform by purchasing fractional interests in Upstart-powered loans from a sponsored trust entity. For more information about our fractional loan program, see Note 3 to our consolidated financial statements. The aggregate amount of the notes purchased and distributions received by such participating executive officers and directors are set forth below (*in thousands*):

For the year ended December 31,	Executive Officers	Directors
2017		
Aggregate amount of loan-related securities purchased	$ 2,277	$ 50
Distributions received	2,525	39
2018		
Aggregate amount of loan-related securities purchased	$ 654	$ 71
Distributions received	2,148	58
2019		
Aggregate amount of loan-related securities purchased	$ —	$ 63
Distributions received	1,364	66
Nine months ended September 30, 2020		
Aggregate amount of loan-related securities purchased	$ —	$ —
Distributions received	623	46

We have granted stock options to our executive officers and certain of our directors. See the sections titled "Executive Compensation—Outstanding Equity Awards at Year-End" and "Management—Non-Employee Director Compensation" for a description of these stock options.

We have entered into employment agreement and offer letters with certain of our executive officers that provide for, among other things, certain severance and change in control benefits. See the section titled "Executive Compensation—Executive Employment Agreements" for additional information.

Other than as described above under this section titled "Certain Relationships and Related Party Transactions," since January 1, 2017, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm's-length dealings with unrelated third parties.

Limitation of Liability and Indemnification of Officers and Directors

We expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to our company or our stockholders;
- 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 as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive 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 executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement related to this offering will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, 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.

Policies and Procedures for Related Party Transactions

Following the completion of this offering, our audit committee will have the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. Upon completion of this offering, our written policy regarding transactions between us and related persons will provide that a related person is defined as a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members. Our audit committee charter provides that our audit committee shall review and approve or disapprove any related party transactions.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of September 30, 2020, and as adjusted to reflect the sale of our common stock in this offering for:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group;
- each of the selling stockholders; and
- each person or group of affiliated persons, known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

We have based our calculation of the percentage of beneficial ownership prior to this offering on 62,994,492 shares of our common stock (including the preferred stock issued upon the exercise of a warrant in November 2020 and the Capital Stock Conversion) outstanding as of September 30, 2020. We have based our calculation of the percentage of beneficial ownership after this offering on 72,460,881 shares of common stock outstanding immediately after the completion of this offering. We have deemed shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of September 30, 2020 to be outstanding and to be beneficially owned by the person holding the stock option for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Upstart Holdings, Inc., 2950 S. Delaware Street, Suite 300, San Mateo, California 94403.

	Beneficial Ownership Before This Offering		Total Number of Shares Being Offered		Beneficial Ownership After This Offering			
			Assuming the Underwriters' Option is Not Exercised	Assuming the Underwriters' Option is Exercised	Assuming the Underwriters' Option is Not Exercised		Assuming the Underwriters' Option is Exercised	
Name of Beneficial Owner	Shares[1]	%			Shares[1]	%	Shares[1]	%
Named Executive Officers and Directors:								
Dave Girouard[2]	14,044,585	21.9%	1,000,000	1,000,000	13,044,585	17.7%	13,044,585	17.7%
Sanjay Datta[3]	778,067	1.2%	—	—	778,067	1.1%	778,067	1.1%
Paul Gu[4]	2,131,249	3.3%	213,124	213,124	1,918,125	2.6%	1,918,125	2.6%
Mary Hentges[5]	53,456	*	—	—	53,456	*	53,456	*
Oskar Mielczarek de la Miel	—	—	—	—	—	—	—	—
Ciaran O'Kelly[6]	160,369	*	—	—	160,369	*	160,369	*
Robert Schwartz	—	—	—	—	—	—	—	—
Sukhinder Singh Cassidy[7]	42,765	*	—	—	42,765	*	42,765	*
Hilliard C. Terry, III[8]	106,912	*	—	—	106,912	*	106,912	*
All executive officers and directors as a group (11 persons)[9]	19,470,317	28.0%	1,404,769	1,404,769	18,065,548	23.0%	18,065,548	23.0%
5% Stockholders:								
Entities affiliated with Third Point Ventures[10]	12,181,222	19.3%	—	—	12,181,222	16.8%	12,181,222	16.8%
Entities affiliated with Stone Ridge Trust V[11]	5,700,889	9.0%	570,088	2,014,976	5,130,801	7.1%	3,685,913	5.1%
Entities affiliated with Khosla Ventures[12]	5,248,588	8.3%	—	—	5,248,588	7.2%	5,248,588	7.2%
Entities affiliated with Rakuten[13]	3,321,879	5.3%	—	—	3,321,879	4.6%	3,321,879	4.6%
Entities affiliated with First Round Capital[14]	3,220,682	5.1%	305,068	305,068	2,915,614	4.0%	2,915,614	4.0%
Selling Stockholders:								
Anna M. Counselman[15]	1,216,457	1.9%	121,645	121,645	1,094,812	1.5%	1,094,812	1.5%
Alison Nicoll[16]	936,457	1.5%	70,000	70,000	866,457	1.2%	866,457	1.2%
PESARC Hedge Fund Holdings Ltd.[17]	1,004,600	1.6%	100,460	164,114	904,140	1.2%	840,486	1.2%
Riverview Strategic Opportunities Fund III LP[18]	981,690	1.6%	98,169	160,371	883,521	1.2%	821,319	1.1%
US Bank FBO AIP Alternative Lending Fund A[19]	1,196,575	1.9%	119,657	351,266	1,076,918	1.5%	845,309	1.2%
Google Ventures 2012, L.P.[20]	912,386	1.4%	79,963	79,963	832,423	1.1%	832,423	1.1%
Andy Palmer[21]	698,844	1.1%	69,884	69,884	628,960	*	628,960	*
Current Employees (Non-Executive Leadership)[22]	306,665	*	30,666	30,666	275,999	*	275,999	*
Other Current Employees[22]	474,780	*	42,678	42,678	432,102	*	432,102	*
Former Employees[22]	319,547	*	31,952	31,952	287,595	*	287,595	*
Series C Preferred Investors[22]	595,303	*	59,195	59,195	536,108	*	536,108	*
Other Preferred Investors[22]	554,543	*	55,452	55,452	499,091	*	499,091	*
Other Non-Employees or Investors[22]	476,930	*	47,689	47,689	429,241	*	429,241	*

* Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.

(1) Represents shares beneficially owned by such individual or entity, and includes shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.

(2) Consists of (i) 12,792,840 shares held of record by the 2008 D&T Girouard Revocable Trust for which Mr. Girouard serves as trustee and (ii) 1,251,745 shares subject to options exercisable within 60 days of September 30, 2020 held by Mr. Girouard. Subsequent to September 30, 2020, a portion of the shares described in this footnote as held of record by Mr. Girouard were transferred to the TMG 2020 EXEMPT GIFT TRUST, dated October 19, 2020, the JRG 2020 EXEMPT GIFT TRUST, dated October 19, 2020 and the GIROUARD 2020 GRAT, dated October 19, 2020.

(3) Consists of 778,067 shares subject to options exercisable within 60 days of September 30, 2020 held by Mr. Datta.

(4) Consists of (i) 160,000 shares held of record by Mr. Gu and (ii) 1,971,249 shares subject to options exercisable within 60 days of September 30, 2020 held by Mr. Gu.

(5) Consists of 53,456 shares subject to options exercisable within 60 days of September 30, 2020 held by Ms. Hentges.

(6) Consists of 160,369 shares subject to options exercisable within 60 days of September 30, 2020 held by Mr. O'Kelly.

(7) Consists of 42,765 shares subject to options exercisable within 60 days of September 30, 2020 held by Ms. Singh Cassidy.

(8) Consists of 106,912 shares subject to options exercisable within 60 days of September 30, 2020 held by Mr. Terry.
(9) Consists of (i) 12,997,340 shares beneficially owned by our executive officers and directors and (ii) 6,472,977 shares subject to options exercisable within 60 days of September 30, 2020.
(10) Consists of 12,181,222 shares held of record by Third Point Ventures LLC, as nominee for funds managed and/or advised by Third Point LLC. Third Point LLC and Daniel S. Loeb, managing member of Third Point LLC, may be deemed to have voting and investment power over such shares. The address for each of these entities is 55 Hudson Yards, New York, New York 10001.
(11) Consists of 5,700,889 shares held of record by Millennium Trust Company LLC for the benefit of Stone Ridge Trust V, on behalf of its series Stone Ridge Alternative Lending Risk Premium Fund, or LENDX. Stone Ridge Asset Management LLC, or Stone Ridge, acts as the investment adviser to LENDX, and Stone Ridge is controlled by Ross Stevens. Each of Stone Ridge and Ross Stevens may be deemed to have voting and dispositive power of such shares held by LENDX. The address for each of these entities is 510 Madison Avenue, 21st Floor, New York, New York 10022. Prior to this offering and under a previous version of the company's charter, shares held by LENDX were entitled to no more than 4.99% of the aggregate voting power of all shares of the company with respect to any matter presented to the company's stockholders, and in connection with this offering, LENDX intends to enter into an agreement with the company pursuant to which it will continue to be entitled to no more than 4.99% of the aggregate voting power of all shares of common stock with respect to any matter presented to the company's stockholders.
(12) Consists of 50,508 shares held of record by Khosla Ventures Seed B (CF), LP, or Seed B CF, 889,783 shares held of record by Khosla Ventures Seed B, LP, or Seed B, and 4,308,297 shares held of record by Khosla Ventures V, LP, or KV V, The general partner of Seed B CF and Seed B is Khosla Ventures Seed Associates B, LLC, or B Associates. VK Services, LLC, or VK Services, is the sole manager of B Associates. Vinod Khosla is the managing member of VK Services. Each of Mr. Khosla, VK Services and B Associates may be deemed to share voting and dispositive power of such securities held by Seed B CF and Seed B. Mr. Khosla, VK Services and B Associates disclaim beneficial ownership of such securities held by Seed B CF and Seed B, except to the extent of their respective pecuniary interests therein. The general partner of KV V is Khosla Ventures Associates V, LLC, or KVA V. VK Services, LLC, or VK Services, is the sole manager of KVA V. Vinod Khosla is the managing member of VK Services. Each of Mr. Khosla, VK Services and KVA V may be deemed to share voting and dispositive power of such securities held by KV V. Mr. Khosla, VK Services and KVA V disclaim beneficial ownership of such securities held by KV V, except to the extent of their respective pecuniary interests therein. The address for each of these entities is 2128 Sand Hill Road, Menlo Park, California 94025.
(13) Consists of 3,321,879 shares held of record by Rakuten Capital SCSp, or Rakuten Capital. Rakuten Capital is controlled by Rakuten Capital Holdings S.a.r.l., or Holdings. Holdings is a wholly-owned subsidiary of Rakuten Europe S.a.r.l., or Rakuten Europe. Rakuten Europe is a wholly-owned subsidiary of Rakuten, Inc. Hiroshi Mikitani is the Chairman and Chief Executive Officer of Rakuten, Inc. Each of Rakuten Capital, Holdings, Rakuten Europe, Rakuten, Inc. and Mr. Mikitani may be deemed to hold voting and dispositive power with respect to these shares. The address for these entities is 2 Rue du Fossé, Luxembourg L-1536, Grand Duchy of Luxembourg.
(14) Consists of 3,220,682 shares held of record by First Round Capital III, L.P., as nominee, a Delaware limited partnership, on behalf of First Round Capital III, LP, a Delaware limited partnership or, FRC III, First Round Capital III Partners Fund, LP, or FRC III Partners Fund, and First Round Capital III-A, LP, or FRC III-A, and together with FRC III and FRC III Partners Fund, the FRC III Funds. First Round Capital Management III, LP, a Delaware limited partnership, or FRC III GP, is the General Partner of the FRC III Funds. First Round Capital Management III, LLC, a Delaware limited liability company, is the General Partner of FRC III GP and has sole voting and investment power over the shares. A committee of three members controls First Round Capital Management III, LLC. The address for each of these entities is 2400 Market Street, Suite 237, Philadelphia, Pennsylvania 19103.
(15) Consists of (i) 44,500 shares held of record by Ms. Counselman and (ii) 1,171,957 shares subject to options exercisable within 60 days of September 30, 2020 held by Ms. Counselman. Ms. Counselman serves as our Senior Vice President, People and Operations.
(16) Consists of 936,457 shares subject to options exercisable within 60 days of September 30, 2020 held by Ms. Nicoll. Ms. Nicoll serves as our General Counsel.
(17) Consists of 1,004,600 shares held of record by PESARC Hedge Fund Holdings Ltd. The address for this entity is Ugland House, South Church Street, Georgetown, Grand Cayman, Cayman Islands KY1-1104.
(18) Consists of 981,690 shares held of record by Charles, Frederic & Co as Nominee for the Bank of New York Mellon as Custodian f/b/o Riverview Strategic Opportunities Fund III LP. The address for this entity is 100 Front Street, Suite 400, West Conshohocken, PA 19428.
(19) Consists of 913,825 shares held of record by US Bank FBO AIP Alternative Lending Fund A. The address for this entity is 100 Front Street, Suite 400, West Conshohocken, PA 19428.
(20) Consists of 912,386 shares held of record by Google Ventures 2012, L.P. The address for this entity is 1600 Amphitheatre Parkway, Mountain View, CA 94043.
(21) Consists of 349,422 shares held of record by Andy Palmer and 349,422 shares held of record by Amy D. Palmer. Mr. Palmer is a former director of the Company.
(22) Consists of selling stockholders not otherwise listed in this table who within the groups indicated collectively own less than 1% of our common stock. Includes the number of shares that such selling stockholders have the right to acquire pursuant to options that may be exercised within 60 days of September 30, 2020.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect immediately prior to the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled "Description of Capital Stock," you should refer to our amended and restated certificate of incorporation, amended and restated bylaws, and amended and restated investors' rights agreement, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Immediately following the completion of this offering, our authorized capital stock will consist of 770,000,000 shares of capital stock, $0.0001 par value per share, of which:

- 700,000,000 shares are designated as common stock; and
- 70,000,000 shares are designated as preferred stock.

Assuming the conversion of all outstanding shares of our convertible preferred stock into shares of our common stock, which will occur immediately prior to the completion of this offering, as of September 30, 2020, there were 62,994,492 shares of our common stock outstanding, held by 132 stockholders of record, assuming (i) the Capital Stock Conversion and (ii) the exercise in November 2020 of a warrant to purchase shares of preferred stock resulting in the issuance of 600,208 shares of our common stock. Pursuant to our amended and restated certificate of incorporation, our board of directors will have the authority, without stockholder approval except as required by the listing standards of the Nasdaq Global Select Market, to issue additional shares of our capital stock.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section titled "Dividend Policy" for additional information.

Voting Rights

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation establishes a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class will be subject to election by a plurality of the votes cast at each annual meeting of stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Fully Paid and Non-Assessable

In connection with this offering, our legal counsel will opine that the shares of our common stock to be issued in this offering will be fully paid and non-assessable.

Preferred Stock

After the completion of this offering, no shares of our preferred stock will be outstanding. Pursuant to our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering, our board of directors will have the authority, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Options

As of September 30, 2020, we had outstanding options to purchase an aggregate of 18,889,653 shares of our common stock, with a weighted-average exercise price of approximately $3.17 per share, under our equity compensation plans.

Warrants

As of September 30, 2020, we had the following outstanding warrants:

- warrants to purchase 319,669 shares of our common stock with a weighted-average exercise price of $1.77 per share; and
- a warrant to purchase 600,208 shares of our Series B preferred stock with an exercise price of $0.01 per share. This warrant was exercised in November 2020 and such shares of Series B preferred stock issued will convert into shares of our common stock in connection with the Capital Stock Conversion.

Registration Rights

After the completion of this offering, certain holders of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act pursuant to the IRA. We and certain holders of our preferred stock are parties to the IRA. The registration rights set forth in the IRA will expire four years following the completion of this offering, or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act during any 90-day period. We will pay the registration expenses (other than underwriting discounts and commissions) of the holders of the shares registered pursuant to the demand registrations and piggyback registrations described below. Holders of our preferred stock participating in any S-3 registrations below will pay their own registration expenses. 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. Our stockholders have waived their rights under the IRA (i) to receive notice of this offering and (ii) to include their registrable shares in this offering. In addition, in connection with this offering, most stockholders that have registration rights have agreed not to sell or otherwise dispose of any securities without the prior written consent of us and the underwriters for a period of 180 days after the date of this prospectus, subject to certain terms and conditions. See the section titled “Shares Eligible for Future Sale—Lock-Up and Market Standoff Agreements” for additional information regarding such restrictions.

Demand Registration Rights

After the completion of this offering, the holders of up to 47,049,474 shares of our common stock will be entitled to certain demand registration rights. At any time beginning six months after the effective date of this offering, the holders of at least 50% of these shares then outstanding can request that we register the offer and sale of their shares. Such request for registration must cover securities, the anticipated aggregate public offering price of which, after payment of underwriting discounts and commissions, is at least $5,000,000. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 120 days.

Piggyback Registration Rights

After the completion of this offering, if we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock the holders of up to 59,949,785 shares of our common stock will be entitled to certain “piggyback” registration rights allowing the holders 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 (i) a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are also being registered; (ii) a registration related to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act; or (iii) a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our common stock, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights

After 180 days following the completion of this offering, the holders of up to 47,949,785 shares of our common stock will be entitled to certain Form S-3 registration rights. The holders of at least 50% of

these shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers securities the anticipated aggregate public offering price of which, after payment of underwriting discounts and commissions, is at least $1,000,000. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12-month period preceding the date of the request or if we have already previously effected three such registrations. Additionally, if we determine that it would be seriously detrimental to us and our stockholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 120 days.

Anti-Takeover Provisions

Certain provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of us. They are also designed, in part, to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We will be governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the board of directors prior to the time that the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by (i) directors who are also officers of the corporation and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include mergers, asset sales, and other transactions resulting in financial benefit to a stockholder and an “interested stockholder” as a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation’s outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing changes in control of our company.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

Board of Directors Vacancies

Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

Classified Board

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our board of directors is classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See the section titled “Management—Classified Board of Directors.”

Stockholder Action; Special Meeting of Stockholders

Our amended and restated certificate of incorporation will provide that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors, our President or our Chief Executive Officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder’s notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting

The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation’s certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

Directors Removed Only for Cause

Our amended and restated certificate of incorporation will provide that stockholders may remove directors only for cause.

Amendment of Charter Provisions

Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least 66 2/3% of our then outstanding capital stock.

Issuance of Undesignated Preferred Stock

Our board of directors will have the authority, without further action by our stockholders, to issue up to 70,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Exclusive Forum

Our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders; (iii) any action arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws; or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our amended and restated bylaws further provide that the federal district courts of the United States will be the exclusive forum for resolving any complaints asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. This exclusive forum provision will not apply to any causes of action arising under the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, NY 11219.

Limitations of Liability and Indemnification

See the section titled "Certain Relationships and Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors."

Listing

We have been approved to list our common stock on the Nasdaq Global Select Market under the symbol "UPST".

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares of our common stock will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, based on the number of shares of our capital stock outstanding as of September 30, 2020, we will have a total of 72,460,881 shares of our common stock outstanding. Of these outstanding shares, all 12,015,690 shares of our common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our common stock will be, and shares subject to stock options will be upon issuance, deemed "restricted securities" as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. As a result of the lock-up and market standoff agreements described below and the provisions of our IRA described in the section titled "Description of Capital Stock—Registration Rights," 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 12,015,690 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 and market standoff agreements described below) all remaining shares will become eligible for sale in the public market, subject in some cases to the volume and other restrictions of Rule 144, as described below.

Lock-Up and Market Standoff Agreements

In connection with this offering, we and our officers and directors, the selling stockholders, and the other holders of our common stock, who collectively hold substantially all of our common stock and stock options, have agreed or will agree with the underwriters, subject to certain exceptions, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale of or otherwise transfer or dispose of, or hedge, any shares of our common stock, or any options or warrants to purchase any shares of our common stock, or any securities convertible into, exchangeable for or that represent the right to receive, shares of our 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 Goldman Sachs & Co. LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. See the section titled "Underwriting."

Certain of our employees, including our executive officers, and directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to our initial public offering described above.

In addition, our executive officers, directors, and holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us under which they have agreed that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, they will not, without our prior written consent, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our common stock.

Rule 144

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of our common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling shares of our common stock on behalf of our affiliates are entitled to sell upon expiration of the market standoff agreements and lock-up agreements described above, within any three-month period, a number of shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of our capital stock then outstanding, which will equal 724,609 shares immediately after the completion of this offering; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales of our common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our common stock on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Registration Rights

Pursuant to the IRA, after the completion of this offering, the holders of up to 59,949,785 shares of our common stock, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled “Description of Capital Stock—Registration Rights” for a description of these registration rights. If the

offer and sale of these shares of our common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

Registration Statement

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the effectiveness of the registration statement of which this prospectus forms a part to register shares of our options outstanding, as well as reserved for future issuance, under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable market standoff agreements and lock-up agreements. See the section titled “Executive Compensation—Employee Benefit and Stock Plans” for a description of our equity compensation plans.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to certain non-U.S. holders (as defined below) of the ownership and disposition of our common stock, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury regulations promulgated thereunder, administrative rulings, and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below.

This summary does not address the tax considerations arising under the laws of any state, local or non-U.S. jurisdiction, or under U.S. federal gift and estate tax laws. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions (except to the extent specifically set forth below), regulated investment companies or real estate investment trusts;
- persons subject to the alternative minimum tax or Medicare contribution tax on net investment income;
- tax-exempt organizations or governmental organizations;
- pension plans or tax-exempt retirement plans;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities or other persons that elect to use a mark-to-market method of accounting for their holdings in our stock;
- persons that own, or are deemed to own, more than 5% of our capital stock (except to the extent specifically set forth below);
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- partnerships, entities or arrangements classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction or integrated investment;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an "applicable financial statement" (as defined in Section 451(b) of the Code);
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership, including an entity or arrangement classified as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner generally will

depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the ownership and disposition of our common stock through a partnership.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership, and disposition of our common stock arising under the U.S. federal gift or estate tax rules or under the laws of any state, local, non-U.S., or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are any beneficial owner of our common stock that is not a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) and are not any of the following:

- an individual who is a citizen or resident of the United States (for U.S. federal income tax purposes);
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia or other entity treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "U.S. persons" (within the meaning of Section 7701(a)(30) of the Code) who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

Distributions

As described in the section titled "Dividend Policy," we have never declared or paid cash dividends on our capital stock and do not anticipate paying any dividends on our capital stock in the foreseeable future. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. 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. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock as described below under "—Gain on Disposition of Our Common Stock."

Except as otherwise described below in the discussion on effectively connected income and the sections titled "–Backup Withholding and Information Reporting" and "–FATCA," any dividend paid to you generally will be subject to U.S. federal withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. If you are eligible for exemption of U.S. federal withholding tax pursuant to an income tax treaty, you may be entitled to a refund or credit of any excess tax withheld by timely filing an appropriate claim with the IRS.

In order to be subject to withholding at a reduced treaty rate, you must provide us with an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8, including any

required attachments and your taxpayer identification number, certifying qualification for the exemption; additionally, you will be required to update such forms and certifications from time to time as required by law. If you hold our stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. You should consult your tax advisor regarding entitlement to benefits under any applicable income tax treaties.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by you in the United States) are generally exempt from such withholding tax. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI, including any required attachments and your taxpayer identification number, certifying qualification for the exemption; additionally, you will be required to update such forms and certifications from time to time as required by law. Such effectively connected dividends, although not subject to withholding tax, are includable on your U.S. income tax return and taxed to you at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Except as otherwise described below in the section titled "–Backup Withholding and Information Reporting" and "–FATCA," you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and other conditions are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock, and, in the case where shares of our common stock are regularly traded on an established securities market, you own, or are treated as owning, more than 5% of our common stock at any time during the foregoing period.

We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion so assumes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as a United States real property interest only if you actually or constructively hold more than 5% of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

If you are a non-U.S. holder described in the first bullet above, you will generally be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates (and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate), unless otherwise provided by an applicable income tax treaty. If you are a non-U.S. holder described in the second bullet above, you will generally be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which may be offset by U.S. source capital losses for the year (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult your tax advisor regarding any applicable income tax or other treaties that may provide for different rules.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds from the disposition of our common stock made to you may be subject to information reporting and backup withholding at a current rate of 24% unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Any documentation provided to an applicable withholding agent may need to be updated in certain circumstances. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a foreign broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld under the backup withholding rules. If backup withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

FATCA

The Foreign Account Tax Compliance Act and the rules and Treasury regulations promulgated thereunder, or collectively, FATCA, generally impose U.S. federal withholding tax at a rate of 30% on dividends on and (subject to the proposed Treasury regulations discussed below) the gross proceeds from a sale or other disposition of our common stock paid 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 the U.S. account holders of such institution (which includes certain equity and

debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on and (subject to the proposed Treasury regulations discussed below) the gross proceeds from a sale or other disposition of our common stock paid to a "non-financial foreign entity" (as specially defined for purposes of these rules) unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none, or otherwise establishes and certifies to an exemption. The withholding provisions under FATCA generally apply to dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock on or after January 1, 2019, proposed Treasury regulations provide that the withholding provisions under FATCA do not apply with respect to the payment of gross proceeds from a sale or other disposition of our common stock. These proposed Treasury regulations may be relied upon by taxpayers until final Treasury regulations are issued. An intergovernmental agreement between the United States and your country of tax residence may modify the requirements described in this paragraph. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our common stock.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding, and disposing of our common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING

We, the selling stockholders and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter will severally agree to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
BofA Securities, Inc.	
Citigroup Global Markets Inc.	
Jefferies LLC	
Barclays Capital Inc.	
JMP Securities LLC	
Blaylock Van, LLC	
Total	12,015,690

The underwriters will be 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 will have an option to buy up to an additional 1,802,353 shares from certain selling stockholders 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 tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 1,802,353 additional shares.

Paid by us

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the selling stockholders

	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 our common stock, the representatives may change the offering price and the other selling terms. The offering of our common stock by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers and directors, the selling stockholders, and the other holders of our common stock, who collectively hold substantially all of our common stock, have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of such agreement 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 Available for Future Sale” for a discussion of certain transfer restrictions.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be negotiated among the representatives and us. Among the factors to be considered in determining the initial public offering price of our common stock, in addition to prevailing market conditions, will be 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 have been approved to list our common stock on the Nasdaq Global Select Market under the symbol “UPST”.

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 our 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 the Nasdaq Global Select Market, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $8.9 million.

We agree to reimburse the underwriters for expenses related to any applicable state securities filings and to the Financial Industry Regulatory Authority, Inc. incurred by them in connection with this offering in an amount up to $35,000. We and the selling stockholders will also agree to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

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 the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses. An affiliate of Goldman Sachs & Co. LLC serves as a lender under a revolving credit facility entered into with one of our consolidated variable interest entities. Goldman Sachs & Co. LLC or other affiliates of the same serve or have served as securitizer for certain consumer loans originated by our bank partners, or co-sponsor for, initial purchaser with respect to, or an investor in, certain of such securitizations. Jefferies LLC or other affiliates of the same have also served as purchaser and securitizer for certain consumer loans originated by our bank partners, or initial purchaser with respect to those and certain other securitizations of consumer loans originated by our bank partners.

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 assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. 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.

European Economic Area

In relation to each Member State of the European Economic Area (each a “Member State”), no common stock has 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 our common stock 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 in the Prospectus Regulation;

(b) by the underwriters to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior written 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 common stock shall result in a requirement for 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.

Each person in a Member State who initially acquires any common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed with us and the representatives that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any common stock being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the common stock acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Member State to qualified investors, in circumstances in which the prior written consent of the representatives has been obtained to each such proposed offer or resale.

We, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any common stock 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 common stock to be offered so as to enable an investor to decide to purchase or subscribe for our common stock, 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 our common stock in circumstances in which Section 21(1) of the FSMA does not apply to the company; 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 our common stock in, from or otherwise involving the United Kingdom.

Canada

The securities 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 securities 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

Our common stock 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 our common stock 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 our common stock may not be circulated or distributed, nor may our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (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 our common stock is 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 our common stock 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 our common stock is 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 our common stock 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 $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 securities 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 securities 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.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares of common stock to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of our common stock should conduct their own due diligence on such shares. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.

Switzerland

The common stock 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 does not constitute a prospectus within the meaning of and 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 common stock 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, our company or our common stock has 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 common stock will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of common stock 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 common stock.

VALIDITY OF COMMON STOCK

Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our common stock being offered by this prospectus. The validity of the shares of common stock offered by this prospectus will be passed upon for the underwriters by Sullivan & Cromwell LLP, Palo Alto, California.

EXPERTS

The consolidated financial statements as of December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have submitted with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an Internet website that contains reports, proxy statements, and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements, and other information with the SEC. We also maintain a website at www.Upstart.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

Upstart Holdings, Inc.

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Upstart Holdings, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Upstart Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Upstart Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations and comprehensive income (loss), convertible preferred stock and stockholders' deficit and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP

San Francisco, CA
March 3, 2020

We have served as the Company's auditor since 2015.

Upstart Holdings, Inc.

Consolidated Balance Sheets

(In thousands, except share and per share data)

	December 31,		September 30,	Pro Forma September 30,
	2018	2019	2020	2020
			(unaudited)	(unaudited)
Assets				
Cash	$ 73,038	$ 44,389	$ 53,234	$ 53,240
Restricted cash	49,204	35,678	57,414	57,414
Loans (at fair value)	502,666	232,305	122,708	122,708
Notes receivable and residual certificates (at fair value)	8,314	34,116	22,053	22,053
Property, equipment, and software, net	1,502	6,030	9,060	9,060
Operating lease right of use assets	—	16,190	13,904	13,904
Other assets (includes $1,410, $4,725 and $6,558 at fair value as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively)	11,184	24,754	31,431	31,431
Total assets[a]	$645,908	$393,462	$ 309,804	$ 309,810
Liabilities, Convertible Preferred Stock, and Stockholders' Deficit				
Liabilities:				
Accounts payable	$ 2,923	$ 6,559	$ 6,049	$ 6,049
Payable to investors	21,154	19,620	39,192	39,192
Notes payable (at fair value; includes $2,447 payable to related parties as of December 31, 2018)	53,174	—	—	—
Borrowings	74,983	118,609	100,588	100,588
Payable to securitization note holders and residual certificate holders (includes $353,292 and $89,672 at fair value, and $61,439 and $41,343 payable to related parties as of December 31, 2018 and 2019, respectively)	373,068	96,107	—	—
Other liabilities (includes $11,086, $12,446, and $17,308 at fair value as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively)	17,353	34,648	33,921	26,464
Operating lease liabilities	—	17,061	14,841	14,841
Total liabilities[a]	542,655	292,604	194,591	$ 187,134
Commitments and Contingencies				
Convertible preferred stock, $0.0001 par value; 53,927,657 shares authorized as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively; aggregate liquidation preference of $162,757, $166,257, and $166,257 as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively; 46,882,877 shares issued and outstanding as of December 31, 2018, and 47,349,577 shares issued and outstanding as of December 31, 2019, and September 30, 2020 (unaudited); no shares outstanding as of September 30, 2020 (unaudited), pro forma (unaudited)	157,923	162,546	162,546	—
Stockholders' deficit:				
Common stock, $0.0001 par value; 90,000,000 shares authorized as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively; 12,991,270, 14,561,398, and 15,044,707 shares issued and outstanding as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively; 62,994,492 shares outstanding as of September 30, 2020 (unaudited), pro forma (unaudited)	1	2	2	$ 6
Additional paid-in capital	8,406	12,489	22,914	192,919
Accumulated deficit	(75,078)	(75,205)	(70,249)	(70,249)
Total Upstart Holdings, Inc. stockholders' (deficit) equity	(66,671)	(62,714)	(47,333)	122,676
Noncontrolling interests	12,001	1,026	—	—
Total stockholders' (deficit) equity	(54,670)	(61,688)	(47,333)	122,676
Total liabilities, convertible preferred stock, and stockholders' (deficit) equity	$645,908	$393,462	$ 309,804	$ 309,810

Upstart Holdings, Inc.

Consolidated Balance Sheets

(In thousands, except share and per share data)

(a) The following table presents information on assets and liabilities related to variable interest entities ("VIEs") that are consolidated by Upstart Holdings, Inc. as of December 31, 2018 and 2019, and September 30, 2020. The assets in the table below may only be used to settle obligations of consolidated VIEs and are in excess of those obligations. The holders of the beneficial interests do not have recourse to the general credit of Upstart Holdings, Inc. The assets and liabilities in the table below include third-party assets and liabilities of consolidated VIEs and exclude intercompany balances that eliminate in consolidation.

	December 31,		September 30,
	2018	2019	2020 *(unaudited)*
Assets			
Restricted cash	$ 32,225	$ 13,839	$ 16,017
Loans (at fair value)	501,959	231,109	121,761
Notes receivable and residual certificates (at fair value)	8,291	30,266	19,820
Other assets	2,854	453	25
Total assets	$545,329	$275,667	$ 157,623
Liabilities			
Accounts payable	$ 12	$ 60	$ 130
Payable to investors	4,382	—	—
Notes payable (at fair value)	53,174	—	—
Borrowings	53,968	96,037	79,611
Payable to securitization note holders and residual certificate holders (includes $353,292 and $89,672 at fair value, and $61,439 and $41,343 to related parties as of December 31, 2018 and 2019, respectively)	373,068	96,107	—
Other liabilities	1,611	1,103	33
Total liabilities	$486,215	$193,307	$ 79,774

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

Upstart Holdings, Inc.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(In thousands, except share and per share data)

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	*(unaudited)*
Revenue:					
Revenue from fees, net	$ 51,161	$ 88,482	$ 159,847	$ 98,699	$ 144,179
Interest income and fair value adjustments, net (includes $573, $2,452, $2,963, $2,260, and $1,014 of related parties expense and $0, ($4,031), $7,400, $5,597 and $4,238 of related parties fair value adjustments for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited), and 2020 (unaudited), respectively)	6,128	10,831	4,342	2,918	2,527
Total revenue	57,289	99,313	164,189	101,617	146,706
Operating expenses:					
Sales and marketing	33,838	63,633	93,175	61,236	65,113
Customer operations	10,232	15,416	24,947	16,593	24,792
Engineering and product development	5,324	8,415	18,777	11,480	24,651
General, administrative, and other	15,431	19,820	31,865	20,399	30,778
Total operating expenses	64,825	107,284	168,764	109,708	145,334
(Loss) income from operations	(7,536)	(7,971)	(4,575)	(8,091)	1,372
Other income	330	487	1,036	832	5,497
Expense on warrants and convertible notes, net	(1,649)	(3,734)	(1,407)	(2,626)	(2,317)
Net (loss) income before income taxes	(8,855)	(11,218)	(4,946)	(9,885)	4,552
Provision for income taxes	6	—	74	—	—
Net (loss) income before attribution to noncontrolling interests	(8,861)	(11,218)	(5,020)	(9,885)	4,552
Net (loss) income attributable to noncontrolling interests	(1,144)	1,101	(4,554)	(3,368)	(404)
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$ (7,717)	$ (12,319)	$ (466)	$ (6,517)	$ 4,956
Net (loss) income per common share attributable to Upstart Holdings, Inc. stockholders, basic and diluted	$ (0.56)	$ (0.87)	$ (0.03)	$ (0.46)	$ —
Weighted-average number of shares outstanding used in computing net loss per share attributable to Upstart Holdings, Inc. common stockholders, basic and diluted	13,873,810	14,128,183	14,335,611	14,313,262	14,663,623
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic (unaudited)			$ 0.06		$ 0.11
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic (unaudited)			62,249,893		62,613,408
Pro forma net income per share attributable to Upstart Holdings Inc. common stockholders, diluted (unaudited)			$ 0.05		$ 0.09
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings Inc. common stockholders, diluted (unaudited)			71,497,924		71,733,580

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

Upstart Holdings, Inc.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit

(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Upstart Holdings, Inc. Stockholders' Deficit	Noncontrolling Interests	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balances as of December 31, 2016	35,137,187	$ 87,756	12,480,195	$ 1	$ 4,564	$ (55,042)	$ (50,477)	$ —	$ (50,477)
Issuance of Series C-1 convertible preferred stock	307,825	1,112	—	—	—	—	—	—	—
Issuance of common stock warrants	—	—	—	—	42	—	42	—	42
Issuance of common stock upon exercise of stock options	—	—	272,010	—	142	—	142	—	142
Stock-based compensation expense	—	—	—	—	1,290	—	1,290	—	1,290
Contributions of interests in consolidated VIEs	—	—	—	—	—	—	—	16,689	16,689
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	(2,238)	(2,238)
Net loss	—	—	—	—	—	(7,717)	(7,717)	(1,144)	(8,861)
Balances as of December 31, 2017	35,445,012	$ 88,868	12,752,205	$ 1	$ 6,038	$ (62,759)	$ (56,720)	$ 13,307	$ (43,413)
Issuance of Series C-1 convertible preferred stock upon conversion of convertible promissory notes	5,871,382	21,210	—	—	—	—	—	—	—
Issuance of Series D convertible preferred stock, net of issuance costs of $2,255	5,566,483	47,845	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	239,065	—	323	—	323	—	323
Stock-based compensation expense	—	—	—	—	2,045	—	2,045	—	2,045
Contributions of interests in consolidated VIEs	—	—	—	—	—	—	—	9,166	9,166
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	(11,573)	(11,573)
Net (loss) income	—	—	—	—	—	(12,319)	(12,319)	1,101	(11,218)
Balance as of December 31, 2018	46,882,877	$157,923	12,991,270	$ 1	$ 8,406	$ (75,078)	$ (66,671)	$ 12,001	$ (54,670)
Issuance of Series D convertible preferred stock, net of issuance costs of $8	444,428	3,992	—	—	—	—	—	—	—
Issuance of Series B convertible preferred stock upon exercise of convertible preferred stock warrants	300,103	1,631	—	—	—	—	—	—	—
Repurchase and retirement of Series C convertible preferred stock	(277,831)	(1,000)	—	—	—	339	339	—	339
Exercise of common stock warrants	—	—	1,297,884	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	272,244	1	277	—	278	—	278
Stock-based compensation expense	—	—	—	—	3,806	—	3,806	—	3,806
Return of capital to interests in consolidated VIEs	—	—	—	—	—	—	—	(4,960)	(4,960)
Deconsolidation of interests in consolidated VIEs	—	—	—	—	—	—	—	(1,461)	(1,461)
Net loss	—	—	—	—	—	(466)	(466)	(4,554)	(5,020)
Balance as of December 31, 2019	47,349,577	$162,546	14,561,398	$ 2	$ 12,489	$ (75,205)	$ (62,714)	$ 1,026	$ (61,688)

Upstart Holdings, Inc.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit—(Continued)

(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Upstart Holdings, Inc. Stockholders' Deficit	Noncontrolling Interest	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2018	46,882,877	$157,923	12,991,270	$ 1	$ 8,406	$ (75,078)	$ (66,671)	$ 12,001	$ (54,670)
Issuance of Series D convertible preferred stock, net of issuance costs of $8 (unaudited)	444,428	3,992	—	—	—	—	—	—	—
Issuance of Series B convertible preferred stock upon exercise of convertible preferred stock warrants (unaudited)	300,103	1,631	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options (unaudited)	—	—	54,777	—	112	—	112	—	112
Exercise of common stock warrants (unaudited)	—	—	1,297,884	—	—	—	—	—	—
Stock-based compensation expense (unaudited)	—	—	—	—	2,204	—	2,204	—	2,204
Return of capital to interests in consolidated VIEs (unaudited)	—	—	—	—	—	—	—	(4,321)	(4,321)
Net loss (unaudited)	—	— —	—	—	—	(6,517)	(6,517)	(3,368)	(9,885)
Balance as of September 30, 2019 (unaudited)	47,627,408	$163,546	14,343,931	$ 1	$ 10,722	$ (81,595)	$ (70,872)	$ 4,312	$ (66,560)
Balance as of December 31, 2019	47,349,577	$162,546	14,561,398	$ 2	$ 12,489	$ (75,205)	$ (62,714)	$ 1,026	$ (61,688)
Issuance of common stock upon exercise of stock options (unaudited)	—	—	200,559	—	510	—	510	—	510
Issuance of common stock in connection with an incentive agreement (unaudited)	—	—	282,750	—	1,696	—	1,696	—	1,696
Stock-based compensation (unaudited)	—	—	—	—	7,432	—	7,432	—	7,432
Incentive share expense (unaudited)	—	—	—	—	787	—	787	—	787
Return of capital on interest in consolidated VIEs (unaudited)	—	—	—	—	—	—	—	(622)	(622)
Net (loss) income (unaudited)	—	—	—	—	—	4,956	4,956	(404)	4,552
Balance as of September 30, 2020 (unaudited)	47,349,577	$162,546	15,044,707	$ 2	$ 22,914	$ (70,249)	$ (47,333)	$ —	$ (47,333)

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

Upstart Holdings, Inc.

Consolidated Statements of Cash Flows

(In thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	*(unaudited)*
Cash flows from operating activities					
Net (loss) income before attribution to noncontrolling interests	$ (8,861)	$ (11,218)	$ (5,020)	$ (9,885)	$ 4,552
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:					
Change in fair value of financial instruments (includes $0, $4,031, ($7,400), ($5,597) and ($4,238) from related parties for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited), and 2020 (unaudited), respectively)	(5,201)	42,282	34,716	29,608	18,801
Stock-based compensation	1,290	2,045	3,806	2,204	7,102
Loss (gain) on loan servicing arrangements and sale of noncontrolling interests, net	1,515	2,169	856	1,274	(1,747)
Depreciation and amortization	93	314	774	324	1,631
Incentive share expense	—	—	—	—	786
Noncash interest expense	42	19	74	31	54
Gain on repurchased and retired convertible preferred stock warrants	—	—	(3,657)	—	—
Accrued interest on convertible notes (includes $208 and $397 payable to related parties for the years ended December 31, 2017 and 2018, respectively)	416	794	—	—	—
Net changes in operating assets and liabilities:					
Purchase of loans for immediate resale to investors	(580,438)	(1,115,049)	(1,779,180)	(1,069,413)	(1,554,705)
Proceeds from immediate resale of loans to investors	580,438	1,115,049	1,779,180	1,069,413	1,554,705
Purchase of loans held-for-sale	—	—	—	—	(109,113)
Principal payments received for loans held for sale	—	—	—	—	15,237
Net proceeds from sale of loans held for sale	—	—	—	—	6,813
Other assets	(4,147)	(3,001)	(11,957)	(8,499)	(4,843)
Operating lease liability and right-of-use asset	—	—	871	755	66
Accounts payable	946	1,118	3,613	(1,509)	(592)
Payable to investors	23,525	14,100	(14,875)	(5,221)	13,137
Other liabilities	739	1,716	22,381	11,945	(4,701)
Net cash (used in) provided by operating activities	10,357	50,338	31,582	21,027	(52,817)

Upstart Holdings, Inc.

Consolidated Statements of Cash Flows—(Continued)

(In thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019 (unaudited)	2020 (unaudited)
Cash flows from investing activities					
Principal payments received for loans held by consolidated securitizations	$ 49,556	$ 199,325	$ 158,921	$ 130,103	$ 24,018
Net proceeds from sale of loans held-for-investment	45,084	45,698	100,678	64,182	88,136
Principal payments received for loans held-for-investment	26,660	38,678	48,124	40,792	12,277
Principal payments received for notes receivable and repayments of residual certificates	—	1,229	8,760	5,050	11,306
Purchase of loans held-for-investment	(102,541)	(169,442)	(265,286)	(185,340)	(3,774)
Purchase of notes receivable and residual certificates	—	—	(485)	—	(4)
Purchase of property and equipment	—	(148)	(4,004)	(253)	(1,282)
Capitalized software costs	(773)	(896)	(1,275)	(1,014)	(2,967)
Purchase of loans held by consolidated securitizations	(411,407)	(251,681)	—	—	—
Net cash (used in) provided by investing activities	(393,421)	(137,237)	45,433	53,520	127,710
Cash flows from financing activities					
Payments made on securitization notes and certificates (includes $0, $7,607, $3,262, $2,265 and $1,034 paid to related parties for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited), and 2020 (unaudited), respectively)	(49,262)	(226,775)	(176,742)	(144,956)	(26,126)
Repayments of borrowings	(111,139)	(92,954)	(109,939)	(78,036)	(99,835)
Repayments of notes payable	(13,634)	(21,468)	(22,637)	(22,637)	—
Distributions made to noncontrolling interests	(2,238)	(11,238)	(4,960)	(4,321)	(622)
Repurchase and retirement of convertible preferred stock warrants	—	—	(1,426)	—	—
Repurchase and retirement of convertible preferred stock	—	—	(661)	—	—
Proceeds from borrowings	118,780	144,048	153,491	110,830	81,761
Proceeds from issuance of notes payable	31,399	42,537	39,863	39,863	—
Proceeds from issuance of convertible preferred stock, net of issuance costs	1,112	49,925	1,912	1,912	—
Proceeds from exercise of convertible preferred stock warrants	—	—	1,631	500	—
Proceeds from exercise of stock options	142	323	278	112	510

Upstart Holdings, Inc.

Consolidated Statements of Cash Flows—(Continued)

(In thousands)

	Year Ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	*(unaudited)*
Proceeds from issuance of securitization notes and certificates (includes $9,750 and $54,839 from related parties for the years ended December 31, 2017 and 2018, respectively)	$400,866	$242,454	$ —	$ —	$ —
Proceeds from sale of noncontrolling interests	16,689	8,914	—	—	—
Proceeds from issuance of convertible notes (includes $10,000 from related parties for the year ended December 31, 2017)	20,000	—	—	—	—
Net cash provided by (used in) financing activities	412,715	135,766	(119,190)	(96,733)	(44,312)
Net increase (decrease) in cash and restricted cash	29,651	48,867	(42,175)	(22,186)	30,581
Cash and restricted cash					
Beginning of period	43,724	73,375	122,242	122,242	80,067
End of period	$ 73,375	$122,242	$ 80,067	$ 100,056	$ 110,648
Supplemental disclosures of cash flow information					
Cash paid for interest	$ 9,603	$ 26,676	$ 26,871	$ 22,512	$ 6,954
Cash paid for amounts included in the measurement of lease liabilities	—	—	1,905	1,275	3,101
Supplemental disclosures of non-cash operating activities					
Total right-of-use assets capitalized	$ —	$ —	$ 16,190	$ 17,084	$ 187
Supplemental disclosures of non-cash investing and financing activities					
Derecognition of loans held-for-investment in consolidated VIE	$ —	$ —	$ 154,864	$ 72,757	$ 57,222
Derecognition of payable to securitization note holders and residual certificate holders	—	—	80,825	—	58,017
Derecognition of notes payable held in consolidated VIE	—	—	69,419	69,419	—
Securities retained under consolidated securitization transactions	—	9,501	31,160	31,160	—
Transfer of notes receivable and residual certificate on deconsolidation of VIE	—	—	3,699	3,339	—
Conversion of notes as part of issuance of convertible preferred stock (includes $10,605 from related parties for the year ended December 31, 2018)	—	21,210	—	—	—
Accrued convertible preferred stock issuance costs included in other liabilities	—	2,080	—		
Capitalized stock-based compensation expense	—	—	—	—	330

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

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

1. Description of Business and Significant Accounting Policies

Description of Business

Upstart Holdings, Inc. and its subsidiaries (together "Upstart," or the "Company") apply modern data science and technology to the process of originating consumer credit. The Company helps bank partners originate credit by providing them with a proprietary, cloud-based, artificial intelligence lending platform. As the Company's technology continues to improve and additional banks adopt the Upstart platform, consumers benefit from improved access to affordable and frictionless credit.

Upstart Network, Inc. was incorporated in Delaware in 2012. Pursuant to a restructuring, Upstart Holdings, Inc. was incorporated in December 2013 and became the holding company of Upstart Network, Inc. The Company currently operates in the United States and is headquartered in San Mateo, California and Columbus, Ohio. The Company's fiscal year ends on December 31.

Basis of Presentation and Consolidation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company, its wholly-owned subsidiaries, and consolidated variable interest entities ("VIEs"). All intercompany accounts and transactions have been eliminated. The Company's functional and reporting currency is the U.S. dollar.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Significant estimates and assumptions made in the accompanying consolidated financial statements, which Management believes are critical in understanding and evaluating the Company's reported financial results include: (i) fair value determinations; (ii) stock-based compensation; (iii) consolidation of VIEs; and (iv) provision for income taxes, net of valuation allowance for deferred tax assets. The Company bases its estimates on various factors it believes to be reasonable under the circumstances. Actual results could differ from those estimates and such differences could affect the results of operations reported in future periods.

Unaudited Interim Financial Statements

The accompanying interim consolidated balance sheets as of September 30, 2020, the interim consolidated statements of operations and comprehensive income (loss) for the nine months ended September 30, 2019 and 2020, the interim consolidated statements of convertible preferred stock and stockholders' deficit for the nine months ended September 30, 2020, the interim consolidated statements of cash flows for the nine months ended September 30, 2019 and 2020 and related note information are unaudited.

The unaudited interim financial statements have been prepared on the same basis as the annual consolidated financial statements and in the Company's opinion, reflect all adjustments that are

necessary to present fairly the Company's consolidated balance sheet as of September 30, 2020, and the related statements of operations and the comprehensive income (loss), the statements of convertible preferred stock and stockholders' deficit, and the cash flow statements for the nine months ended September 30, 2019 and 2020. The financial data and the other information disclosed in these notes to the consolidated financial statements related to these nine-month periods are unaudited.

The results of the nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020 or for any other future periods.

Unaudited Pro Forma Balance Sheet Information

The unaudited pro forma balance sheet information as of September 30, 2020 is presented as though all of the Company's outstanding shares of convertible preferred stock have been converted into shares of common stock upon the completion of an initial public offering ("IPO") of the Company's common stock. In addition, the pro forma balance sheet information assumes the reclassification of the convertible preferred stock warrant liability to additional paid-in capital upon the exercise of the convertible preferred stock warrant prior to the completion of the IPO, and the subsequent automatic conversion of preferred stock shares into common stock upon the completion of the IPO. The unaudited pro forma balance sheet information does not assume any proceeds from the IPO.

Variable Interest Entities

A legal entity is considered a VIE if it has either a total equity investment that is insufficient to finance its operations without additional subordinated financial support or whose equity holders lack the characteristics of a controlling financial interest. The Company's variable interests arise from contractual, ownership, or other monetary interests in the entity. The Company consolidates a VIE when it is deemed to be the primary beneficiary. The Company determines it is the primary beneficiary if it has the power to direct activities that most significantly impact the VIE's economic performance and has the obligation to absorb losses or the right to receive benefits of the VIE that could be potentially significant to the VIE. The Company assesses whether or not it is the primary beneficiary of a VIE on an ongoing basis.

Noncontrolling Interests

Noncontrolling interests represent a portion of the equity of consolidated VIEs that are not held by the Company. These interests are recognized as a result of the admission of non-voting members into consolidated majority-owned affiliates ("MOAs"), which were formed in conjunction with the 2017-1, 2017-2, and 2018-1 securitizations for the purpose of holding subordinated certificates in sponsored securitizations for risk retention purposes. See "*Note 3. Securitizations and Variable Interest Entities*" for details. Earnings and losses associated with these VIEs, are allocated to noncontrolling interests proportionally to their ownership interests in these entities in the period they are incurred. Cash distributions to holders of noncontrolling interests are made in the period following the allocation of earnings and losses. Noncontrolling interests and associated income or losses for each year presented are disclosed as separate line items on the consolidated balance sheets and consolidated statements of operations and comprehensive income (loss), respectively.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Cash and Restricted Cash

Cash consists of bank deposits held in business checking and interest-bearing deposit accounts. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company did not have any cash equivalent balances, defined as highly liquid financial instruments purchased with original maturities of three months or less.

Restricted cash primarily consists of bank deposits that are: (i) received from borrowers for interest and applied to loans as part of loan servicing, but not yet distributed to investors; (ii) received from investors as collateral for financing of loan purchases on the Upstart platform but not yet invested in issued loans; and (iii) collateral for a letter of credit the Company is required to maintain under its operating lease agreement.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheets that sum to the total of the same amounts shown in the consolidated statements of cash flows (in thousands):

	December 31,			September 30,
	2017	2018	2019	2020
				(unaudited)
Cash	$42,020	$ 73,038	$44,389	$ 53,234
Restricted cash	31,355	49,204	35,678	57,414
Total cash and restricted cash	$73,375	$122,242	$80,067	$ 110,648

Financial Instruments not Measured at Fair Value

The Company's financial instruments not measured at fair value consist primarily of cash, restricted cash, and other assets (excluding certain financial instruments, which are measured at fair value), accounts payable, payable to investors, and other liabilities (excluding certain financial instruments, including loan servicing assets and liabilities, common stock warrant liabilities and convertible preferred stock warrant liabilities, which are measured at fair value). The carrying values of these financial instruments are considered to be representative of their respective fair values due to their short-term nature.

Similarly, distributions payable to investors in securitization transactions, included in payable to securitization note holders and residual certificates holders in the Company's consolidated balance sheets, are settled monthly as part of the waterfall payments and are not carried at fair value. Payable to investors includes amounts of loan repayments not yet distributed to investors, as well as amounts received from investors but not yet invested directly in whole loans or notes payable. Borrowings are presented at par, net of debt issuance costs and amortized over the contractual term, with accrued interest included as part of accounts payable on the consolidated balance sheets. The carrying value of borrowings approximates the fair value due to their relatively short maturities.

Fair Value Measurement

Assets and liabilities recorded at fair value on a recurring basis on the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the

asset or liability in an orderly transaction between market participants on the measurement date. The price used to measure fair value is not adjusted for transaction costs. The principal market is the market in which the Company would sell or transfer the asset with the greatest volume and level of activity for the asset. In determining the principal market for an asset or liability, it is assumed that the Company has access to the market as of the measurement date. If no market for the asset exists, or if the Company does not have access to the principal market, a hypothetical market is used.

The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2— Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and

Level 3— Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis include loans, notes receivable and residual certificates, notes payable, payable to securitization note holders and residual certificate holders, other assets, common stock warrant liabilities, convertible preferred stock warrant liabilities, loan servicing assets and liabilities, and other liabilities. When developing fair value measurements, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. However, for certain instruments, the Company must utilize unobservable inputs in determining fair value due to the lack of observable inputs in the market, which requires greater judgment in measuring fair value. In instances where there is limited or no observable market data, fair value measurements for assets and liabilities are based primarily upon the Company's own estimates, and the measurements reflect information and assumptions that management believes a market participant would use in pricing the asset or liability.

Transfer of Financial Assets

Upstart-powered loans originated by bank partners are either retained by the bank partners, purchased by the Company for immediate resale to institutional investors under loan sale agreements, or purchased and held by the Company. Loans retained and held on the Company's consolidated balance sheets are classified as either held-for-investment or held-for-sale, and loans purchased for immediate resale to third-party investors are classified as held-for-sale. Immediate loan resales to institutional investors are accounted for as transfers of financial assets when the Company surrenders control of these loan assets. These sales typically occur shortly after the origination of the loans by the bank partner and the Company's subsequent acquisition of the loans from the originating bank partner. Loans sold to institutional investors are derecognized from the Company's consolidated balance sheets at the time of sale in accordance with Topic 860, *Transfers and Servicing*. The Company records an asset or a liability at fair value for its estimated post-sale servicing obligations. The Company also records liabilities at fair value for contingent obligations to repurchase loans that do not conform to the representations and warranties made to the loan purchaser at the time of sale. The net liability is included in other liabilities on the Company's consolidated balance sheets.

The Company retains certain loans purchased from originating bank partners upon completion of the required holding period primarily for product development purposes. Refer to "*Note 4. Fair Value Measurement*" for further details.

Loan Servicing Assets and Liabilities

Loan servicing assets and liabilities are recognized at fair value when the Company transfers loans, which qualify as sales under Topic 860 with servicing rights retained or when the Company enters into servicing agreements with bank partners who retain Upstart-powered loans. A loan servicing asset or liability exists depending on whether the revenue from servicing is expected to more than adequately compensate the Company for carrying out its servicing obligations.

Loan servicing assets and liabilities are recorded in other assets and other liabilities, respectively, in the consolidated balance sheets, with changes in fair value recorded in servicing revenue, net, which is part of revenue from fees, net in the consolidated statements of operations and comprehensive income (loss) in the periods presented. Refer to "*Note 2. Revenue*" for further details.

Property, Equipment, and Software, Net

Property, equipment, and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets, which are generally three years for internally developed software, computer equipment, and furniture and fixtures. Leasehold improvements are depreciated over the shorter of the remaining lease term or the estimated useful life.

Internally developed software is capitalized upon completion of the preliminary project stage, when it becomes probable that the project will be completed, and the software will be used as intended. Capitalized costs primarily consist of salaries and payroll related costs for employees directly involved in development efforts. Costs related to the preliminary project stage and activities occurring after the implementation of the software are expensed as incurred. Costs incurred for software upgrades are capitalized if they result in additional functionalities or substantial enhancements.

The Company evaluates its long-lived assets for potential impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When such an event occurs, the Company determines whether there has been an impairment by comparing the anticipated undiscounted future net cash flows to the related asset group's carrying value. If an asset group is considered impaired, it is written down to its fair value, which is determined based on discounted cash flows or appraised values, depending on the nature of the assets. There were no impairments of long-lived assets as of December 31, 2018 and 2019, and September 30, 2020 (unaudited).

Leases

As of January 1, 2019, the Company adopted Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. Periods subsequent to the adoption date are presented and disclosed in accordance with Topic 842, *Leases*, while comparative periods continue to be presented and disclosed in accordance with legacy guidance in Topic 840, *Leases*.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The Company determines if an arrangement is or contains a lease at inception. Operating leases are recorded on the consolidated balance sheet with right-of-use assets representing the right to use the underlying asset and lease liabilities representing the obligation to make lease payments. Right-of-use assets ("ROU") and lease liabilities are recognized at lease commencement primarily based on the present value of lease payments over the lease term, and as necessary, at modification. The operating lease ROU assets also include any initial direct costs, lease payments made prior to lease commencement, and lease incentives received. Variable lease payments are expensed as incurred and are not included within the ROU asset and lease liability calculation. Variable lease payments primarily include reimbursements of costs incurred by lessors for common area maintenance and utilities. The Company's lease terms are the noncancelable period including any rent-free periods provided by the lessor and may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. At lease inception, and in subsequent periods as necessary, the Company estimates the lease term based on its assessment of extension and termination options that are reasonably certain to be exercised. Lease costs for lease payments are recognized on a straight-line basis over the lease term. As the rate implicit on the Company's leases is not readily determinable, the Company uses its secured incremental borrowing rate to determine the present value of lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term and in a similar economic environment. As of December 31, 2019 and September 30, 2020 (unaudited), the Company did not have any material finance leases.

The Company has elected not to separate lease and non-lease components for any leases within its existing classes of assets and, as a result, accounts for any lease and non-lease components as a single lease component. The Company does not have any material leases with a term of 12 months or less.

Common Stock Warrant Liabilities

The Company issued common stock warrants in connection with loan agreements executed during the year ended December 31, 2018. These common stock warrants are exercisable at any time and have a repurchase option in the event of a qualified sale of the Company. Upon a qualified sale of the Company, the common stock warrant holder has the option to require the Company to repurchase the warrant in its entirety for a predetermined price based on the time that has elapsed between the issuance of the warrant and the date of acquisition. The warrants are contingently subject to repurchase at the option of the holder and are therefore, classified as liabilities and reported in other liabilities on the consolidated balance sheet at their estimated fair value. The warrants are subject to re-measurement at each balance sheet date and the change in fair value, if any, is recognized as expense on warrants and convertible notes, net in the consolidated statements of operations. The Company will continue to adjust the liability for changes in fair value until the repurchase, exercise or expiration of the warrants.

Convertible Preferred Stock Warrant Liabilities

The Company issued convertible preferred stock warrants to institutional investors that are exercisable at any time. Such warrants are recorded within other liabilities on the consolidated balance sheets at their estimated fair value because the shares underlying the warrants may obligate the Company to transfer assets to the holders at a future date under certain circumstances such as a deemed liquidation event. The fair value of the convertible preferred stock warrant liabilities is estimated using the Black-Scholes option-pricing model and the change in fair value, if any, is included in expense on warrants and convertible notes, net in the consolidated statements of operations and

comprehensive income (loss). The Company will continue to remeasure these warrants until the earlier of the (i) expiration; (ii) exercise; or (iii) the consummation of an IPO, at which time all convertible preferred stock warrants will be net exercised into common stock. Upon exercise, the related convertible preferred stock warrant liability will be reclassified to additional paid-in capital.

Revenue Recognition

The Company's revenue consists of two components: revenue from fees, net and interest income and fair value adjustments, net. The revenue from fees, net line item on the consolidated statements of operations is primarily comprised of platform and referral fees, net, which are recognized based on ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Company adopted Topic 606 as of January 1, 2019, using the modified retrospective method for all contracts that were not complete as of the date of adoption. The adoption of Topic 606 did not have a material impact on the Company's consolidated balance sheets, consolidated statements of operations and comprehensive income (loss) and consolidated statements of cash flows as of the adoption date.

Topic 606 outlines a single comprehensive model in accounting for revenue arising from contracts with customers. The core principle, involving a five-step process, of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Refer to "*Note 2. Revenue*" for further details.

Operating Expenses

Sales and marketing

Sales and marketing expenses primarily consist of costs incurred across various advertising channels, including expenses for partnerships with third-parties providing borrower referrals, direct mail and digital advertising campaigns, as well as other expenses associated with building overall brand awareness and experiential marketing costs. Sales and marketing expenses also include payroll and other personnel-related costs, including stock-based compensation expense, for related teams. These costs are recognized in the period incurred.

Customer operations

Customer operations expenses include payroll and other personnel-related expenses, including stock-based compensation expense, for personnel engaged in onboarding, loan servicing, customer support and other related operational teams. These costs also include costs of third-party collection agencies and other systems and tools the Company uses as part of information verification, fraud detection, and payment processing activities. These costs are recognized in the period incurred.

Engineering and product development

Engineering and product development expenses primarily consist of payroll and other employee-related expenses, including stock-based compensation expenses, for the engineering and product development teams as well the costs of systems and tools used by these teams. These costs are recognized in the period incurred.

General, administrative, and other

General, administrative, and other expenses consist primarily of payroll and other employee-related expenses, including stock-based compensation expense for legal and compliance, finance and accounting, human resources and facilities teams, as well as depreciation and amortization of property, equipment and software, professional services fees, facilities and travel expenses. These costs are recognized in the period incurred.

Stock-Based Compensation

The Company issues stock options to employees and nonemployees, including directors and third-party service providers, which are initially measured at fair value at the date of grant using the Black-Scholes option-pricing model. Expenses associated with the stock options are recognized based on their respective grant-date fair values. Forfeitures of stock options are estimated at the time of grant and revised, as necessary, in subsequent periods if actual forfeitures differ from initial estimates. Stock-based compensation expense is recorded net of estimated forfeitures, such that the expense is recorded only for those stock options that are expected to vest.

Other Income

In the years ended December 31, 2017, 2018, and 2019, other income primarily consists of dividend income earned by the Company on its unrestricted cash balance. It is recognized in the period earned. In the years ended December 31, 2017 and 2018, other income also included amounts recognized by the Company in relation to a sublease agreement for an office space, which expired in the year ended December 31, 2018.

Unaudited

In April 2020, the Company received a forgivable loan under the Paycheck Protection Program (“PPP”), totaling $5.3 million with a stated annual interest rate of 1%. All loan payments are deferred for six months if not forgiven under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The loan and accrued interest are forgivable for borrowers who use the loan proceeds for eligible expenses during a twenty-four week period following the borrower’s receipt of the loan and maintain payroll and employee headcount. The Company has used the full proceeds of the loan for eligible expenses within the required period. The Company has determined that forgiveness of the loan under the CARES Act is reasonably assured and has recorded the full amount of proceeds as other income in the consolidated statement of operations and comprehensive income (loss).

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance may be established to reduce the

deferred tax asset to the level at which it is “more likely than not” that the tax asset or benefits will be realized. Realization of tax benefits of deductible temporary differences and operating loss carryforwards depends on having sufficient taxable income of an appropriate character within the carryback or carryforward periods.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained upon review by the taxing authority. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Net Loss Per Share Attributable to Common Stockholders of Upstart Holdings, Inc. Stockholders

The Company follows the two-class method when computing net loss per common share when shares are issued that meet the definition of participating securities. The two-class method determines net loss per common share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company’s convertible preferred stock contractually entitles the holders of such shares to participate in dividends but does not contractually require the holders of such shares to participate in the Company’s losses. Accordingly, for the periods where the Company is in a net loss position, the Company does not allocate any net loss attributable to common stockholders to the convertible preferred stock.

Diluted net loss per share is the amount of net loss available to each share of common stock outstanding during the reporting period, adjusted to include the effect of potentially dilutive common shares. For periods in which the Company reports net losses, basic and diluted net loss per share attributable to Upstart Holdings, Inc.’s common stockholders are the same because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. Potentially dilutive common shares include incremental shares issued for convertible preferred stock, stock options, warrants to purchase convertible preferred stock and warrants to purchase common stock.

Unaudited Pro Forma Net Income per Share Attributable to Common Stockholders of Upstart Holdings, Inc.

In contemplation of the IPO, the Company has presented the unaudited pro forma basic and diluted net income per share attributable to Upstart Holdings, Inc. common stockholders, which has been computed to give effect to the conversion of the convertible preferred stock, including additional preferred stock shares from the exercise of the preferred stock warrant prior to the completion of the IPO. In addition, the numerator in the pro forma basic and diluted net income per common share calculation has been adjusted to remove gains or losses resulting from the remeasurement of the convertible preferred stock warrant liability as the related convertible preferred stock warrant liability will be reclassified to additional paid-in capital upon exercise prior to the completion of the IPO. The unaudited pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders does not include the shares to be sold in the IPO.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Comprehensive Income (Loss)

Comprehensive (loss) income represents all changes in equity of the Company during the periods presented, resulting from transactions with non-owner sources. The Company's comprehensive (loss) income was equal to its net loss for the years ended December 31, 2017, 2018 and 2019, nine months ended September 30, 2019 (unaudited) and net income for the nine months ended September 30, 2020 (unaudited).

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, restricted cash, and loans. The Company's cash and restricted cash are held in financial institutions in the United States. From time to time, amounts on deposit may exceed federally insured limits. The Company is exposed to credit risk in the event of default by these financial institutions to the extent the amount recorded on the Company's consolidated balance sheets exceeds the insured amounts by the Federal Deposit Insurance Corporation ("FDIC"). The Company reduces credit risk by placing its cash in high-credit-quality financial instruments that are managed by reputable institutions. The Company is further exposed to credit risks on loans held on our consolidated balance sheets from changes in economic conditions that may cause individual borrower default due to inability or unwillingness to meet their financial obligations. The Company manages credit risk on loans by leveraging its AI models to effectively evaluate a borrower's credit worthiness and likelihood of default.

Significant customers are those which represent 10% or more of the Company's total revenue for each respective period presented. For the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited) and 2020 (unaudited), the Company had one two customers that comprised the following percentages of total revenue for each of the periods below:

	Years ended December 31			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	
Customer A	83%	81%	80%	81%	65%
Customer B	*	*	*	*	15%

* Less than 10%

The Company did not have a significant concentration of credit risk in its accounts receivable balance as of December 31, 2018 and 2019 and had one customer that comprised 49% of accounts receivable within other assets as of September 30, 2020 (unaudited).

Segments

The Company has one reportable segment. The Company's chief operating decision maker, the Chief Executive Officer, reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay

adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

The JOBS Act does not preclude an emerging growth company from early adopting new or revised accounting standards. The Company early adopted ASU 2016-02, *Leases (Topic 842)*, effective January 1, 2019. The Company expects to use the extended transition period for any other new or revised accounting standards during the period which the Company remains an emerging growth company.

Recently Adopted Accounting Pronouncements

ASU 2014-09, *Revenue from Contracts with Customers (Topic 606):* Under the standard, revenue from contracts with customers is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The Financial Accounting Standards Board ("FASB") subsequently issued several amendments, including ASU 2016-08 - *Principal versus Agent Considerations*, ASU 2016-10 - *Identifying Performance Obligations and Licensing*, and ASU 2016-12 - *Narrow-Scope Improvements and Practical Expedients*. These amendments all have the same effective date and transition requirements as Topic 606. Income that was historically recognized under Topic 860, *Transfers and Servicing* and Topic 310, *Receivables* is excluded from the scope of the standard; as such, the Company has concluded that its accounting for interest income and fair value adjustments, net and income from servicing fees will not change under the standard.

The Company adopted Topic 606 on January 1, 2019 using the modified retrospective method for all contracts that were not complete as of the date of adoption. The Company did not have modifications of contracts that were not complete as of the effective date. Results for reporting periods beginning after January 1, 2019 are presented under Topic 606, while comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The adoption of Topic 606 did not change (1) the timing and pattern of revenue recognition for revenue streams in the scope of Topic 606, which includes platform and referral fees, net within revenue from fees, net, or (2) the presentation of revenue as gross versus net. The Company did not have any material balances of contract assets, contract liabilities, and deferred contract costs prior to or after the adoption of Topic 606. Therefore, the adoption of Topic 606 did not have a material impact on the Company's consolidated balance sheets, consolidated statements of operations and comprehensive income (loss) and consolidated statements of cash flows as of the adoption date or for the year ended December 31, 2019. The Company has included the disclosures required by Topic 606 in "*Note 2. Revenue.*"

ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities:* This standard, which amends the accounting for equity

investments, changes disclosure requirements related to instruments at amortized cost and fair value, and clarifies how entities should evaluate deferred tax assets for securities classified as available for sale. The guidance also requires an entity to present separately in other comprehensive income the portion of the total change in fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability under the fair value option. The Company adopted ASU 2016-01 on January 1, 2019. The adoption did not impact the Company's consolidated balance sheets, consolidated statements of operations and comprehensive income (loss) and consolidated statements of cash flows. The Company has included the disclosures required by ASU 2016-01 in "*Note 4. Fair Value Measurement."*

ASU 2016-02, *Leases (Topic 842)*: This standard requires lessees to record on their balance sheets a lease liability for the obligation to make lease payments and a ROU asset for the right to use the underlying asset for the lease term. The Company adopted Topic 842 as of January 1, 2019 and has elected not to restate comparative periods presented in the consolidated financial statements. The new standard allows for several transition-related practical expedients. The Company elected the package of practical expedients permitted, which among other things, permits entities to not reassess: (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases and, (iii) initial direct costs for any existing leases. At the time of adoption, all leases within the Company's portfolio are classified as operating leases.

Adoption of Topic 842 had an impact on the Company's consolidated balance sheets but did not have an impact on the Company's consolidated statements of operations and comprehensive income (loss) or consolidated statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities of $1.0 million and $1.0 million as of January 1, 2019, respectively, with no cumulative effect in retained earnings. The operating lease expenses are included in general and administrative expense in the Company's consolidated statements of operations and comprehensive income (loss). The Company included the disclosures required by ASU 2016-02 in "*Note 12. Leases*."

ASU 2017-09, *Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting*, which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. The Company prospectively adopted ASU 2017-09 on January 1, 2019. The effect of the adoption on the consolidated financial statements was not material.

ASU 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting,* simplifies the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. The Company adopted ASU 2018-07 as of January 1, 2019. The effect of the adoption on the consolidated financial statements was not material.

ASU 2018-13, Fair Value Measurement (Topic 820): *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The ASU eliminates disclosures such as the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and valuation processes for Level 3 fair value measurements. The ASU also adds new disclosure requirements for Level 3 measurements. The company adopted ASU 2018-13 on January 1, 2020. The effect of the adoption did not have a material impact on the Company's related disclosures.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Recently Issued Accounting Pronouncements

In June 2016, the FASB amended guidance related to impairment of financial instruments as part of ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which will be effective January 1, 2023 for emerging growth companies that have adopted the private company relief. The guidance replaces the incurred loss impairment methodology with an expected credit loss model for which a company recognizes an allowance based on the estimate of expected credit loss. The Company accounts for its loans at fair value through net income, which is outside the scope of Topic 326. For available for sale debt securities, the guidance will require recognition of expected credit losses by recognizing an allowance for credit losses when the fair value of the security is below amortized cost and the recognition of this allowance is limited to the difference between the security's amortized cost basis and fair value. The Company is evaluating the impact this ASU will have on its consolidated balance sheets, consolidated statements of operations and comprehensive income (loss) and consolidated statements of cash flows. The Company plans to adopt Topic 326 effective as of January 1, 2023.

In August 2018, the FASB issued ASU 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 requires a customer in a hosting arrangement that is a service contract to follow the internal-use software guidance in Topic 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. The standard is effective January 1, 2021 for emerging growth companies that have adopted the private company relief. The amendments in this ASU can be applied either retrospectively or prospectively to all implementation costs after the date of adoption. The Company is evaluating the impact this ASU will have on its consolidated financial statements. The Company plans to adopt the ASU 2018-15 effective as of January 1, 2021.

2. Revenue

Revenue from fees, net

The Company disaggregates revenue from fees by type of service for the periods presented as follows (in thousands):

	Years ended December 31,			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
Revenue from fees, net:				*(unaudited)*	
Platform and referral fees, net	$48,067	$83,381	$ 144,055	$89,049	$ 123,485
Servicing fees, net	3,094	5,101	15,792	9,650	20,694
Total revenue from fees, net	$51,161	$88,482	$ 159,847	$98,699	$ 144,179

Platform and referral fees, net

The Company enters into contracts with bank partners to provide access to a cloud-based artificial intelligence lending platform developed by the Company (the "Upstart platform") to enable banks to originate personal unsecured loans. The Upstart platform includes a cloud-based application (through Upstart.com or a white-label program) for submitting loan applications, verifying information provided within submitted applications, risk underwriting (through a series of proprietary technology

solutions), delivery of electronic loan offers, and if the offer is accepted by the borrower, an electronic loan documentation signed by the borrower. Bank partners can specify certain parameters of loans they are willing to originate. Under these contracts, bank partners can choose to use Upstart's referral services, which allow them to access new borrowers through Upstart's marketing channels. The Company's contracts with bank partners are noncancelable and generally have 12-month terms that automatically renew.

After origination, Upstart-powered loans are either retained by bank partners, purchased by the Company for immediate resale to institutional investors under loan sale agreements, or purchased and held by the Company. The Company pays loan premium and loan trailing fees on the loans that it purchases from bank partners. Loan premium fees are paid to the bank partners by the Company as a one-time fee at the time the loan is sold. The monthly loan trailing fees are paid based on the amount and timing of principal and interest payments made by borrowers of the underlying loans. Both the loan premium fees and loan trailing fees are consideration payable to customers and are recorded as a reduction to platform and referral fees, net, which is part of revenue from fees, net, in the consolidated statements of operations and comprehensive income (loss) for the periods presented. The Company recognized $2.1 million, $3.3 million, $5.5 million, $3.3 million, and $5.6 million of loan premium fees and loan trailing fees as contra-revenue within platform and referral fees, net for the years ended December 31, 2017, 2018, and 2019, and nine months ended September 30, 2019 (unaudited) and 2020 (unaudited), respectively.

The Company started paying loan trailing fees on January 1, 2019. As of December 31, 2019, the Company recorded an immaterial loan trailing fee liability, which is recorded at fair value and included within "other liabilities" on the Company's consolidated balance sheets. No loan trailing fee liability was recorded as of December 31, 2018. As of September 30, 2020 (unaudited), the Company recorded $0.9 million of loan trailing fee liability.

The Company's arrangements for platform and referral services typically consist of an obligation to provide one or both of these services to customers, which are our bank partners, on a when and if needed basis (a stand-ready obligation), and revenue is recognized as such services are performed. Additionally, the services have the same pattern and period of transfer, and when provided individually or together, are accounted for as a single combined performance obligation representing a series of distinct days of service.

Platform and referral services are typically provided under a fixed or declining (tier-based) price per unit based on volume or as a percentage of the total value of loans originated each period; however, pricing for these services may also be based on minimum monthly usage fees. The tier-based pricing, when offered, resets on a monthly basis and does not accumulate. Given that the nature of the Company's promise is to stand ready and provide continuous access to and process transactions through the platform, tier-based pricing based on usage represents variable consideration. Since the variable fees relate directly to the day in which such services are provided, they generally meet the criteria for allocating variable consideration entirely to one or more, but not all, performance obligations in a contract. Accordingly, when the requisite criteria are met, variable fees are allocated to and recognized on the day the services are provided. Fees for platform and referrals services are typically billed and paid on a monthly basis. As such, the Company's contracts with customers do not include a significant financing component.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The Company did not recognize revenue from performance obligations satisfied in prior periods for the year ended December 31, 2019 and the nine months ended September 30, 2020 (unaudited). The Company had no material contract assets, contract liabilities, or deferred contract costs recorded as of December 31, 2019 and September 30, 2020 (unaudited). The Company had $1.6 million, $5.4 million, and $4.9 million of accounts receivable in other assets on the consolidated balance sheets related to contracts with customers as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively. The Company's allowance for bad debt was immaterial as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), and the Company's bad debt expense was immaterial for the periods presented.

Servicing fees, net

The Company also enters into contracts with bank partners and institutional investors to provide loan servicing for the life of Upstart-powered loans. These services commence upon origination of these loans by bank partners and include collection, processing and reconciliations of payments received, investor reporting and borrower customer support as well as distribution of funds to the holders of the loans. The Company charges the loan holder a monthly servicing fee calculated based on a predetermined percentage of the outstanding principal balance. Servicing fees also include certain ancillary fees charged to borrowers on a per transaction basis for processing late payments and payments declined due to insufficient funds. Servicing fees are recognized in the period the services are provided. Loan servicing fees are not within the scope of Topic 606 and are accounted for under Topic 860, *Transfers and servicing of financial assets*.

Servicing fees, net also include gains and losses on assets and liabilities recognized under loan servicing arrangements for loans retained by bank partners or loans sold to institutional investors. Such gains or losses are recognized based on whether the benefits of servicing are expected to more than adequately compensate the Company for carrying out its servicing obligations. The Company recognized net gain (loss) related to loan servicing rights upon the sale of $(1.5) million, $(1.9) million, $(0.9) million, $(1.3) million, and $1.7 million for the years ended December 31, 2017, 2018, and 2019, and nine months ended September 30, 2019 (unaudited), and 2020 (unaudited), respectively. Servicing fees also include changes in fair value of loan servicing assets and liabilities in the periods presented.

The Company outsources borrower payment collections for loans in default to third-party collection agencies. The Company charges bank partners and institutional investors for collection agency fees related to their outstanding loan portfolio. The Company has discretion in hiring the collection agencies and determining the scope of their work. As the principal in the arrangement, the Company recognizes gross revenue from collection agency fees in the period that the services are provided. Revenue from collection agency fees are included in servicing fees, net as part of revenue from fees, net in the Company's consolidated statements of operations and comprehensive income (loss). The total fees charged by collection agencies are also recognized in the period incurred and reported as part of customer operations expenses. The Company recognized $0.5 million, $0.9 million $2.1 million, $1.5 million, and $2.1 million for collection agency fees, which are included in servicing fees, net, for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited) and 2020 (unaudited), respectively.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Interest Income and Fair Value Adjustments, Net

Interest income and fair value adjustments, net is comprised of interest income, interest expense and net changes in the fair value of financial instruments, held in the Company's normal course of business at fair value, including loans, notes receivable and residual certificates, payable to securitization note holders and residual certificate holders, and notes payable.

The table below presents components of the interest income and fair value adjustments, net presented in the Company's consolidated statements of operations and comprehensive income (loss) (in thousands):

	Years ended December 31			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	
Interest income and fair value adjustments, net:					
Interest income[1]	$21,134	$ 76,683	$ 63,313	$ 51,299	$ 22,705
Interest expense[1]	(9,420)	(26,483)	(26,485)	(22,128)	(6,952)
Fair value and other adjustments, net[1]	(5,586)	(39,369)	(32,486)	(26,253)	(13,226)
Total interest income and fair value adjustments, net	$ 6,128	$ 10,831	$ 4,342	$ 2,918	$ 2,527

(1) Includes interest income, interest expense and fair value adjustments, net related to consolidated securitization trusts as follows:

	Years ended December 31			Nine Months Ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	
Interest income and fair value adjustments, net related to consolidated securitization trusts:					
Interest income	$13,454	$ 60,425	$ 38,218	$ 31,909	$ 5,173
Interest expense	(2,694)	(17,200)	(6,331)	(5,662)	(1,074)
Fair value and other adjustments, net	(6,005)	(37,607)	(30,676)	(24,180)	(3,148)
Total interest income and fair value adjustments, net related to consolidated securitization trusts	$ 4,755	$ 5,618	$ 1,211	$ 2,067	$ 951

Interest income

Interest income is recognized based on the terms of the underlying agreements with borrowers for loans held on the Company's consolidated balance sheets and is earned over the life of a loan.

Interest income also includes accrued interest earned on outstanding loans but not collected. Loans that have reached a delinquency of over 120 days are classified as non-accrual status and any accrued interest recorded in relation to these loans is reversed in the respective period. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company has recorded $1.2 million of accrued interest income in loans on the consolidated balance sheets.

Interest expense

Interest expense is primarily related to interest recorded on the notes issued as part of the consolidated securitizations and on the Company's borrowings. Interest expense includes accrued interest incurred but not paid. Accrued interest expenses were immaterial as of December 31, 2018 and 2019, and September 30, 2020 (unaudited).

Fair value and other adjustments, net

Fair value and other adjustments, net include changes in fair value of financial instruments, other than loan servicing assets and liabilities, common stock warrant liabilities, and convertible preferred stock warrant liabilities. These adjustments are recorded in the Company's earnings and include both realized and unrealized changes to the value of related assets and liabilities. Refer to "*Note 4. Fair Value Measurement*" for additional information.

Fair value and other adjustments, net also include interest income attributable to third-party residual certificate holders for the consolidated securitization and amounts received from borrowers for previously charged-off loans held on the Company's consolidated balance sheets. These amounts are recognized in the period received.

3. Securitizations and Variable Interest Entities

Consolidated VIEs

The Company consolidates VIEs in which the Company has a variable interest and is determined to be the primary beneficiary. This determination is based on whether the Company has a variable interest (or combination of variable interests) that provides the Company with (a) the power to direct the activities that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or right to receive benefits that could be potentially significant to the VIE. The Company continually reassesses whether it is the primary beneficiary of a VIE throughout the entire period the Company is involved with the VIE.

The Company also determines whether decision-maker or service-provider fees are variable interests. Decision-maker or service-provider fees are not considered variable interests when the arrangement does not expose the Company to risks of loss that a potential VIE was designed to pass on to its variable interest holders, the fees are commensurate, the arrangement is at market, and the Company does not have any other interests (including direct interests and certain indirect interests held through related parties) that absorb more than an insignificant amount of a VIE's potential variability. This determination can have a significant impact on the Company's consolidation analysis, as it could affect whether a legal entity is a VIE and whether the Company is the primary beneficiary of a VIE. When the Company's decision-maker or service-provider fee is not a variable interest, the Company is viewed as acting as a fiduciary for the potential VIE.

See "*Note 1. Description of Business and Significant Accounting Policies*" for additional information.

Warehouse Entities

The Company established Upstart Loan Trust and Upstart Warehouse Trust to enter into warehouse credit facilities for the purpose of purchasing Upstart-powered loans. See *"Note 7.*

Borrowings" for additional information. These entities are Delaware statutory trusts that are structured to be bankruptcy-remote, with third-party banks operating as trustees.

Consolidated Securitizations

The Company entered into three private offering securitization transactions in June 2017 ("2017-1"), November 2017 ("2017-2"), and April 2018 ("2018-1"), respectively. As the sponsor of these securitization transactions, the Company created several legal entities for the roles of depositors, issuers, and grantor trusts and MOAs for each securitization transaction. Under the risk retention requirements in Title 17 U.S. *Code of Federal Regulations* Part 246, *Credit Risk Retention*, promulgated by Securities and Exchange Commission ("RR"), the Company is required to retain at least 5% of the economic risk in the securitization transactions in which the Company is the retaining sponsor. The Company elected to satisfy the RR requirements by holding Eligible Horizontal Retained Interests ("EHRIs") in the form of subordinated certificates within the established MOAs.

Concurrently with the closing of the 2017-1, 2017-2, and 2018-1 securitization transactions, while maintaining its status as the primary beneficiary of the related MOAs, the Company sold 80% of its interests in these MOAs to an institutional investor in exchange for cash of approximately $8.0 million, $7.8 million, and $8.0 million, respectively, based on the fair value of the residual certificates held in the MOAs as determined on the pricing dates. As a result of the sales, the Company maintained a 20% interest in the MOAs and its status as the managing member, while the investor became a non-voting limited member of these MOAs. The institutional investor's ownership interests in the 2017-1, 2017-2, and 2018-1 MOAs represent the noncontrolling interests on the consolidated balance sheets as of December 31, 2018 and 2019.

Upon closing of these securitization transactions, the Company determined that the servicing fees represented a variable interest in these securitization entities due to the EHRIs held by the Company's MOAs to satisfy the RR requirements. The EHRIs held by these MOAs were deemed to potentially absorb more than an insignificant amount of the VIEs' expected losses or expected returns at the inception of the securitization transactions. The Company also determined that it was the primary beneficiary of these entities and consolidated the MOAs and trusts associated with the 2017-1, 2017-2, and 2018-1 securitization transactions.

Subsequent to the expiration of the RR requirements for 2017-1 and 2017-2 in December 2019 and 2018-1 in June 2020 (unaudited), the residual certificates held by each of the respective MOAs were distributed based on the proportional equity held by Upstart and the investor. This distribution required the Company to reassess whether its servicing fee is a variable interest. Although the Company maintains a reduced level of variable interests in the 2017-1 and 2017-2 securitization transactions through the EHRIs, the Company's other interests subsequent to these distributions are no longer expected to absorb more than an insignificant amount of each of the VIE's expected losses or expected returns. Therefore, the Company concluded that the fees for servicing the securitization transactions are no longer considered variable interests, and as such the powers the Company possesses through the servicing arrangements are no longer considered in the primary beneficiary determination. As a result, the Company concluded it was no longer the primary beneficiary of the 2017-1, 2017-2, and 2018-1 securitization transactions. The Company deconsolidated the legal entities associated with the 2017-1 and 2017-2 securitization transactions as of December 31, 2019 and 2018-1 as of June 30, 2020 (unaudited). The Company recorded an immaterial net gain on the deconsolidation of these entities. The Company maintained its role as servicer of these securitization transactions.

The Company sponsored three additional securitization transactions in August 2018 ("2018-2"), February 2019 ("2019-1") and August 2019 ("2019-2"), respectively. As the retaining sponsor of these transactions, the Company was subject to the RR requirements and satisfied them through Eligible Vertical Interests ("EVIs") in the form of a combination of securitization notes and residual certificates through the established MOAs. The Company concluded that it has a variable interest and is the primary beneficiary of the MOAs associated with these securitization transactions. As a result, the Company consolidated these MOAs as of December 31, 2018 and 2019. The Company determined that it is not the primary beneficiary of the trusts which hold the loans associated with these securitization transactions, primarily because the Company's servicing fees are not considered variable interests, and that the transfer of loans as collateral into these securitization transactions met the definition of a sale under Topic 860, *Transferring and Servicing*. As such, the Company derecognized these loans from the consolidated balance sheets upon the closing of these securitization transactions. Refer to the *Unconsolidated Securitizations* section below for more information.

Other Consolidated VIEs

Upstart Loan Trust 2, a Delaware statutory trust, holds personal loans facilitated through the Upstart platform that do not meet the criteria for inclusion in the warehouse credit facilities, or that were the result of the Company's repurchases of loans for breaches of representations and warranties made to institutional investors, as described above.

Upstart Network Trust ("UNT"), also a Delaware statutory trust, was established in 2014 to facilitate Upstart's fractional loan program. Under the program, the investors purchased securities issued by UNT that represented a portion of expected cash flows from repayments of the loans acquired by UNT which were funded by proceeds from securities issued to the investors. The program was formally discontinued in 2019. The Company is the servicer of UNT's loan assets and previously concluded that the servicing fee represents a variable interest and that the Company is the primary beneficiary of UNT. However, during 2019, as a result of a reduction in the Company's investment in UNT and with consideration given to the business decision to sunset the fractional loans program to new investments, upon the required reassessment the Company determined that its servicing fee is no longer a variable interest. Although the Company still maintains a reduced level of variable interests in UNT through investments in securities issued by UNT, the Company's other interests are no longer expected to absorb more than an insignificant amount of UNT's expected losses or expected returns. As a result of the powers the Company possesses through the servicing arrangement being excluded from the primary beneficiary determination, the Company concluded that it is no longer the primary beneficiary and therefore deconsolidated UNT during 2019. An immaterial loss related to servicing rights was recognized on deconsolidation. The fair value of the Company's investment in UNT is included in notes receivable and residual certificates in the consolidated balance sheets as of December 31, 2019 and September 30, 2020 (unaudited).

Upstart Holdings, Inc.

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The following tables present a summary of financial assets and liabilities from the Company's involvement with consolidated VIEs (in thousands):

	Assets	Liabilities	Net Assets
December 31, 2018			
Warehouse Entities	$ 78,418	$ 47,506	$ 30,912
Securitizations:			
Securitization Trusts	391,601	372,450	19,151
Majority-owned Affiliates	8,291	7,326	965
Other Consolidated VIEs	67,019	58,933	8,086
Total Consolidated VIEs	$545,329	$486,215	$ 59,114

	Assets	Liabilities	Net Assets
December 31, 2019			
Warehouse Entities	$131,903	$ 80,206	$ 51,697
Securitizations:			
Securitization Trusts	98,572	95,995	2,577
Majority-owned Affiliates	30,266	17,058	13,208
Other Consolidated VIEs	14,926	48	14,878
Total Consolidated VIEs	$275,667	$193,307	$ 82,360

	Assets	Liabilities	Net Assets
September 30, 2020 (unaudited)			
Warehouse Entities	$123,535	$ 70,376	$ 53,159
Securitizations:			
Securitization Trusts	—	—	—
Majority-owned Affiliates	19,820	9,398	10,422
Other Consolidated VIEs	14,268	—	14,268
Total Consolidated VIEs	$157,623	$ 79,774	$ 77,849

The Company's continued involvement in all of its securitizations in which it is the sponsor and its involvement in UNT includes loan servicing rights and obligations for which it receives servicing fees over the life of the underlying loans. The Company monitors its status as the primary beneficiary and in case of reconsideration events, updates the analysis accordingly.

Unconsolidated VIEs

The Company's transactions with unconsolidated VIEs include securitizations of unsecured personal whole loans and sales of whole loans to VIEs. The Company has various forms of involvement with VIEs, including servicing of loans and holding senior or residual interests in the VIEs.

Unconsolidated Securitizations

As of December 31, 2019, the Company's unconsolidated VIEs include entities established as the issuers and grantor trusts for the 2017-1, 2017-2, 2018-2, 2019-1, and 2019-2 securitization transactions (the "Unconsolidated Securitizations"). As of September 30, 2020 (unaudited), the Company's unconsolidated VIEs also included 2018-1. The Company's continued involvement in the

unconsolidated VIEs is in the form of its role as the sponsor and the servicer of these transactions. For each of the unconsolidated securitizations, the Company determined that it is not the primary beneficiary.

In cases where the VIEs are not consolidated and the transfer of the loans from the Company to the securitization trust meets sale accounting criteria, the Company recognizes a gain or loss on sales of loans. The net proceeds of the sale represent the fair value of any assets obtained or liabilities incurred as part of the transaction. The assets are transferred into a trust such that the assets are legally isolated from the creditors of the Company and are not available to satisfy obligations of the Company. These assets can only be used to settle obligations of the underlying securitization trusts.

Upstart Network Trust

The Company's unconsolidated VIEs include UNT, which was deconsolidated during the year ended December 31, 2019 upon discontinuation of the fractional loan program.

The following tables summarize the aggregate carrying value of assets and liabilities of unconsolidated VIEs in which the Company holds a variable interest but is not the primary beneficiary (in thousands):

	Assets	Liabilities	Net Assets	Maximum Exposure to Losses
December 31, 2018				
Securitizations	$189,518	$170,330	$ 19,188	$ 9,383
Total Unconsolidated VIEs	$189,518	$170,330	$ 19,188	$ 9,383

	Assets	Liabilities	Net Assets	Maximum Exposure to Losses
December 31, 2019				
Securitizations	$778,628	$640,592	$138,036	$ 34,828
Upstart Network Trust	77,207	77,207	—	3,303
Total Unconsolidated VIEs	$855,835	$717,799	$138,036	$ 38,131

	Assets	Liabilities	Net Assets	Maximum Exposure to Losses
		(unaudited)		
September 30, 2020				
Securitizations	$549,469	$461,341	$ 88,128	$ 27,035
Upstart Network Trust	47,900	47,900	—	2,034
Total Unconsolidated VIEs	$597,369	$509,241	$ 88,128	$ 29,069

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The carrying value of assets that relate to variable interests in unconsolidated VIEs consists of $8.3 million, $30.3 million, and $19.8 million which are included in notes receivable and residual certificates on the consolidated balance sheets as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively. The Company also had $1.1 million, $4.6 million, and $7.2 million of cash deposits made to reserve accounts for related securitizations, included in other assets on the consolidated balance sheets as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively. The net assets of UNT were included in the Company's consolidated balance sheet as of December 31, 2018.

The Company's maximum exposure to loss from its involvement with unconsolidated VIEs represents the estimated loss that would be incurred under severe, hypothetical circumstances, for which the Company believes the possibility is remote, such as where the value of securitization notes and senior and residual certificates the Company holds as part of the RR requirement declines to zero.

The following table summarizes activity related to the unconsolidated securitization transactions on the Company's consolidated financial statements (in thousands):

	December 31,		September 30,
	2018	2019	2020
			(unaudited)
Principal derecognized from loans securitized	$46,115	$95,342	$ 26,784
Net gains recognized from loans securitized included in earnings	733	1,395	671
Fair value of securitization notes and residual certificates retained in the transaction	8,314	25,649	—
Cash proceeds from loans securitized	40,202	70,845	27,059
Cash proceeds from servicing and other administrative fees on loans securitized	409	2,777	6,304
Cash proceeds from interest received on securitization notes and residual certificates	585	3,112	1,204

Retained Interest in Unconsolidated VIEs

The investors and the securitization trusts have no direct recourse to the Company's assets, and holders of the securities issued by the securitization trusts can look only to the assets of the securitization trusts that issued their securities for payment. The beneficial interests held by the Company and the Company's MOAs are subject principally to the credit and prepayment risk stemming from the underlying unsecured personal whole loans.

Off-Balance Sheet Loans

Off-balance sheet loans relate to securitization transactions for which the Company has some form of continuing involvement, including as servicer. For a loan related to securitization transactions where servicing is the only form of continuing involvement, the Company would only experience a loss if it were required to repurchase such a loan due to a breach in representations and warranties associated with its loan sale or servicing contracts. Additionally, in the unlikely event principal payments on the loans backing a securitization are insufficient to pay senior note holders, any amounts the Company contributed to the securitization reserve accounts may be depleted.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

In December 2019 and February 2020, the Company co-sponsored securitization transactions ("2019-3" and "2020-1", respectively) with an investment bank. The Company was not required to retain economic risk in these securitization transactions as the co-sponsor investment bank acted as the retaining sponsor. Similar to 2018-2, 2019-1, and 2019-2, the Company contributed certain loans to this securitization as collateral and recognized this transfer under Topic 860, *Transferring and Servicing*. The Company is also the servicer of the 2019-3 and 2020-1 securitization transactions.

In September 2020 (unaudited), the Company co-sponsored an additional securitization transaction ("2020-2") with an investment bank. The Company did not retain economic risk in this transaction and did not contribute any loans as collateral. The Company is the servicer of this securitization.

4. Fair Value Measurement

The following table presents assets and liabilities measured at fair value (in thousands):

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Loans	$ —	$ —	$ 502,666	$ 502,666
Notes receivable and residual certificates	—	—	8,314	8,314
Other assets	—	—	1,410	1,410
Total assets	$ —	$ —	$ 512,390	$ 512,390
Liabilities				
Notes payable	$ —	$ —	$ 53,174	$ 53,174
Other liabilities	—	—	1,375	1,375
Loan servicing liabilities	—	—	1,685	1,685
Payable to securitization notes and residual certificate holders	—	—	353,292	353,292
Convertible preferred stock warrant liabilities	—	—	7,579	7,579
Common stock warrant liabilities	—	—	447	447
Total liabilities	$ —	$ —	$ 417,552	$ 417,552

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Loans	$ —	$ —	$ 232,305	$ 232,305
Notes receivable and residual certificates	—	—	34,116	34,116
Loan servicing assets	—	—	4,725	4,725
Total assets	$ —	$ —	$ 271,146	$ 271,146
Liabilities				
Other liabilities	$ —	$ —	$ 504	$ 504
Loan servicing liabilities	—	—	5,140	5,140
Payable to securitization notes and residual certificate holders	—	—	89,672	89,672
Convertible preferred stock warrant liabilities	—	—	5,666	5,666
Common stock warrant liabilities	—	—	1,136	1,136
Total liabilities	$ —	$ —	$ 102,118	$ 102,118

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
		(unaudited)		
Assets				
Loans	$ —	$ —	$ 122,708	$ 122,708
Notes receivable and residual certificates	—	—	22,053	22,053
Loan servicing assets	—	—	6,558	6,558
Total assets	$ —	$ —	$ 151,319	$ 151,319
Liabilities				
Other liabilities	$ —	$ —	$ 894	$ 894
Loan servicing liabilities	—	—	7,349	7,349
Payable to securitization notes and residual certificate holders	—	—	—	—
Convertible preferred stock warrant liabilities	—	—	7,458	7,458
Common stock warrant liabilities	—	—	1,607	1,607
Total liabilities	$ —	$ —	$ 17,308	$ 17,308

Financial instruments are categorized in the fair value hierarchy based on the significance of unobservable factors in the overall fair value measurement. Since the Company's loans, notes receivable and residual certificates, notes payable, loan servicing assets and liabilities, payable to securitization note holders and residual certificate holders, other assets and liabilities, convertible preferred stock warrants, and common stock warrants, do not trade in an active market with readily observable prices, the Company uses significant unobservable inputs to measure the fair value of these assets and liabilities.

The Company has elected the fair value option for loans, notes receivable and residual certificates, notes payable, and payable to securitization note holders and residual certificate holders. The election allows for assets and related liabilities to be measured similarly. Changes in the fair value of the loans are partially offset by corresponding changes in the fair value of notes payable, and payable to securitization note holders and residual certificate holders. The net fair value adjustments are presented as interest income and fair value adjustments, net in the consolidated statements of operations and comprehensive income (loss).

There were no transfers between Level 1, Level 2 or Level 3 of the fair value hierarchy during the periods presented.

Loans

Loans included in the Company's consolidated balance sheets are classified as either held-for-sale or held-for-investment. The loans held-for-investment include those loans which are contributed as collateral and held in the consolidated securitizations.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The following table presents the fair value of classes of loans held by the Company (in thousands):

	December 31		September 30,
	2018	2019	2020
			(unaudited)
Loans held-for-sale	—	—	$ 108,146
Loans held-for-investment	$134,650	$141,555	14,562
Loans held-for-investment in consolidated securitizations	368,016	90,750	—
Total	$502,666	$232,305	$ 122,708

Valuation Methodology

Loans held-for-sale and held-for-investment, excluding those in consolidated securitizations, are measured at estimated fair value using a discounted cash flow model. The fair valuation methodology considers projected prepayments and historical defaults, losses and recoveries to project future losses and net cash flows on loans. Net cash flows are discounted using an estimate of market rates of return. The fair value of these loans also includes accrued interest, which was immaterial as of December 31, 2018 and 2019, and September 30, 2020 (unaudited).

As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company elected the measurement alternative under Topic 810, *Consolidation,* and maximizes the use of observable inputs to estimate the fair value of the financial assets and liabilities of consolidated securitization entities. Under the measurement alternative, the Company measures the financial assets, which consist of held-for-investment and held-for-sale loans in the consolidated balance sheets, and financial liabilities, which consist of securitization notes and residual certificates issued to institutional investors, included in payable to securitization note holders and residual certificate holders in the consolidated balance sheets, using the more observable of the fair value of the financial assets and liabilities. The Company determined the fair value of the securitization notes and residual certificates is more observable than that of the loans. The securitization notes and residual certificates are measured at fair value, and the loans are measured based on the sum of the fair value of the securitization notes and residual certificates, with changes in fair value included in the consolidated statements of operations and comprehensive income (loss).

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loans held-for-investment and held-for-sale:

	December 31, 2018			December 31, 2019			September 30, 2020 *(unaudited)*		
	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]
Discount rate	5.52%	14.58%	5.78%	4.72%	14.57%	4.98%	6.81%	16.91%	7.29%
Credit risk rate[1]	0.05%	43.21%	18.17%	0.31%	52.29%	17.19%	0.36%	52.31%	17.85%
Prepayment rate[1]	22.16%	33.37%	25.53%	11.34%	64.00%	29.49%	11.33%	78.36%	30.22%

(1) Expressed as a percentage of the original principal balance of the loans
(2) Unobservable inputs were weighted by relative fair value

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Discount rates—The discount rates are rates of return used to discount future expected cash flows to arrive at a present value, which represents the fair value. The discount rates used for the projected net cash flows are the Company's estimates of the rates of return that market participants would require when investing in these financial instruments with cash flows dependent on credit quality of the related loan. A risk premium component is implicitly included in the discount rates to reflect the amount of compensation market participants require due to the uncertainty inherent in the instruments' cash flows resulting from risks such as credit and liquidity.

Credit risk rates—The credit risk rates are an estimate of the net cumulative principal payments that will not be repaid over the entire life of a financial instrument. The credit risk rates are expressed as a percentage of the original principal amount of the instrument. The estimated net cumulative loss represents the sum of the net losses estimated to occur each month of the life of the instrument, net of the average recovery expected to be received.

Prepayment rates—Prepayment rates are an estimate of the cumulative principal prepayments that will occur over the entire life of a loan as a percentage of the original principal amount of the loan. The assumption regarding cumulative prepayments impacts the projected balances and expected terms of the loans.

The above inputs are similarly used in estimating fair value of related financial instruments. Refer to *Notes Payable* and *Assets and Liabilities related to Securitization Transactions* sections below for more information.

Significant Recurring Level 3 Fair Value Input Sensitivity

The below table presents the sensitivity of the loans held-for-sale and held-for-investment, excluding those in consolidated securitizations, to adverse changes in key assumptions used in the valuation model as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively. The estimated fair value of these loans is not sensitive to adverse changes in expected prepayment rates as such changes would not result in a significant impact on the fair value in either periods.

(amounts in thousands)	December 31, 2018	December 31, 2019	September 30, 2020 *(unaudited)*
Fair value of loans	$134,650	$141,555	$ 122,708
Discount rates			
100 basis point increase	(1,762)	(1,898)	(1,483)
200 basis point increase	(3,488)	(3,755)	(2,937)
Expected credit risk rates on underlying loans			
10% adverse change	(2,321)	(2,325)	(1,953)
20% adverse change	(4,649)	(4,656)	(3,911)

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Rollforward of Level 3 Fair Values

The following tables include a rollforward of the loans classified within Level 3 of the fair value hierarchy (in thousands):

	Loans Held-for-Sale	Loans Held-for-Investment	Loans Held-for-Investment (Securitized)	Total
Fair value at December 31, 2017	$ —	$ 63,883	$ 355,619	$ 419,502
Purchases of loans	—	169,442	251,681	421,123
Sale of loans	—	(55,199)	—	(55,199)
Purchase of loans for immediate resale to investors	1,115,049	—	—	1,115,049
Immediate resale to investors	(1,115,049)	—	—	(1,115,049)
Repayments received	—	(38,332)	(199,325)	(237,657)
Changes in fair value recorded in earnings	—	(5,882)	(39,959)	(45,841)
Other changes	—	738	—	738
Fair value at December 31, 2018	$ —	$ 134,650	$ 368,016	$ 502,666

	Loans Held-for-Sale	Loans Held-for-Investment	Loans Held-for-Investment (Securitized)	Total
Purchases of loans	$ —	$ 265,286	$ —	$ 265,286
Sale of loans	—	(131,838)	—	(131,838)
Purchase of loans for immediate resale to investors	1,779,180	—	—	1,779,180
Immediate resale to investors	(1,779,180)	—	—	(1,779,180)
Repayments received	—	(47,950)	(158,921)	(206,871)
Changes in fair value recorded in earnings	—	(5,821)	(36,238)	(42,059)
Changes due to deconsolidation	—	(72,757)	(82,107)	(154,864)
Other changes	—	(15)	—	(15)
Fair value at December 31, 2019	$ —	$ 141,555	$ 90,750	$ 232,305

	Loans Held-for-Sale	Loans Held-for-Investment	Loans Held-for-Investment (Securitized)	Total
		(unaudited)		
Transfer of loans from held-for-investment to held-for-sale	$ 125,297	$ (125,297)	$ —	$ —
Purchases of loans	109,113	3,774	—	112,887
Sale of loans	(94,949)	—	—	(94,949)
Purchase of loans for immediate resale to investors	1,554,705	—	—	1,554,705
Immediate resale to investors	(1,554,705)	—	—	(1,554,705)
Repayments received	(23,390)	(4,124)	(24,018)	(51,532)
Changes in fair value recorded in earnings	(7,940)	(1,352)	(9,508)	(18,800)
Changes due to deconsolidation	—	—	(57,222)	(57,222)
Other changes	15	6	(2)	19
Fair value at September 30, 2020	$ 108,146	$ 14,562	$ —	$ 122,708

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Notes Payable

As of December 31, 2018, the notes payable balance of $53.2 million consisted of amounts owed to investors for their purchases of fractional interests in loans issued by the Company's consolidated VIE, UNT. As of December 31, 2019, and September 30, 2020 (unaudited), the notes payable balance was zero due to the deconsolidation of UNT.

Valuation Methodology

Notes payable is measured at estimated fair value using a discounted cash flow model. The fair valuation methodology considers projected prepayments and historical defaults, losses and recoveries on the Company's loans to project future losses and net cash flows on loans. Net cash flows on loans are discounted using an estimate of market rates of return.

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for notes payable held:

	December 31, 2018			December 31, 2019			September 30, 2020 (unaudited)		
	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]
Discount rate	5.52%	14.58%	5.78%	*	*	*	*	*	*
Credit risk rate[1]	0.05%	43.21%	12.19%	*	*	*	*	*	*
Prepayment rate[1]	22.16%	33.37%	25.67%	*	*	*	*	*	*

(1) Expressed as a percentage of the original principal balance of the loans underlying the financial instruments
(2) Unobservable inputs were weighted by relative fair value
* Not applicable as of December 31, 2019 and September 30, 2020

Significant Recurring Level 3 Fair Value Input Sensitivity

The table below presents sensitivity of the notes payable to adverse changes in key assumptions used in the valuation models as of December 31, 2018. The estimated fair value of notes payable is not sensitive to adverse changes in expected prepayment rates as such changes would not result in a significant impact on the fair value.

(amounts in thousands)	December 31, 2018	December 31, 2019	September 30, 2020 (unaudited)
Fair value of notes payable	$ 53,174	$ —	$ —
Discount rates			
100 basis point increase	(696)	—	—
200 basis point increase	(1,377)	—	—
Expected credit risk rates on underlying loans			
10% adverse change	(917)	—	—
20% adverse change	(1,836)	—	—

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Rollforward of Level 3 Fair Values

The following table presents a rollforward of the notes payable classified by the Company within Level 3 of the fair value hierarchy (in thousands):

	Notes Payable
Fair value at December 31, 2017	$ 34,713
Issuance of notes payable	42,537
Repayments and settlements	(21,127)
Changes in fair value recorded in earnings	(3,117)
Other changes	168
Fair value at December 31, 2018	$ 53,174
Issuance of notes payable	39,863
Repayments and settlements	(22,468)
Changes in fair value recorded in earnings	(736)
Changes due to deconsolidation	(69,419)
Other changes	(414)
Fair value at December 31, 2019	$ —
Issuance of notes payable (unaudited)	—
Repayments and settlements (unaudited)	—
Changes in fair value recorded in earnings (unaudited)	—
Other changes (unaudited)	—
Fair value at September 30, 2020 (unaudited)	$ —

Assets and Liabilities related to Securitization Transactions

As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company held notes receivable and residual certificates with an aggregate fair value of $8.3 million, $34.1 million, and $22.1 million, respectively. The balances consist of securitization notes and residual certificates corresponding to the 5% economic risk retention the Company is required to maintain as the retaining sponsor of the unconsolidated securitizations. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company also had payables to securitization note holders and residual certificate holders with an aggregate fair value of $353.3 million, $89.7 million, and $0 million, respectively. The balances represent securitization notes and residual certificates issued and sold to institutional investors in securitization transactions, where the issuing trusts are consolidated in the Company's consolidated financial statements. Accrued interest on these financial instruments is immaterial as of December 31, 2018 and 2019. As of September 30, 2020 (unaudited), the balance for payables to securitization note holders and residual certificate holders and related accrued interest was $0 million due to deconsolidation of previously consolidated securitizations.

Valuation Methodology

The discounted cash flow methodology is used to estimate the fair value of notes receivable and residual certificates and payables to securitization note holders and residual certificate holders (the "securities"), using the same projected net cash flows as their related loans. This model uses inputs that are inherently judgmental and reflect the Company's best estimates of the assumptions a market participant would use to calculate fair value.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements of assets and liabilities related to securitization transactions:

	December 31, 2018			December 31, 2019			September 30, 2020 *(unaudited)*		
	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum[2]	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]
Notes receivable and residual certificates									
Discount rate	4.19%	14.00%	6.12%	2.91%	14.00%	5.29%	2.93%	14.00%	5.77%
Credit risk rate[1]	0.05%	43.21%	14.83%	0.18%	50.67%	17.08%	0.04%	50.69%	16.96%
Prepayment rate[1]	22.16%	33.37%	25.50%	15.19%	59.83%	27.44%	15.60%	36.88%	27.58%
Payable to securitization note holders and residual certificate holders									
Discount rate	3.60%	14.00%	6.59%	5.03%	14.00%	5.88%	11.86%	14.00%	12.29%
Credit risk rate[1]	0.05%	43.21%	12.91%	0.20%	40.97%	15.17%	0.66%	40.74%	16.29%
Prepayment rate[1]	22.16%	33.37%	26.14%	16.14%	32.47%	25.68%	16.23%	32.46%	25.94%

(1) Expressed as a percentage of the original principal balance of the loans underlying the financial instruments
(2) Unobservable inputs were weighted by relative fair value

Significant Recurring Level 3 Fair Value Input Sensitivity

The securities issued in the securitization transactions are senior or subordinated based on the waterfall criteria of loan payments to each security class, with the residual interest (the "residual certificates") issued being the first to absorb credit losses in accordance with the waterfall criteria. Accordingly, the residual certificates are the most sensitive to adverse changes in credit risk rates. Depending on the specific securitization, a hypothetical increase in the credit risk rate of 10% to 20% would result in significant decreases in the fair value of the residual certificates. On average, a hypothetical increase in the credit risk rate of 20% would result in a 25% decrease in the fair value of the residual certificates. The remaining classes of securities, with the exception of those in 2018-2, are all overcollateralized such that changes in credit risk rates are not expected to have significant impacts on their fair values.

The fair value of the securities is also sensitive to adverse changes in discount rates, which represent estimates of the rates of return that institutional investors would require when investing in financial instruments with similar risk and return characteristics. On average, a hypothetical 100 basis point increase in discount rates results in a decrease in fair value of the securities (including securitization notes and residual certificates) of 1.43%, 1.40%, and 1.15% as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively. On average, a hypothetical 200 basis point increase in discount rates results in a decrease in fair value of the securities (including securitization notes and residual certificates) of 2.80%, 2.77%, and 2.28% as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The fair value of securitization notes and residual certificates are not sensitive to adverse changes in expected prepayment rates as such changes would not result in a significant impact on the fair value as of December 31, 2018 and 2019, and September 30, 2020 (unaudited).

Rollforward of Level 3 Fair Values

The following tables include a rollforward of the assets and liabilities related to securitization transactions classified by the Company within Level 3 of the fair value hierarchy (in thousands):

	Notes Receivable and Residual Certificates	Payable to Securitization Note Holders and Residual Certificate Holders
Fair value at December 31, 2017	$ —	$ 339,291
Purchases and issuances of securitization notes and residual certificates	9,501	242,454
Repayments and settlements	(1,229)	(226,775)
Changes in fair value recorded in earnings	42	(1,678)
Fair value at December 31, 2018	$ 8,314	$ 353,292
Purchases and issuances of securitization notes and residual certificates	31,645	—
Repayments and settlements	(8,760)	(176,742)
Changes in fair value recorded in earnings	(782)	(6,053)
Changes due to deconsolidation	3,699	(80,825)
Fair value at December 31, 2019	$ 34,116	$ 89,672
Purchases and issuances of securitization notes and residual certificates (unaudited)	4	—
Repayments and settlements (unaudited)	(11,306)	(26,126)
Changes in fair value recorded in earnings (unaudited)	(761)	(5,529)
Changes due to deconsolidation (unaudited)	—	(58,017)
Fair value at September 30, 2020 (unaudited)	$ 22,053	$ —

Loan Servicing Assets and Liabilities

Valuation Methodology

Loan servicing assets and liabilities are measured at estimated fair value using a discounted cash flow model. The cash flows in the valuation model represent the difference between the contractual servicing fees charged to institutional investors and an estimated market servicing fee. Since contractual servicing fees are generally based on the monthly unpaid principal balance of the underlying loans, the expected cash flows in the model incorporate estimates of net losses and prepayments.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loan servicing assets and liabilities:

	December 31, 2018			December 31, 2019			September 30, 2020 *(unaudited)*		
	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]	Minimum	Maximum	Weighted-Average[2]
Discount rate	15.00%	30.00%	22.81%	15.00%	35.00%	22.70%	15.00%	35.00%	22.42%
Credit risk rate[1]	0.04%	43.21%	17.47%	0.05%	52.76%	16.72%	0.03%	52.78%	16.54%
Market-servicing rate[3][4]	0.81%	0.81%	0.81%	0.78%	0.78%	0.78%	0.75%	0.75%	0.75%
Prepayment rate[1]	22.16%	33.37%	25.67%	11.60%	76.45%	28.57%	9.15%	88.81%	30.36%

(1) Expressed as a percentage of the original principal balance of the loans underlying the servicing arrangement
(2) Unobservable inputs were weighted by relative fair value
(3) Excludes ancillary fees charged to borrowers that would be passed on to a third-party servicer
(4) Expressed as a percentage of the outstanding principal balance of the loan

Discount rates—The discount rates are the Company's estimate of the rates of return that market participants in servicing rights would require when investing in similar servicing rights. Discount rates for servicing rights on existing loans are adjusted to reflect the time value of money and a risk premium intended to reflect the amount of compensation market participants would require due to the uncertainty associated with these instruments' cash flows.

Credit risk rates—The credit risk rates are the Company's estimate of the net cumulative principal payments that will not be repaid over the entire life of a loan expressed as a percentage of the original principal amount of the loan. The assumption regarding net cumulative losses impacts the projected balances and expected terms of the loans, which are used to project future servicing revenues.

Market-servicing rates—Market-servicing rate is an estimated measure of adequate compensation for a market participant, if one was required. The rate is expressed as a fixed percentage of outstanding principal balance on a per annum basis. The estimate considers the profit that would be demanded in the marketplace to service the portfolio of outstanding loans subject to the Company's servicing agreements.

Prepayment rates—Prepayment rates are the Company's estimate of the cumulative principal prepayments that will occur over the entire life of a loan as a percentage of the original principal amount of the loan. The assumption regarding cumulative prepayments impacts the projected balances and expected terms of the loans, which are used to project future servicing revenues.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Significant Recurring Level 3 Fair Value Input Sensitivity

The table below presents the fair value sensitivity of loan servicing assets and liabilities to adverse changes in key assumptions. The fair value of loan servicing assets and liabilities is not sensitive to adverse changes in discount rates as such changes would not result in a significant impact on the fair value as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively.

(amounts in thousands)	December 31, 2018	December 31, 2019	September 30, 2020 *(unaudited)*
Fair value of loan servicing assets	$ —	$ 4,725	$ 6,558
Expected servicing cost			
10% servicing cost increase	—	(29,631)	(27,576)
20% servicing cost increase	—	(59,262)	(55,152)
Expected prepayment rates			
10% adverse change	—	(3,629)	(2,951)
20% adverse change	—	(7,440)	(6,033)

(amounts in thousands)	December 31, 2018	December 31, 2019	September 30, 2020 *(unaudited)*
Fair value of loan servicing liabilities	$ 1,685	$ 5,140	$ 7,349
Expected servicing cost on underlying loans			
10% servicing cost increase	847	32,234	30,902
20% servicing cost increase	1,693	64,467	61,804
Expected prepayment rates			
10% adverse change	136	3,948	3,307
20% adverse change	278	8,093	6,760

Rollforward of Level 3 Fair Values

The following table presents a rollforward of the loan servicing assets and liabilities classified by the Company within Level 3 of the fair value hierarchy (in thousands):

	Loan Servicing Assets	Loan Servicing Liabilities
Fair value at December 31, 2017	$ —	$ 837
Sale of loans	—	1,917
Changes in fair value recorded in earnings	—	(1,069)
Fair value at December 31, 2018	$ —	$ 1,685
Sale of loans	3,874	4,730
Changes in fair value recorded in earnings	851	(1,275)
Fair value at December 31, 2019	$ 4,725	$ 5,140
Sale of loans (unaudited)	5,003	3,256
Changes in fair value recorded in earnings (unaudited)	(3,170)	(1,047)
Fair value at September 30, 2020 (unaudited)	$ 6,558	$ 7,349

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Other Assets and Liabilities

As of December 31, 2018, the Company's Level 3 financial instruments included other assets and other liabilities, related to the Company's legacy loan programs which were winding down. The other assets and liabilities had fair values of $1.4 million and $1.4 million, respectively, which were estimated using the discounted cash flow model based on expected cash flows of the underlying loans. Significant inputs used for estimating the fair value of these financial instruments included discount rates of 6.00% to 9.70% and credit risk rates of 0.00% to 3.00%.

The fair value sensitivity of the other assets and liabilities to adverse changes in key assumptions would not result in a material impact on the Company's financial position.

Rollforward of Level 3 Fair Values

The following tables include a rollforward of other assets and liabilities classified by the Company within Level 3 of the fair value hierarchy (in thousands):

	Other Assets	Other Liabilities
Fair value at December 31, 2017	$ 1,886	$ 1,851
Repayments and settlements	(346)	(341)
Other changes	(130)	(135)
Fair value at December 31, 2018	$ 1,410	$ 1,375
Issuances	$ —	$ 568
Repayments and settlements	(174)	(230)
Changes in fair value recorded in earnings	(24)	(3)
Changes due to deconsolidation	(1,136)	(1,136)
Other changes	(76)	(70)
Fair value at December 31, 2019	$ —	$ 504
Issuances (unaudited)	$ —	$ 632
Repayments and settlements (unaudited)	—	(219)
Changes in fair value recorded in earnings (unaudited)	—	(23)
Fair value at September 30, 2020 (unaudited)	$ —	$ 894

Common Stock and Convertible Preferred Stock Warrants

Valuation Methodology

The fair values the of common stock warrant liabilities and convertible preferred stock warrant liabilities are estimated using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model considers several variables and assumptions in estimating the fair value of the warrants, including the per share fair value of the underlying securities, exercise price, expected term, risk-free interest rate, expected annual dividend yield and expected stock price volatility over the expected term.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for common stock and convertible preferred stock warrants:

	December 31, 2018			December 31, 2019			September 30, 2020		
	Minimum	Maximum	Weighted-Average[1]	Minimum	Maximum	Weighted-Average[1]	Minimum	Maximum *(unaudited)*	Weighted-Average[1]
Convertible preferred stock warrant liabilities									
Annual volatility	67.64%	75.19%	69.04%	53.00%	55.89%	*	80.00%	81.81%	*
Expected term (years)	0.46	2.86	2.34	0.50	1.86	*	0.21	1.11	*
Dividend rate	—	—	—	—	—	*	—	—	*
Risk-free interest rate	1.51%	2.47%	2.32%	1.58%	1.60%	*	0.10%	0.12%	*
Fair value of underlying securities	$ 5.37	$ 5.37	$ 5.37	$ 6.68	$ 12.22	*	$ 8.12	$ 13.86	*
Common stock warrant liabilities									
Annual volatility	51.21%	*	*	57.39%	*	*	83.09%	*	*
Expected term (years)	9.81	*	*	8.81	*	*	8.06	*	*
Dividend rate	—	*	*	—	*	*	—	*	*
Risk-free interest rate	2.67%	*	*	1.88%	*	*	0.52%	*	*
Fair value of underlying securities	$ 3.80	*	*	$ 8.88	*	*	$ 10.71	*	*

(1) Unobservable inputs were weighted based on convertible preferred stock warrants outstanding

* Not applicable as of the respective periods presented. Only one set of each of the convertible preferred stock warrants and common stock warrants were outstanding as of December 31, 2019 and September 30, 2020. Accordingly, weighted average inputs are not applicable.

Volatility—Since the Company is privately held and does not have an active trading market for its common or convertible preferred stock, the expected volatility is estimated based on the average volatility for comparable publicly-traded companies, over a period equal to the expected term of the warrants.

Expected term—The expected term represents the contractual life of the warrants being valued.

Dividend rate—The Company has never paid dividends on its common stock or convertible preferred stock and does not anticipate paying dividends on common stock. Therefore, the Company uses an expected dividend yield of zero.

Risk-free rate—The risk-free interest rate is determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the contractual term of the warrants being valued.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Fair value of underlying security—The estimated fair value of the shares of underlying securities is determined by the Company's board of directors as there is no public market for the Company's common stock or preferred stock. The board of directors determines the fair value of the underlying securities by considering a number of objective and subjective factors, including: third-party valuations of the Company's common stock and convertible preferred stock, the valuation of comparable companies, the Company's operating and financial performance, and a general and an industry-specific economic outlook, amongst other factors.

Significant Recurring Level 3 Fair Value Input Sensitivity

The fair value sensitivity of the common stock warrant liabilities and convertible preferred stock warrant liabilities to adverse changes in key assumptions would not result in a material impact on the Company's financial position.

Rollforward of Level 3 Fair Values

The following table presents a rollforward of the common stock warrant liabilities and convertible preferred stock warrant liabilities classified by the Company within Level 3 of the fair value (in thousands):

	Common Stock Warrant Liabilities	Convertible Preferred Stock Warrant Liabilities
Balance as of December 31, 2017	$ —	$ 4,884
Issuance of warrants	220	—
Changes in fair value recorded in earnings	227	2,695
Balance as of December 31, 2018	$ 447	$ 7,579
Exercises in the period	—	(1,131)
Repurchases and retirements in the period	—	(5,083)
Changes in fair value recorded in earnings	689	4,301
Balance as of December 31, 2019	$ 1,136	$ 5,666
Changes in fair value recorded in earnings (unaudited)	471	1,792
Balance as of September 30, 2020 (unaudited)	$ 1,607	$ 7,458

5. Loans at Fair Value

The following table presents the aggregate fair value and aggregate principal outstanding of all loans and loans that were 90 days or more past due included in the consolidated balance sheet (in thousands):

	Loans			Loans > 90 Days Past Due		
	December 31,		September 30	December 31,		September 30
	2018	2019	2020 (unaudited)	2018	2019	2020 (unaudited)
Outstanding principal balance	$550,466	$276,974	$ 142,394	$ 4,362	$ 1,926	$ 1,398
Net fair value and accrued interest adjustments	(47,800)	(44,669)	(19,686)	(4,212)	(1,859)	(1,360)
Fair value	$502,666	$232,305	$ 122,708	$ 150	$ 67	$ 38

The Company places loans on non-accrual status at 120 days past due. Any accrued interest recorded in relation to these loans is reversed in the respective period. The Company charges-off loans no later than 120 days past due.

6. Balance Sheet Components

Other Assets

Other assets consisted of the following (in thousands):

	December 31,		September 30,
	2018	2019	2020
			(unaudited)
Servicing fees and other receivables	$ 2,527	$ 8,321	$ 9,135
Deposits	1,256	6,429	7,750
Prepaid expenses	5,917	5,224	3,089
Loan servicing assets (at fair value)	—	4,725	6,558
Other assets (include $1,410 at fair value as of December 31, 2018)	1,484	55	4,899
Total other assets	$11,184	$24,754	$ 31,431

Servicing fees and other receivables represent amounts recognized as revenue but not yet collected in relation to servicing and other agreements with institutional investors and bank partners.

Property, Equipment, and Software, Net

Property, equipment, and software, net consisted of the following (in thousands):

	December 31,		September 30,
	2018	2019	2020
			(unaudited)
Internally developed software	$1,889	$ 3,164	$ 6,461
Computer equipment	124	672	1,111
Furniture and fixtures	114	1,638	1,770
Leasehold improvements	15	1,970	2,763
Total property, equipment, and software	2,142	7,444	12,105
Accumulated depreciation and amortization	(640)	(1,414)	(3,045)
Total property, equipment, and software, net	$1,502	$ 6,030	$ 9,060

Depreciation and amortization expense on property, equipment, and software for the years ended December 31, 2017, 2018, and 2019, was immaterial to the consolidated statements of operations and comprehensive income (loss). For the nine months ended September 30, 2020 (unaudited), depreciation and amortization expense on property, equipment, and software was $1.6 million. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), capitalized internally developed software balances, net of accumulated amortization, were $1.4 million, $2.2 million, and $4.9 million, respectively.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Other Liabilities

Other liabilities consisted of the following (in thousands):

	December 31, 2018	December 31, 2019	September 30, 2020 (unaudited)
Accrued expenses	$ 5,158	$15,006	$ 11,321
Accrued payroll	848	5,746	3,722
Convertible preferred stock warrant liabilities	7,579	5,666	7,458
Common stock warrant liabilities	447	1,136	1,607
Loan servicing liabilities	1,685	5,140	7,349
Liability for repurchase and indemnification activities	140	176	143
Other liabilities	1,496	1,778	2,321
Total other liabilities	$17,353	$34,648	$ 33,921

7. Borrowings

The following table summarizes outstanding principal balances of borrowings (in thousands):

	December 31, 2018	December 31, 2019	September 30, 2020 (unaudited)
Term loans	$19,217	$ 17,200	$ 15,550
Revolving credit facility	2,000	5,500	5,500
Warehouse credit facilities	47,266	79,096	70,213
Risk retention funding loans	6,702	16,941	9,398
Total payments due	75,185	118,737	100,661
Unamortized debt discount	(202)	(128)	(73)
Total borrowings	$74,983	$118,609	$ 100,588

Term Loans

In February 2016, the Company, together with its wholly-owned subsidiary, Upstart Network, Inc. (“UNI”) as the co-borrower, entered into a loan and security agreement (the “LSA”) with a third-party lender to obtain a term loan of $5.5 million. The term loan had an original maturity of March 1, 2019. In September 2018, the parties amended the LSA to extend the maturity date to December 1, 2020. Commencing on the effective date of the amended LSA, the Company is required to repay the term loan in thirty (30) equal monthly installments plus accrued interest. Any outstanding principal and accrued and unpaid interest are due in full on December 1, 2020. The term loan bears a floating interest of prime rate plus 1.75% per annum, payable on the first calendar day of each month. As of December 31, 2018 and 2019, and September 30, 2020, the interest rates were 7.25%, 6.50%, and 5.00%, respectively.

In October 2018, the Company and UNI entered into a mezzanine loan and security agreement with the same lender to obtain a second term loan of up to $15.0 million (the “Mezzanine Loan”). The Mezzanine Loan bears interest at the greater of prime rate plus 5.25% or 10.00% per annum, payable monthly. As of December 31, 2018 and 2019, and September 30, 2020, the interest rates were 10.75%, 10.00% and 8.50%, respectively. The principal balance is due upon maturity on October 1, 2021.

The term loans are secured by all assets of the Company, excluding assets of consolidated securitizations and cash and restricted cash relating to other borrowing arrangements.

Revolving Credit Facility

UNI Credit Facility

In connection with the LSA with the same lender above, as amended in September 2018, the Company and UNI also obtained a revolving credit facility of up to $5.5 million (the "UNI Credit Facility"). The UNI Credit Facility had an original termination and maturity date of June 1, 2020. During the nine months ended September 30, 2020 (unaudited), the parties agreed to extend the maturity date of the UNI Credit Facility to December 1, 2020 when the outstanding principal and any accrued and unpaid interest are due and payable in full. The UNI Credit Facility bears floating interest at the greater of prime rate plus 1.00% or 4.25% annum, payable monthly, subject to a monthly minimum interest requirement prior to maturity. As of December 31, 2018 and 2019, and September 30, 2020, the interest rates were 6.50%, 5.75% and 4.25%, respectively.

The UNI Credit Facility is secured by all assets of the Company, excluding assets of consolidated securitizations and cash and restricted cash relating to other borrowing arrangements. The UNI Credit Facility contains certain financial covenants. As of December 31, 2019 and September 30, 2020 (unaudited), the Company was in material compliance with all applicable covenants under the revolving credit and security agreement.

As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), outstanding borrowings under the UNI Credit Facility were $2.0 million, $5.5 million, and $5.5 million, respectively.

Warehouse Credit Facilities

Upstart Loan Trust Credit Facility

In November 2015, the Company's consolidated VIE, Upstart Loan Trust ("ULT"), entered into a revolving credit and security agreement with a third-party lender (the "ULT Warehouse Credit Facility"). The credit and security agreement for the ULT Warehouse Credit Facility was amended and restated in its entirety in May 2020. Under the revolving credit and security agreement, as amended from time to time, ULT may borrow up to $100.0 million (subject to a borrowing base capacity) until the earlier of May 15, 2021 or the occurrence of an accelerated amortization event. An accelerated amortization event includes failure to satisfy certain loan performance metrics or the occurrence of an event of default. The proceeds may only be used to purchase unsecured personal loans from Upstart's platform and to pay fees and expenses related to the credit facility. The ULT Warehouse Credit Facility matures on the earlier of May 15, 2022 or acceleration of the facility following an event of default, upon which date 100% of the outstanding principal amount, together with any accrued and unpaid interest, becomes due and payable. The entire amount of the outstanding principal and interest may be prepaid at any time without penalty. The ULT Warehouse Credit Facility bears a floating interest rate of LIBOR plus a spread ranging from 3.35% to 4.00% per annum, due and payable monthly in arrears. The Company is subject to additional interest payments under a minimum utilization requirement of $35 million (unaudited). As of December 31, 2018 and 2019, and September 30, 2020, the interest rates were 5.66%, 5.68% and 4.08%, respectively. The maximum advance rate under the ULT Warehouse Credit Facility on outstanding principal of loans held by ULT was 85% as of December 31, 2019 and 80% as of September 30, 2020 (unaudited).

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The ULT Warehouse Credit Facility contains certain financial covenants. As of December 31, 2019 and September 30, 2020 (unaudited), ULT was in material compliance with all applicable covenants under the ULT Warehouse Credit Facility. The creditors of ULT have no recourse to the general credit of the Company, except for certain limited obligations of ULT to its creditors that are guaranteed by the Company. The Company does not guarantee the credit performance of the loans owned by ULT, and the loans and other assets owned by ULT are not available to settle the claims of creditors of the Company.

The following table includes the aggregate balances held by ULT that were pledged as collateral for the ULT Warehouse Credit Facility and included in loans at fair value and restricted cash in the condensed consolidated balance sheets, respectively (in thousands):

	ULT Warehouse Credit Facility		
	December 31,		September 30,
	2018	2019	2020
			(unaudited)
Outstanding borrowings	$42,739	$54,770	$ 52,754
Aggregate outstanding principal of loans pledged as collateral	$62,291	$73,489	$ 80,962
Aggregate fair value of personal loans purchased and held by ULT	$65,967	$86,742	$ 81,989
Restricted cash pledged as collateral	$ 3,880	$ 3,441	$ 13,032

Upstart Warehouse Trust Credit Facility

In May 2018, the Company's consolidated VIE, Upstart Warehouse Trust ("UWT") entered into a revolving credit and security agreement with third-party lenders, including one subordinated lender, for an uncommitted credit facility up to $152.0 million (the "UWT Warehouse Credit Facility") to fund UWT's purchase of loans from Upstart's platform. The ability to borrow additional amounts under this warehouse credit facility expired in May 2020. The UWT Warehouse Credit Facility matures on the earlier of May 21, 2021 or the acceleration of the facility following an event of default, upon which date 100% of the outstanding principal, together with any accrued and unpaid interest, becomes due and payable. The entire amount of the outstanding debt may be prepaid at any time without penalty. The UWT Warehouse Credit Facility bears a floating interest rate of LIBOR plus 2.75% for a total amount up to $125.0 million and LIBOR plus 6.25% for an additional amount up to $27.0 million funded by the subordinated lender. These interest rates increased by an additional 0.75% following the scheduled expiration of the revolving period on May 22, 2020. As of December 31, 2018 and 2019, and September 30, 2020, the interest rates were 4.77%, 4.97% and 3.34%, respectively. The maximum advance rates under the UWT Warehouse Credit Facility for the senior loans and the subordinated loans held by UWT were 70% and 85%, respectively, as of December 31, 2018 and 2019, and September 30, 2020 (unaudited).

The UWT Warehouse Credit Facility contains certain financial covenants. As of December 31, 2019, and September 30, 2020 (unaudited), UWT was in material compliance with all applicable covenants under the UWT Warehouse Credit Facility. The creditors of UWT have no recourse to the general credit of the Company except for certain limited obligations of UWT to its creditors that are guaranteed by the Company. The Company does not guarantee the credit performance of the loans owned by UWT, and the loans and other assets owned by UWT are not available to settle the claims of creditors of the Company.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The following table includes the aggregate balances held by UWT that were pledged as collateral for the UWT Warehouse Credit Facility and included in loans at fair value and restricted cash in the condensed consolidated balance sheets, respectively (in thousands):

	UWT Warehouse Credit Facility		
	December 31,		September 30,
	2018	2019	2020
			(unaudited)
Outstanding borrowings	$4,527	$24,326	$ 17,459
Aggregate outstanding principal of loans pledged as collateral	$6,056	$36,228	$ 25,606
Aggregate fair value of personal loans purchased and held by UWT	$6,946	$39,557	$ 27,164
Restricted cash pledged as collateral	$ 224	$ 1,720	$ 1,326

Risk Retention Funding Loans

In October 2018, Upstart RR Funding 2018-2, LLC (the "2018-2 RR entity"), a consolidated VIE of UNI, entered into a loan and security agreement (the "2018-2 RR Financing Agreement") to finance the Company's risk retention balance in the Upstart Securitization Trust 2018-2. Under this agreement, the balance borrowed by the 2018-2 RR entity has an interest rate of 4.00% per annum and is repaid using cash proceeds received by the 2018-2 RR entity as part of monthly cash distributions from the 2018-2 securitization on securitization notes and residual certificates. As of December 31, 2018 and 2019, the outstanding principal balance under the 2018-2 RR Financing Agreement was $6.7 million and $3.2 million, respectively. As of September 30, 2020 (unaudited), the outstanding principal balance under the 2018-2 RR Financing Agreement was immaterial.

In September 2019, Upstart RR Funding 2019-2, LLC (the "2019-2 RR entity"), a consolidated VIE of UNI, entered into a loan and security agreement (the "2019-2 RR Financing Agreement") to finance the Company's risk retention balance in the Upstart Securitization Trust 2019-2. Under this agreement, the balance borrowed by the 2019-2 RR entity has an annual interest rate of 4.33% and is repaid using cash proceeds received by the 2019-2 RR entity as part of monthly cash distributions from the 2019-2 securitization on securitization notes and residual certificates. As of December 31, 2019, the outstanding principal balance under the 2019-2 RR Financing Agreement was $13.8 million. As of September 30, 2020 (unaudited), the outstanding principal balance under the 2019-2 RR Financing Agreement was $9.4 million.

The borrowings are solely the obligations of the 2018-2 RR entity and 2019-2 RR entity, respectively, and the Company is not obligated thereon. The securities and other assets owned by each RR entity are not available to settle the claims of creditors of the Company. Assets pledged as collateral for the risk retention funding loans include $8.3 million, $22.0 million and $14.5 million of securities held for risk retention for the 2018-2 and 2019-2 securitization transactions, included in notes receivables and residual certificates on the consolidated balance sheets as of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The following table summarizes the aggregate amount of maturities of all borrowings as of September 30, 2020 (in thousands):

	September 30, 2020 (unaudited)
Remainder of 2020	$ 6,050
2021	32,459
2022	53,868
2023	8,283
2024	—
Total	$ 100,660

8. Convertible Promissory Notes

In September and October 2017, respectively, the Company issued $10.0 million of subordinated convertible promissory notes to each of two institutional investors, one of which is a related party of the Company, for total proceeds of $20.0 million. The notes had an annual interest of 8.00% and a maturity date of June 30, 2018. On June 30, 2018, the outstanding principal and accrued and unpaid interests of $21.2 million on the convertible promissory notes were converted into 5,871,382 shares of Series C-1 convertible preferred stock at a per share price of $3.612, equal to the issue price in the Series C-1 financing round. No convertible promissory notes were issued or outstanding as of and for the years ended December 31, 2018 and 2019, and as of and for the nine months ended September 30, 2020 (unaudited). Refer to "*Note 15. Related Party Transactions*"**.**

In conjunction with the issuance of the convertible promissory notes, the Company issued warrants to purchase an aggregate of 830,468 shares of Series C-1 convertible preferred stock. Of these warrants, 415,234 were issued to a related party of the Company. On conversion of the convertible promissory notes on June 30, 2018, these warrants were cancelled.

9. Convertible Preferred Stock and Convertible Preferred Stock Warrants

Convertible Preferred Stock

As of December 31, 2018, the Company's convertible preferred stock consisted of the following balances (in thousands, except share and per share amounts):

	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Aggregate Liquidation Preference
Series Seed	2,009,641	2,009,641	$ 1,693	$ 1,750
Series A	5,547,713	5,547,713	5,828	5,900
Series B	10,140,679	8,640,160	14,312	14,395
Series C	9,724,108	9,724,108	34,877	35,000
Series C-1	15,394,772	15,394,772	53,368	55,612
Series D	11,110,744	5,566,483	47,845	50,100
Total	53,927,657	46,882,877	$ 157,923	$ 162,757

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As of December 31, 2019, the Company's convertible preferred stock consisted of the following balances (in thousands, except share and per share amounts):

	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Aggregate Liquidation Preference
		(unaudited)		
Series Seed	2,009,641	2,009,641	$ 1,693	$ 1,750
Series A	5,547,713	5,547,713	5,828	5,900
Series B	10,140,679	8,940,263	15,943	14,895
Series C	9,724,108	9,446,277	33,877	34,000
Series C-1	15,394,772	15,394,772	53,368	55,612
Series D	11,110,744	6,010,911	51,837	54,100
Total	53,927,657	47,349,577	$ 162,546	$ 166,257

As of September 30, 2020, the Company's convertible preferred stock consisted of the following balances (in thousands, except share and per share amounts):

	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Aggregate Liquidation Preference
Series Seed (unaudited)	2,009,641	2,009,641	$ 1,693	$ 1,750
Series A (unaudited)	5,547,713	5,547,713	5,828	5,900
Series B (unaudited)	10,140,679	8,940,263	15,943	14,895
Series C (unaudited)	9,724,108	9,446,277	33,877	34,000
Series C-1 (unaudited)	15,394,772	15,394,772	53,368	55,612
Series D (unaudited)	11,110,744	6,010,911	51,837	54,100
Total	53,927,657	47,349,577	$ 162,546	$ 166,257

The holders of the Series Seed, A, B, C, C-1, and D convertible preferred stock (together the "convertible preferred stock") have various rights, preferences, privileges, and restrictions, with respect to voting, dividends, liquidation, and conversion as follows:

Dividends

The holders of Series Seed, A, B, C, C-1, and D convertible preferred stock are entitled to receive noncumulative dividends at an annual rate of $0.07, $0.09, $0.13, $0.29, $0.29, and $0.72 per share payable, respectively, if and when, declared by the board of directors, prior and in preference to any payment of any dividend on the common stock. The holders of convertible preferred stock are also entitled to participate in dividends on common stock on an as-converted basis. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), no dividends have been declared or paid to date.

Voting Rights

Each share of convertible preferred stock has voting rights equal to the number of shares of common stock into which such preferred stock is convertible. The holders of convertible preferred stock vote together with the holders of common stock as a single class.

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Liquidation Preference

In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, the holders of convertible preferred stock shall be entitled to receive, on the same basis for each class, prior and in preference to any distribution of any of the assets of the Company to the holders of common stock, an amount equal to $0.8708, $1.0635, $1.666089, $3.599299, $3.612413 and $9.000295 per share for each outstanding share of Series Seed, A, B, C, C-1 and D convertible preferred stock then held, plus any declared or accrued but unpaid dividends thereon. If, upon occurrence of such event, the assets and funds distributed among the holders of convertible preferred stock shall be insufficient to permit the payment, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of convertible preferred stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

In the event of the liquidation, dissolution, winding up of the Company, or occurrence of (i) sale, lease, transfer, or disposal of any subsidiary or substantially all of its assets or (ii) merger with, into, or consolidation with another entity (the “Liquidation Transaction”), after payment of all preferential amounts required to be paid to the holders, the remaining assets of the Company available for distribution to the Company’s stockholders shall be distributed among the holders of common stock.

Conversion Rights

At the option of the holder, each share of convertible preferred stock is convertible into shares of common stock as is determined by dividing $0.8708, $1.0635, $1.666089, $3.599299, $3.612413 and $9.000295 per share for Series Seed, A, B, C, C-1 and D, respectively, by the conversion price applicable to such shares. The initial conversion price per share is $0.8708, $1.0635, $1.666089, $3.599299, $3.612413 and $9.000295 per share for Series Seed, A, B, C, C-1 and D convertible preferred stock, respectively. The conversion ratio for the convertible preferred stock shall be subject to appropriate adjustments for stock splits, stock dividends, combinations, subdivisions, recapitalizations, or the like. In addition, if the Company should issue any additional stock without consideration or for a consideration per share less than the conversion price for the convertible preferred stock, the conversion price for each series shall automatically be adjusted in accordance with anti-dilution provisions contained in the Company’s Amended Certificate of Incorporation.

Each share of convertible preferred stock will automatically convert into shares of common stock at the conversion rate then in effect upon the earlier of (i) the closing of a firm commitment underwritten public offering registered on Form S-1 with the offering price not less than $13.451340 per share and aggregate proceeds of not less than $150.0 million, net of underwriting discounts and commissions or (ii) the vote or written consent of the holders of at least 65% of the then-outstanding shares of convertible preferred stock, voting together as a single class, and the vote of written consent of at least a majority of the shares of Series D convertible preferred stock, voting separately as a single class.

Classification

The Company has classified its convertible preferred stock as mezzanine equity on the consolidated balance sheets as the stock is contingently redeemable. Upon the occurrence of certain deemed liquidation events that are outside the Company’s control, including liquidation, sale or transfer of the Company, holders of the convertible preferred stock can cause redemption for cash. During the

years ended December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company did not adjust the carrying value of the convertible preferred stock to the deemed liquidation value of such shares as a deemed liquidation event was not probable.

Convertible Preferred Stock Warrants

During June through November 2014, the Company issued initial lenders in the Upstart platform warrants to purchase an aggregate of 1,500,519 shares of Series B convertible preferred stock at a strike price of $0.01 or $1.67 per share. Of these warrants, 1,500,519 were outstanding as of December 31, 2018, and 600,208 were outstanding as of December 31, 2019, and September 30, 2020 (unaudited). The warrants have a contractual term of five to seven years and expire between June 2019 and November 2021. The convertible preferred stock warrants are recorded within other liabilities on the consolidated balance sheets at their estimated fair value. See "*Note 4. Fair Value Measurement*" for further details.

Repurchase of Convertible Preferred Stock and Convertible Preferred Stock Warrants

In November 2019, the Company repurchased and retired 277,831 shares of the Company's Series C convertible preferred stock held by investors for a purchase price of $0.7 million. On repurchase, the portion equal to the original issuance price of $1.0 million was recorded as a reduction to convertible preferred stock and the excess of the original issuance price over the repurchase price was reflected as a decrease in accumulated deficit.

On the same day, the Company also repurchased and cancelled 600,208 warrants to purchase Series B convertible preferred stock held by the same investor for a purchase price of $1.4 million. Upon repurchase, the Company derecognized $5.1 million of the convertible preferred stock warrant liabilities to reflect the fair value of the warrants repurchased. The Company recognized a $3.7 million gain on repurchase of the warrants, calculated as the difference between the price paid to repurchase the warrants and the fair value of the warrants immediately before the repurchase. The gain on repurchase of the warrants is included in expense on warrants and convertible notes, net in the consolidated statements of operations and comprehensive income (loss).

10. Common Stock and Common Stock Warrants

Common Stock

As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the Company had reserved shares of common stock for issuance, on an as-converted basis, as follows:

	December 31,		September 30,
	2018	2019	2020
			(unaudited)
Convertible preferred stock outstanding	46,882,877	47,349,577	47,349,577
Options issued and outstanding	12,293,165	16,502,206	19,356,042
Shares available for future stock option grants	2,500,951	1,319,666	3,865,271
Warrants to purchase convertible preferred stock	1,500,519	600,208	600,208
Warrants to purchase common stock	1,617,553	319,669	319,669
Total	64,795,065	66,091,326	71,490,767

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

Common Stock Warrants

In March 2015 through July 2017, the Company issued warrants to purchase common stock in connection with the Mezzanine Loan and other historical borrowings. The Company also issued warrants to purchase common stock to other investors in March 2016. The outstanding warrants to purchase common stock not subject to remeasurement as of the balance sheet dates are as follows:

Issuance Date	Warrants Outstanding December 31, 2018	Warrants Outstanding December 31, 2019	Warrants Outstanding September 30, 2020 (unaudited)	Exercise Price per Share	Term (Years)
March 2015	78,031	78,031	78,031	$ 1.67	10
February 2016	60,084	60,084	60,084	1.17	10
March 2016	1,297,884	—	—	0.0001	7
July 2017	31,554	31,554	31,554	1.35	10
	1,467,553	169,669	169,669		

The estimated grant date fair value of the above common stock warrants granted in March 2015 through July 2017 was immaterial and recognized as an expense in the period granted.

Common Stock Warrants Measured at Fair Value on a Recurring Basis

In October 2018, the Company issued warrants to purchase an aggregate of 150,000 shares of common stock, with an exercise price of $2.16 per share. The estimated grant date fair value of the common stock warrants was recognized as debt issuance costs in the period granted. The common stock warrants were outstanding in their entirety at December 31, 2018 and 2019, and September 30, 2020. The common stock warrants have a contractual term of ten years and expire in October 2028. These common stock warrants are recorded with other liabilities on the consolidated balance sheets at their estimated fair value. See *"Note 4. Fair Value Measurement"* for further details.

11. Equity Incentive Plans

In 2012, the Company adopted the Equity Incentive Plan ("2012 Equity Incentive Plan") authorizing the granting of incentive stock options ("ISOs") and non-statutory stock options ("NSOs") to eligible participants. As of December 31, 2019, the Company is authorized to issue up to 19,063,647 shares of common stock under the 2012 Equity Incentive Plan. Under the 2012 Equity Incentive Plan, the exercise price of an ISO and NSO shall not be less than 100% of the estimated fair value of the shares on the date of grant, as determined by the board of directors. The exercise price of an ISO granted to a 10% stockholder shall not be less than 110% of the estimated fair value of the shares on the date of grant, as determined by the board of directors. Options generally vest over four years and are exercisable for up to 10 years after the date of grant if the employee provides service to the Company for at least three years.

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Activity under the Company's stock option plan is set forth below (in thousands, except share and per share amounts):

	Options Available for Grant	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balances at December 31, 2018	2,500,951	12,293,165	$ 1.05	6.9	$ 33,793
Options authorized	3,300,000	—			
Options granted	(5,188,219)	5,188,219			
Options exercised	—	(272,244)			
Options cancelled and forfeited	706,934	(706,934)			
Balances at December 31, 2019	1,319,666	16,502,206	$ 1.86	6.9	$ 115,764
Options authorized (unaudited)	5,600,000	—			
Options granted (unaudited)	(3,847,132)	3,847,132			
Options exercised (unaudited)	—	(200,559)			
Options cancelled and forfeited (unaudited)	792,737	(792,737)			
Balances at September 30, 2020	3,865,271	19,356,042	$ 3.11	6.7	$ 166,484
Options exercisable – September 30, 2020 (unaudited)		11,422,684	$ 1.21	5.1	$ 119,997
Options vested and expected to vest – September 30, 2020 (unaudited)		17,810,692	$ 2.81	6.5	$ 158,673

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the fair value of the Company's stock as of December 31, 2019. The aggregate intrinsic value of options exercised for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited) and 2020 (unaudited) was $0.5 million, $0.6 million, and $2.1 million, $0.2 million, and $2.0 million, respectively. The weighted-average grant date fair value of options granted during the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2020 (unaudited), was $1.21, $1.68, $3.99, and $5.76 per share, respectively. The total fair value of options vested for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2020 (unaudited), was $0.9 million, $1.8 million, $2.7 million, and $4.5 million, respectively.

As of December 31, 2019, and September 30, 2020, total unrecognized stock-based compensation expense was $15.3 million and $22.9 million, respectively, which is expected to be recognized over a weighted-average period of 2.5 years and 1.3 years, respectively.

Non-Employee Stock-Based Compensation

During the years ended December 31, 2017, 2018 and 2019, and the nine months ended September 30, 2020 (unaudited), the Company granted non-qualified options to non-employees to purchase 149,037, 148,295, 135,969, and 0 shares, respectively, of common stock under the 2012 Equity Incentive Plan. Non-employee options were issued with various vesting periods depending on the specific terms of each option and services provided by non-employees.

Upstart Holdings, Inc.

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Fair Value of Options Granted

In determining the fair value of the stock-based awards, the Company uses the Black-Scholes option-pricing model and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment.

Fair Value of Common Stock—The fair value of the shares of common stock has historically been determined by the Company's board of directors as there is no public market for the common stock. The board of directors determines the fair value of the common stock by considering a number of objective and subjective factors, including third-party valuations of the Company's common stock, the valuation of comparable companies, the Company's operating and financial performance, and general and industry specific economic outlook, among other factors.

Expected Term—The expected term represents the period that the Company's stock options are expected to be outstanding. For the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2020 (unaudited), the Company determined the expected term for employee stock options based on historical terminations and exercise behavior, which factors in an extended post-termination exercise provision for vested awards for certain employees that provide more than three years of service to the Company. The Company uses the contractual term for all nonemployee awards.

Volatility—Since the Company is privately held and does not have an active trading market for its common stock, the expected volatility is estimated based on the average volatility for comparable publicly-traded companies, over a period equal to the expected term of the stock option grants.

Risk-free Rate—The risk-free rate assumption is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the option.

Dividends—The Company has never paid dividends on its common stock and does not anticipate paying dividends on common stock. Therefore, the Company uses an expected dividend yield of zero.

The following assumptions were used to estimate the fair value of employee and nonemployee stock options granted and the resulting fair values:

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
					(unaudited)
Expected term (in years)	5.0 – 10.0	5.9 – 10.0	5.5 – 10.0	5.6 – 10.0	5.3 – 10.0
Expected volatility	54.14% – 56.84%	54.70% – 58.59%	55.69% – 59.23%	56.50% – 58.91%	53.23% – 72.02%
Risk-free rate	1.80% – 2.38%	2.16% – 3.13%	1.67% – 2.40%	1.78% – 2.40%	0.33% – 1.50%
Dividend yield	—%	—%	—%	—%	—%

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

The Company recorded stock-based compensation in the following expense categories in its consolidated statements of operations and comprehensive income (loss) for employees and non-employees (in thousands):

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	
Sales and marketing	$ 32	$ 183	$ 278	$ 157	$ 1,136
Customer operations	124	178	433	252	625
Engineering and product development	574	753	1,803	932	3,181
General, administrative, and other	560	931	1,292	863	2,160
Total	$1,290	$2,045	$3,806	$ 2,204	$ 7,102

12. Leases

The Company's operating leases are primarily for its corporate headquarters in San Mateo, California and Columbus, Ohio. Both operating leases include early termination options, and one of the leases includes renewal options for two successive five-year periods. The exercise of these options was not recognized as part of the ROU assets and lease liabilities, as the Company did not conclude, at the commencement date of the leases, that the exercise of renewal options or termination options was reasonably certain. In connection with one of the leases, a letter of credit was issued on behalf of the Company for the benefit of the landlord in the amount of $2.0 million. The letter of credit is secured by a certificate of deposit which is included in restricted cash on the consolidated balance sheet. In connection with the Columbus lease, the Company is entitled to receive tenant improvement allowances of up to $0.7 million.

As of December 31, 2019, future minimum noncancelable lease payments are as follows (in thousands):

Year ending December 31,	Operating Leases
2020	$ 4,117
2021	4,236
2022	4,357
2023	4,483
2024	1,476
Thereafter	897
Total undiscounted lease payments	19,566
Less: Present value adjustment	(2,505)
Operating lease liabilities	$ 17,061

As of December 31, 2019 and September 30, 2020 (unaudited), the Company does not have any operating leases which are yet to commence.

As of December 31, 2018, the Company leased one office space under a noncancelable operating lease agreement. The agreement had an expiration date in October 2019. This lease was also in place as of December 31, 2017, in addition to another leasing contract that expired during 2018.

This space was sub-leased to a third party through the expiration date of the related contract. The sub-leasing agreement included terms that are not materially different from the original lease and did not relieve the Company from its obligations to the lessor. As of December 31, 2018, the remaining future minimum lease payments related to this lease were $1.0 million through its expiration date in October 2019.

Rent expense for the Company's operating leases was $1.3 million, $1.3 million, $3.4 million, $2.2 million, and $3.9 million for the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2019 (unaudited) and 2020 (unaudited), respectively. Variable lease payments such as common area maintenance and parking fees were included in operating expenses and were $1.0 million for both the year ended December 31, 2019 and nine months ended September 30, 2020 (unaudited). Rent expense for the Company's short-term leases was immaterial for the year ended December 31, 2019 and September 30, 2020 (unaudited).

Supplemental cash flow and noncash information related to the Company's operating leases was as follows (in thousands):

	Year Ended December 31, 2019	Nine Months Ended September 30, 2020 *(unaudited)*
Cash flows from operating activities		
Cash paid for amounts included in the measurement of lease liabilities	$ 1,905	$ 3,101
Right-of-use assets obtained in exchange for lease obligations		
Total right-of-use assets capitalized	$ 16,190	$ 187

The following summarizes additional information related to the Company's operating leases:

	Year ended December 31, 2019	Nine months ended September 30, 2020 *(unaudited)*
Weighted average remaining lease term (in years)	4.6	4.9
Weighted average discount rate	5.84%	5.84%

13. Commitments and Contingencies

Loan Purchase Obligation

Under the Company's loan agreements with certain bank partners, the banks retain ownership of the loans facilitated through Upstart's platform for three days or longer (the "holding period") after origination, as required under the respective agreements. The Company has committed to purchase the loans at the unpaid principal balance, plus accrued interest, at the conclusion of the required holding period. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), respectively, the total loan purchase commitment included the outstanding principal balance of $14.7 million, $51.9 million, and $59.3 million plus accrued interest.

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Repurchase and Indemnification Contingency

Under the terms of the loan purchase and loan servicing agreements between the Company and institutional investors, as well as in agreements with investors in securitizations where the Company is not the sponsor, the Company may, in certain circumstances, become obligated to repurchase loans from such investors. Generally, these circumstances include the occurrence of verifiable identity theft, the failure of sold loans to meet the terms of certain loan-level representations and warranties that speak as of the time of origination or sale, the failure to comply with other contractual terms with the investors, or a violation of the applicable federal, state, or local lending laws.

The maximum potential amount of future payments associated under this obligation is the outstanding balances of the loans sold to the investors, which at December 31, 2018 and 2019, and September 30, 2020 (unaudited), is $1,818.4 million, $3,498.1 million and $4,411.7 million, respectively. The Company recognizes a liability for the repurchase obligation based on historical experience when the loans are issued. The liability is subsequently remeasured when a related loss is probable and can be reasonably estimated. Actual payments made relating to the Company's repurchase and indemnification obligations were immaterial historically. The Company has recorded contingent liabilities as of December 31, 2018 and 2019 of immaterial amounts to cover estimated future obligations related to these contractual terms. These amounts are included in other liabilities on the Company's consolidated balance sheets.

Legal

From time to time the Company is subject to, and it is presently involved in, litigation and other legal proceedings. Accounting for contingencies requires the Company to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. The Company records a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), no loss contingency has been recorded in connection with legal proceedings arising in the ordinary course of business.

Contingencies

Accounting for contingencies requires the Company to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. The Company records a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company discloses material contingencies when it believes a loss is not probable but reasonably possible. Although the Company cannot reasonably determine the outcome of any litigation or tax matters, it does not believe there are currently any such actions that, if resolved unfavorably, would have a material impact on its consolidated financial statements.

Indemnifications

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to vendors, directors, officers and other parties with respect to certain matters. In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon the Company to provide indemnification under such agreements, and

thus, there are no claims that the Company is aware of that could have a material effect on the Company's consolidated financial statements.

14. Income Taxes

Income tax expense included in the statements of income and comprehensive income consisted of the following (in thousands):

	Year Ended December 31,		
	2017	2018	2019
Current:			
Federal	$ —	$ —	$ —
State	6	—	74
Total current tax expense	6	—	74
Deferred:	—	—	—
Federal	—	—	—
State	—	—	—
Total deferred tax expense	$ —	$ —	$ —
Total provision for income taxes	$ 6	$ —	$ 74

Income tax expense differed from the amount computed by applying the federal statutory income tax rate of 21% to pretax loss as a result of the following (in thousands):

	Year Ended December 31, 2019		
	2017	2018	2019
Federal tax at statutory rate	$(2,721)	$(2,681)	$(1,039)
State income taxes, net of federal tax benefit	(10)	34	74
Stock-based compensation	186	246	411
Fair value adjustment on preferred warrants	345	320	(253)
Noncontrolling interests	—	(274)	956
Research and development credit	(143)	(300)	(372)
Tax Return to Tax Provision Adjustment	(658)	(480)	1,028
Federal revaluation of deferred tax due to tax reform	7,070	—	—
Change in valuation allowance	(4,117)	3,147	(844)
Other	54	(12)	113
Provision for income taxes	$ 6	$ —	$ 74

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The tax effects of temporary differences that gave rise to significant portions of the Company's deferred tax assets and liabilities related to the following (in thousands):

	December 31,	
	2018	2019
Deferred tax assets:		
Net operating loss carryforwards	$ 23,768	$ 17,180
Stock-based compensation	772	1,151
Accruals and reserves	585	313
Operating lease liabilities	—	4,961
Research and development credits	2,399	2,274
Investment in partnerships	—	775
Amortization	171	145
Servicing assets	481	120
Depreciation	12	—
Other	65	28
Total deferred tax assets	28,253	26,947
Less: valuation allowance	(21,800)	(20,720)
Deferred tax assets – net of valuation allowance	6,453	6,227
Deferred tax liabilities:		
Fair adjustment – residual certificates	6,218	1,165
Depreciation	—	354
Investment in partnerships	230	—
Right of use asset	—	4,708
Other	5	—
Total deferred tax liabilities	6,453	6,227
Net deferred tax assets	$ —	$ —

Management believes that, based on available evidence, both positive and negative, it is more likely than not that the deferred tax assets will not be utilized, and as such the Company maintains a full valuation allowance at December 31, 2019. The valuation allowance decreased by $1.1 million for the years ended December 31, 2018 and 2019, respectively, primarily as a result of current year activities.

As of December 31, 2019, the Company had approximately $61.3 million and $53.0 million of federal and state (post-apportioned) net operating losses, respectively, that will begin to expire in 2034. The Company also has federal and California research and development tax credits of approximately $2.0 million and $1.5 million, respectively. The federal research credits will begin to expire in 2032 and the California research credits have no expiration date. The Internal Revenue Code ("IRC") limits the amount of net operating loss carryforwards that a company may use in a given year in the event of certain cumulative changes in ownership over a three-year period as described in Section 382 of the IRC. Utilization of net operating loss carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the IRC, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization. The Company performed an ownership analysis and identified two previous ownership changes in 2013 and 2015, as defined under Section 382 and 383 of the IRC, however neither resulted in a material limitation that will reduce the total amount of net operating loss carryforwards and credits that can be utilized.

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A reconciliation of the beginning and ending balances of gross unrecognized tax benefits is as follows (in thousands):

	Year Ended December 31,		
	2017	2018	2019
Balance at beginning of year	$286	$448	$ 697
Additions for tax positions of prior years	—	—	69
Tax positions related to the current year	162	249	265
Balance at end of year	$448	$697	$1,031

If recognized, substantially all of the balance would unfavorably affect the Company's effective income tax rate in future periods. As of December 31, 2019, the Company had $1.0 million in unrecognized income tax benefits and there were increases of $0.3 million to the Company's unrecognized tax benefits during the year. The Company does not anticipate any significant increases to unrecognized tax benefit during the next 12 months. The Company's policy is to classify interest and penalties associated with unrecognized tax benefits as income tax expense. The Company had no interest or penalty accruals associated with uncertain tax benefits in its consolidated balance sheet and consolidated statement of operations and comprehensive income (loss) for the tax year ended December 31, 2019.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions and has identified its federal, California, and New York tax returns as "major" tax filings. The Company is not currently under examination by income tax authorities in federal or state jurisdictions. However, because the Company has net operating losses and credits carried forward in several jurisdictions, including the United States federal, California, and New York jurisdictions, certain items attributable to closed tax years are still subject to adjustment by applicable taxing authorities through an adjustment to tax attributes carried forward to open years. All tax returns will remain open for examination by the federal and most state taxing authorities for three years and four years, respectively, from the date of utilization of any net operating loss carryforwards or research and development credits.

For the nine months ended September 30, 2019 and 2020 (unaudited)

The Company's income tax provision for the nine months ended September 30, 2019 and 2020 reflects an estimate of the corresponding year's annual effective tax rate and includes, when applicable, adjustments for discrete items. The Company's provision for income taxes has not been historically significant to the business as the Company was in a cumulative loss position in prior years. The provision for income taxes consists primarily of state taxes in jurisdictions in which the Company conducts business.

The Company did not recognize any income tax expense for the nine months ended September 30, 2019 and 2020. As such, the Company's net effective tax rate is 0.0% for the nine months ended September 30, 2019 and 2020. The effective tax rate differs from the U.S. statutory tax rate primarily due to the valuation allowances on the Company's deferred tax assets as it is more likely than not that some or all of the Company's deferred tax assets will not be realized.

As of September 30, 2020, the Company retains a full valuation allowance on its deferred tax assets in the United States. The realization of the Company's deferred tax assets depends primarily on

its ability to generate taxable income in future periods. The amount of deferred tax assets considered realizable in future periods may change as management continues to reassess the underlying factors it uses in estimating future taxable income.

15. Related Party Transactions

Since the Company's inception, it has engaged in various transactions with its executive officers and directors, holders of more than 10% of its voting securities, and their affiliates.

Convertible Promissory Notes

In 2017, the Company issued $20.0 million of subordinated convertible promissory notes to two investors, of which $10.0 million was issued to a related party equity investor of the Company. On June 30, 2018, the outstanding principal and accrued and unpaid interest on the convertible promissory notes were converted into shares of Series C-1 convertible preferred stock. As such, no convertible promissory notes were outstanding as of December 31, 2018 and 2019, and September 30, 2020 (unaudited).

Securitization Transactions

The related party investor and its affiliates also participated in securitization transactions sponsored and serviced by the Company in the years ended December 31, 2017, 2018 and 2019, and nine months ended September 30, 2020 (unaudited) by contributing loans and purchasing securitization notes or residual certificates. As of December 31, 2018 and 2019, and September 30, 2020 (unaudited), the balance of payable to securitization note holders and residual certificate holders due to the related party investor and its affiliates was $61.4 million, $41.3 million, and $0 million, respectively.

Other Transactions

The Company's executive officers and non-officer directors participate on Upstart's platform by purchasing fractional interest in loans, which are included in notes payable on the Company's consolidated balance sheet as of December 31, 2018. As of December 31, 2019 and September 30, 2020 (unaudited), as a result of the deconsolidation of UNT, the notes payable is not included in the Company's consolidated balance sheets. The fair value of such notes payable purchased by executive officers and non-officer directors and included in the consolidated balance sheets were $2.4 million as of December 31, 2018 and $0 as of December 31, 2019 and September 30, 2020 (unaudited). Interest income and expense and servicing fees related to the notes payable held by the Company's executive officers and non-officer directors were immaterial in all periods presented.

16. Net (Loss) Income Per Share Attributable to Upstart Holdings, Inc. Common Stockholders

For periods in which the Company reports net losses, basic and diluted net loss per share attributable to Upstart Holdings, Inc.'s common stockholders are the same because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

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The following securities were excluded from the computation of diluted net loss per share attributable to Upstart Holdings, Inc. common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	Year ended December 31,			September 30,	
	2017	2018	2019	2019	2020
				(unaudited)	
Convertible preferred stock	35,445,012	46,882,877	47,349,577	47,627,408	47,349,577
Options to purchase common stock	11,920,884	12,293,165	16,502,206	14,656,713	19,356,042
Warrants to purchase convertible preferred stock	1,500,519	1,500,519	600,208	1,200,416	600,208
Warrants to purchase common stock	1,467,553	1,617,553	319,669	319,669	319,669
Total	50,333,968	62,294,114	64,771,660	63,804,206	67,625,496

Unaudited Pro Forma Net Income Per Share Attributable to Upstart Holdings, Inc. Common Stockholders

The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net income per share attributable to Upstart Holdings, Inc. common stockholders (in thousands, except share and per share data) assuming the exercise of the convertible preferred stock warrant prior to the completion of an IPO and the subsequent automatic conversion of all convertible preferred stock upon consumption of an IPO as if such an event had occurred as of the beginning of the respective period, or the issuance date of the convertible preferred stock, if later:

	Year Ended December 31, 2019	Nine Months Ended September 30, 2020
Numerator		
Net (loss) income attributable to Upstart Holdings, Inc. common stockholders	$ (466)	$ 4,956
Add: Change in fair value of convertible preferred stock warrant liability	4,301	1,792
Net income used in calculating pro forma earnings per share attributable to common stockholders, basic and diluted	$ 3,835	$ 6,748
Denominator		
Weighted-average common shares outstanding used to calculate net income per share attributable to Upstart Holdings, Inc. common stockholders, basic	14,335,611	14,663,623
Pro forma adjustment to reflect assumed conversion of convertible preferred stock	47,314,075	47,349,577
Pro forma adjustment to reflect assumed conversion of convertible preferred stock warrants	600,208	600,208
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic	62,249,893	62,613,408
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, basic	$ 0.06	$ 0.11
Weighted-average number of shares used to compute pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted	71,497,924	71,733,580
Pro forma net income per share attributable to Upstart Holdings, Inc. common stockholders, diluted	$ 0.05	$ 0.09

Upstart Holdings, Inc.

Notes to Consolidated Financial Statements

17. Subsequent Events

Subsequent Events (audited)

The Company has evaluated the impact of events that have occurred subsequent to December 31, 2019, through March 3, 2020, the date at which the consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019 were available to be issued. Based on the evaluation, the Company has determined no subsequent events were required to be recognized or disclosed.

Subsequent Events (unaudited)

The Company has evaluated the impact of events that have occurred subsequent to September 30, 2020, through December 3, 2020, the date at which the consolidated interim financial statements as of September 30, 2020 and for the nine months ended September 30, 2019 and 2020 were available to be issued. Based on the evaluation, the Company has determined no subsequent events were required to be recognized or disclosed except the matters below.

In October 2020, the Company paid down $13.5 million on the UWT Warehouse Credit Facility. On November 2, 2020, the Company paid in full the remaining outstanding borrowings and accrued interest under the UWT Warehouse Credit Facility of $4.0 million. The UWT Warehouse Credit Facility had an original maturity date of May 21, 2021. The Company terminated the UWT Warehouse Credit Facility in November 2020.

In November 2020, the Company's Board of Directors approved an option grant under the 2012 Plan to Dave Girouard, Co-Founder, Chief Executive Officer and a member of the Board of Directors. Mr. Girouard received an option to purchase 550,000 shares of the Company's common stock, which vests in 28 equal monthly installments beginning on September 1, 2020, subject to Mr. Girouard's continued employment in the current role with the Company.

In November 2020, the Company agreed to extend the maturity date of the UNI Credit Facility from December 1, 2020 to June 1, 2021. All outstanding principal, and any accrued and unpaid interest, are due and payable in full at maturity.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, upon completion of this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee.

	Amount to be Paid
SEC registration fee	$ 33,166
FINRA filing fee	46,100
Exchange listing fee	295,000
Printing and engraving expenses	500,000
Legal fees and expenses	3,525,000
Accounting fees and expenses	4,192,000
Transfer agent and registrar fees	4,000
Miscellaneous expenses	317,000
Total	$ 8,912,266

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors, and other corporate agents.

We have adopted an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our 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 as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we have adopted amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and which will provide that we will indemnify, to the

fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that will be included in our amended and restated certificate of incorporation, amended and restated bylaws, and the indemnification agreements that we have entered into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive 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 executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement 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 January 1, 2017, we have issued the following unregistered securities:

Convertible Promissory Note Issuances

In September 2017, we issued subordinated convertible notes in the aggregate principal amount of $20.0 million in a private placement. We refer to these notes as the 2017 convertible notes. The 2017 convertible notes accrued interest at a rate equal to 8.0% per year. Each of these notes was converted on June 30, 2018 into shares of our Series C-1 preferred stock.

Warrant Issuances

In July 2017, we issued a warrant to purchase a total of 31,554 shares of common stock to one accredited investor at an exercise price of $1.35 per share.

In September 2017, we issued warrants to purchase a total of 830,468 shares of preferred stock to two accredited investors at an exercise price of $3.612413 per share. Each of these warrants was terminated on June 30, 2018.

In October 2018, we issued warrants to purchase a total of 150,000 shares of common stock to two accredited investors at an exercise price of $2.16 per share.

Preferred Stock Issuances

From January 2017 through February 2017, we sold an aggregate of 307,825 shares of our Series C-1 convertible preferred stock to 3 accredited investors at a purchase price of $3.612413 per share, for an aggregate purchase price of $1.1 million.

From December 2018 to March 2019, we sold an aggregate of 5,788,697 shares of our Series D convertible preferred stock to 4 accredited investors at a purchase price of $9.000295 per share, for an aggregate of $54.1 million.

In November 2020, we sold 600,208 shares of our Series B convertible preferred stock to one accredited investor at a per share exercise price of $0.01 pursuant to an exercise of a warrant.

Common Stock Issuances

In September 2020, we sold 282,750 shares of our common stock to an accredited investor, as part of a strategic transaction.

From January 1, 2017 through December 2, 2020, we issued to our directors, officers, employees, consultants and other service providers an aggregate of 1,506,749 shares of our common stock upon the exercise of options under our equity compensation plans at exercise prices ranging from $0.15 to $8.88 per share.

Option Issuances

From January 1, 2017 through the filing date of this registration statement, we granted to our directors, officers, employees, consultants, and other service providers options to purchase an aggregate of 15,041,457 shares of our common stock under our equity compensation plans at exercise prices ranging from approximately $1.35 to $18.44 per share.

We believe the offers, sales, and issuances of the above securities were exempt from registration under the Securities Act (or Regulation D or Regulation S promulgated thereunder) by virtue of Section 4(a)(2) of the Securities Act because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with 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.*

See the Exhibit Index immediately preceding the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) *Financial Statement Schedules.*

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the registrant, as amended by a certificate of amendment dated November 30, 2020, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation of the registrant, to be in effect upon completion of this offering.
3.3#	Bylaws of the registrant, as amended, as currently in effect.
3.4	Form of Amended and Restated Bylaws of the registrant, to be in effect upon completion of this offering.
4.1	Form of common stock certificate of the registrant.
4.2#	Amended and Restated Investors' Rights Agreement among the registrant and certain holders of its capital stock, amended as of December 31, 2018.
4.3#	Form of warrant to purchase Series B preferred stock.
4.4	Form of warrant to purchase common stock.
5.1	Opinion of Wilson Sonsini Goodrich & Rosati, P.C.
10.1+	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.
10.2+	Upstart Holdings, Inc. 2020 Equity Incentive Plan and related form agreements.
10.3+#	Upstart Holdings, Inc. 2012 Stock Plan and related form agreements.
10.4+	Upstart Holdings, Inc. Employee Incentive Compensation Plan.
10.5+	Upstart Holdings, Inc. 2020 Employee Stock Purchase Plan.
10.6+	Upstart Holdings, Inc. Executive Change in Control and Severance Policy and related participation agreements.
10.7+	Upstart Holdings, Inc. Outside Director Compensation Policy.
10.8#	Sub-Sublease Agreement, dated April 1, 2019, between Bay Meadows Station 3 Investors, LLC and Open Text Inc., Snowflake, Inc. and Upstart Holdings, Inc.
10.9	Amended and Restated Loan and Security Agreement, dated September 5, 2018, between Silicon Valley Bank, Upstart Holdings, Inc. and Upstart Network, Inc. amended as of October 22, 2018, August 14, 2019, June 30, 2020, October 1, 2020, November 3, 2020 and November 25, 2020.
10.10#	Mezzanine Loan and Security Agreement, dated October 22, 2018, between Silicon Valley Bank, Upstart Holdings, Inc. and Upstart Network, Inc. amended as of June 30, 2020 and October 1, 2020.
10.11#	Amended and Restated Revolving Credit and Security Agreement, dated May 22, 2020, between Upstart Loan Trust and Goldman Sachs Bank USA.
10.12#	Revolving Credit and Security Agreement, dated May 23, 2018, between Upstart Warehouse Trust and Deutsche Bank AG, New York Branch, and Wilmington Savings Fund Society, FSB, amended as of August 3, 2018 and July 10, 2020.
10.13^	Third Amended and Restated Loan Program Agreement, dated January 1, 2019, between Upstart Network, Inc. and Cross River Bank, amended as of November 20, 2019 and November 25, 2020.

Exhibit Number	Description
10.14^	Third Amended and Restated Loan Sale Agreement, dated January 1, 2019, between Upstart Network, Inc. and Cross River Bank, amended as of November 25, 2020.
10.15#^	Second Amended and Restated Promotion Agreement, dated November 6, 2020, between Upstart Network, Inc. and Credit Karma Offers, Inc.
10.16#	TransUnion Master Agreement for Consumer Reporting and Ancillary Services, dated March 20, 2015, between Upstart Network, Inc. and Trans Union LLC, amended as of July 20, 2015.
21.1	List of subsidiaries of the registrant.
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 5.1).
24.1#	Power of Attorney.

+ Indicates management contract or compensatory plan.
# Previously filed.
^ Portions of this exhibit (indicated by asterisks) have been excluded because such information is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 2 to the registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in San Mateo, California, on the 4th day of December, 2020.

UPSTART HOLDINGS, INC.

By: /s/ Dave Girouard
Dave Girouard
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 2 to the registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Dave Girouard Dave Girouard	Chief Executive Officer and Director (*Principal Executive Officer)*	December 4, 2020
/s/ Sanjay Datta Sanjay Datta	Chief Financial Officer (*Principal Financial Officer)*	December 4, 2020
/s/ Natalia Mirgorodskaya Natalia Mirgorodskaya	Corporate Controller (*Principal Accounting Officer*)	December 4, 2020
* Paul Gu	Director	December 4, 2020
* Mary Hentges	Director	December 4, 2020
* Oskar Mielczarek de la Miel	Director	December 4, 2020

Signature	Title	Date
*	Director	
Ciaran O'Kelly		December 4, 2020
*	Director	December 4, 2020
Sukhinder Singh Cassidy		
*	Director	December 4, 2020
Robert Schwartz		
*	Director	December 4, 2020
Hilliard C. Terry III		
/s/ Dave Girouard		
*By: Dave Girouard Attorney-in-Fact		

Exhibit 1.1

Upstart Holdings, Inc.

Common Stock, par value $0.0001 per share

Underwriting Agreement

_____, 2020

Goldman Sachs & Co. LLC,
BofA Securities, Inc.,
Citigroup Global Markets Inc.,
As representatives (the "Representatives") of the several Underwriters
named in Schedule I hereto,

c/o Goldman Sachs & Co. LLC,
200 West Street,
New York, New York 10282-2198.

c/o BofA Securities, Inc.,
One Bryant Park,
New York, New York 10036.

c/o Citigroup Global Markets Inc.,
388 Greenwich Street,
New York, New York 10013.

Ladies and Gentlemen:

Upstart Holdings, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated in this agreement (this "Agreement"), to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), an aggregate of [•] shares of Common Stock, par value $0.0001 per share ("Stock") of the Company and the stockholders of the Company named in Schedule II hereto (the "Selling Stockholders") propose, subject to the terms and conditions stated in this Agreement, to sell to the Underwriters an aggregate of [•] shares and, at the election of the Underwriters, up to [•] additional shares of Stock. The aggregate of [•] shares to be sold by the Company and the Selling Stockholders is herein called the "Firm Shares" and the aggregate of [•] additional shares to be sold by the Selling Stockholders is herein called the "Optional Shares". The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares".

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(i) A registration statement on Form S-1 (File No. 333-249860) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to the Representatives and, excluding exhibits thereto, to the Representatives for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(a)(iii) hereof) is hereinafter called the "Pricing Prospectus"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act or Rule 163B under the Act is hereinafter called a "Testing-the-Waters Communication"; and any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "Written Testing-the-Waters Communication"; and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "Issuer Free Writing Prospectus");

(ii) (A) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and (B) each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information (as defined in Section 9(c) of this Agreement) or the Selling Stockholder Information (as defined in Section 1(b)(vi) of this Agreement);

(iii) For the purposes of this Agreement, the "Applicable Time" is [•:••] [a.m/p.m.] (Eastern time) on the date of this Agreement. The Pricing Prospectus, as supplemented by the information listed on Schedule III(c) hereto, taken together (collectively, the "Pricing Disclosure Package"), as of the Applicable Time, did not, and as of each Time of Delivery (as defined in Section 4(a) of this Agreement) will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication, as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not, and as of each Time of Delivery will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in reliance upon and in conformity with the Underwriter Information or the Selling Stockholder Information;

(iv) No documents were filed with the Commission since the Commission's close of business on the business day immediately prior to the date of this Agreement and prior to the execution of this Agreement, except as set forth on Schedule III(b) hereto;

(v) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the applicable requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, and as of each Time of Delivery, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information or the Selling Stockholder Information;

(vi) Neither the Company nor any of its subsidiaries has, since the date of the latest audited financial statements included in the Pricing Prospectus, (i) sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; or (ii) entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, in each case otherwise than as set forth or contemplated in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been (x) any change in the capital stock of the Company (other than as a result of (i) the grant, vesting, exercise or settlement (including any "net" or "cashless" exercises or settlements) of stock options or other equity incentives or the award, if any, of stock options or other equity incentives in the ordinary course of business, in each case pursuant to the Company's equity incentive plans that are described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus (collectively, the "Company Stock Plans"), or (ii) the repurchase of shares of capital stock pursuant to agreements providing for an option to repurchase from service providers, or a right of refusal on behalf of the Company pursuant to the Company's repurchase rights or the issuance, if any, of stock upon conversion or exchange of Company securities as described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus) or any long-term debt of the Company or any of its subsidiaries or (y) any Material Adverse Effect (as defined below); as used in this Agreement, "Material Adverse Effect" shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting (i) the business, general affairs, management, consolidated financial position, consolidated stockholders' equity or consolidated results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, or (ii) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus;

(vii) Neither the Company nor any of its subsidiaries own any real property and, except as would not be expected to have a Material Adverse Effect, the Company and its subsidiaries have good and marketable title to all personal property (other than with respect to Intellectual Property (as defined below) which is addressed exclusively in subsection (xxvii)) owned by them; and any real property and buildings held under lease by the Company or any of its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(viii) The Company has been (i) duly incorporated and is validly existing as a corporation and in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own and/or lease its properties and conduct its business as described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, and (ii) duly qualified as a foreign corporation or other business organization for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except, in the case of this clause (ii), where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and each subsidiary of the Company has been duly incorporated or organized and is validly existing as a corporation or other business organization in good standing under the laws of its jurisdiction of incorporation, formation or organization, to the extent the concept of "good standing" is applicable under the laws of such jurisdiction, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(ix) The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus and all of the outstanding shares of capital stock of the Company, including the Shares to be sold by the Selling Stockholders, have been duly and validly authorized and issued and are fully paid and non-assessable and conform in all material respects to the description of the capital stock of the Company contained in the Registration Statement, Pricing Disclosure Package, the Pricing Prospectus and the Prospectus; and all of the issued shares of capital stock and equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except, in the case of any foreign subsidiary, for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens or encumbrances described in the Pricing Prospectus and the Prospectus;

(x) The Shares have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and nonassessable and will conform in all material respects to the description of the Stock contained in the Registration Statement, Pricing Disclosure Package, Pricing Prospectus and the Prospectus; and the issuance of the Shares is not subject to any preemptive, registration or similar rights, in each case, other than rights which have been validly waived or complied with;

(xi) The Company and its subsidiaries, (A) are in compliance with all applicable laws, rules, regulations, and regulatory capital requirements or court decrees relating to the business of lending, money transmission, finance (including consumer finance), loan brokering, loan servicing, consumer protection or other regulations applicable to the business of the Company as currently conducted or contemplated to be conducted, including, but not limited to, rules and regulations promulgated by the Consumer Financial Protection Bureau, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, the Consumer Financial Protection Act, the Servicemembers Civil Relief Act, the Electronic Funds Transfer Act, the Electronic Signatures in Global and National Commerce Act, the Telephone Consumer Protection Act, the Uniform Electronic Transactions Act, the Gramm-Leach-Bliley Act, the Military Lending Act, Section 5 of the Federal Trade Commission Act, the Credit Practices Rule, the Bankruptcy Code, the Dodd-Frank Wall Street Reform and Consumer Protection Act, state laws, fair lending or other applicable laws relating to discrimination (including, without limitation, anti-redlining, equal credit opportunity and fair credit reporting), truth-in-lending, or consumer credit (such applicable laws, rules and regulations, the "Regulatory Laws"), (B) have received all federal and state permits, licenses and other approvals required of them under applicable Regulatory Laws to conduct their respective businesses, (C) are in compliance with all terms and conditions of any such permit, license or approval and (D) have implemented the services they provide to their bank partners in a manner that is designed to enable such bank partners to comply with applicable laws (solely with respect to their operations relating to the lending platform of the Company), and, to the Company's knowledge, the Company and its subsidiaries have not provided services to any bank partner in a manner that has resulted in such bank partner's violation of applicable law due to any act or omission of the Company or any of its subsidiaries; and, other than as set forth in the Pricing Prospectus, the Company is not aware of any material changes proposed or contemplated to be made to any of the Regulatory Laws, except to the extent such failures under (A), (B), (C) or (D) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xii) None of the Company or its subsidiaries is subject to any order or action, and to the Company's knowledge none has been threatened with any action by any federal or state regulatory authority concerning its compliance with applicable Regulatory Laws (including, but not limited to, the failure to obtain any permit, license or approval, or to comply with the terms thereof), other than any such orders or actions or threatened orders or actions that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xiii) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries or, to the Company's knowledge, any officer or director of the Company, is a party or of which any property or assets of the Company or any of its subsidiaries or, to the Company's knowledge, any officer or director of the Company, is the subject, under the Regulatory Laws or otherwise, which if determined adversely to the Company or any of its subsidiaries (or such officer or director), would individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xiv) The issue and sale of the Shares to be sold by the Company and the execution, delivery and the compliance by the Company with this Agreement and the consummation of the transactions contemplated in this Agreement and the Pricing Prospectus will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (B) the certificate of incorporation or bylaws (or other applicable organizational document) of the Company or any of its subsidiaries, or (C) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except, in the case of clauses (A) and (C) for such defaults, breaches, or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue of the Shares to be sold by the Company and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except such as have been obtained under the Act, the approval by the Financial Industry Regulatory Authority ("FINRA") of the underwriting terms and arrangements, the approval for listing on a stock exchange and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xv) Neither the Company nor any of its subsidiaries is (A) in violation of its certificate of incorporation or bylaws or other organizational document, as applicable, (B) in violation or, as relevant, default of any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, or (C) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except, in the case of the foregoing clauses (B) and (C), for such violations or defaults as would not, individually or in the aggregate, have a Material Adverse Effect;

(xvi) The statements set forth in the Registration Statement, the Pricing Disclosure Packet, the Pricing Prospectus and the Prospectus under the caption "Business – Government Regulation", "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, under the caption "Material U.S. Federal Income Tax Consequences to Non-U.S. Holders of Our Common Stock", and under the caption "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects;

(xvii) Neither the Company nor any of its subsidiaries is, or after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement, Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, neither the Company nor any of its subsidiaries will be required to register as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules and regulations thereunder;

(xviii) Neither the Company nor any of its subsidiaries is an "investment adviser," as such term is defined in the Investment Advisers Act and the rules and regulations thereunder;

(xix) At the time of filing the Initial Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Shares, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Act;

(xx) Deloitte & Touche LLP, which has certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(xxi) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that (i) complies with the requirements of the Exchange Act applicable to the Company, and (ii) has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and (iii) is sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and the Company's internal control over financial reporting is effective and. the Company is not aware of any material weaknesses in its internal control over financial reporting (it being understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes-Oxley Act of 2002, as amended, as of an earlier date than it would otherwise be required to so comply under applicable law);

(xxii) Since the date of the latest audited financial statements included in the Registration Statement, Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, there has been no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting;

(xxiii) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act applicable to the Company; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(xxiv) This Agreement has been duly authorized, executed and delivered by the Company;

(xxv) There are no persons with registration rights or other similar rights to have any of securities registered pursuant to the Registration Statement or otherwise registered by the Company under the Act except as have been validly waived or complied with;

(xxvi) A. The Company and its subsidiaries own, possess or have licensed adequate rights to use all: patents (together with any reissues, continuations, continuations-in-part, divisions, renewals, extensions, counterparts and reexaminations thereof), patent applications (including provisional applications) and inventions; trademarks, service marks, trade names, logos, Internet domain names and other indicia of origin and all registrations and applications therefor; rights in published and unpublished works of authorship, whether copyrightable or not (including software, website content and related documentation), and copyrights and all registrations and applications therefor; trade secrets, know-how and other confidential or proprietary information, ("Trade Secrets") and other technology and intellectual property rights, (collectively, "Intellectual Property"), used in or necessary for the conduct of their respective businesses as currently conducted by the Company or any of its subsidiaries (the "Company Intellectual Property"), except where the failure to have any of the foregoing would not reasonably be expected to have a Material Adverse Effect.

B. Except as described in the Registration Statement, the Pricing Prospectus and the Prospectus, to the knowledge of the Company, the conduct of the Company's and its subsidiaries' respective businesses has not violated, infringed, or misappropriated any Intellectual Property rights of others in any material respect. Except as described in any of the Registration Statement, the Pricing Prospectus and the Prospectus, the Company and its subsidiaries have not received any written notice of any claim of infringement or misappropriation of any such rights of others. To the knowledge of the Company, there are no third parties who have or will be able to establish ownership rights or rights to use any material Company Intellectual Property that is owned by the Company or any of its subsidiaries, except for (A) any retained rights of the owners of Intellectual Property that is licensed to the Company or any of its subsidiaries and (B) the non-exclusive rights of customers and strategic and channel partners to use the Company Intellectual Property, under which the Company or its subsidiaries have granted licenses to such customers and partners, in the ordinary course. Except as described in any of the Registration Statement, the Pricing Prospectus, and the Prospectus, there is no pending, or to the Company's knowledge, threatened action, suit, proceeding or claim by others: (i) challenging the Company's rights or any of its subsidiaries' rights in or to any Company Intellectual Property; (ii) challenging the validity, enforceability, scope, registration, or ownership of any Company Intellectual Property that is owned by the Company or any of its subsidiaries (with the exception of routine office actions in connection with applications for the registration or issuance of such Intellectual Property), or (iii) that the Company or any of its subsidiaries infringes or misappropriates any Intellectual Property or other proprietary rights of others. Except as described in any of the Registration Statement, the Pricing Prospectus, and the Prospectus, there is no pending or threatened action, suit, proceeding or claim by the Company or any of its subsidiaries that a third party infringes or misappropriates any of the Company Intellectual Property;

C. The Company and its subsidiaries have taken commercially reasonable steps to secure interests in the Company Intellectual Property developed by their employees, consultants, agents and contractors in the course of their service to the Company, including the execution of valid Intellectual Property assignment and non-disclosure agreements for the benefit of the Company and its subsidiaries by such employees, consultants, agents and contractors. There are no outstanding options, licenses or binding agreements of any kind relating to the Company Intellectual Property owned by the Company or any of its subsidiaries that are required to be described in the Registration Statement, the Pricing Prospectus and the Prospectus and are not so described. The Company and its subsidiaries are not a party to or bound by any options, licenses or binding agreements with respect to any Intellectual Property of any other person or entity that are required to be set forth in the Registration Statement and the Prospectus and are not so described. Except as described in any of the Registration Statement, the Pricing Prospectus, and the Prospectus, no government funding, facilities or resources of a university, college, other educational institution or research center or funding from third parties was used in the development of any material Intellectual Property that is owned or purported to be owned by the Company or any of its subsidiaries. The Company and its subsidiaries have taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all material Trade Secrets used in, held for use in or necessary for the conduct of the businesses of the Company or any of its subsidiaries;

D. To the Company's knowledge, the Company and its subsidiaries have used all software (including source code) that is distributed under a "free," "open source," or similar licensing model or under a license which, by its terms, (A) does not prohibit licensees of such software from licensing or otherwise distributing such software in source code form, (B) does not prohibit licensees of such software from making modifications thereof, and (C) does not require a royalty or other payment for the licensing or other distribution, or the modification, of such software (other than a reasonable charge to compensate the provider for the cost of providing a copy thereof), including under the GNU General Public License, GNU Lesser General Public License, GNU Affero General Public License, New BSD License, MIT License, Common Public License and other licenses approved as Open Source licenses under the Open Source Definition of the Open Source Initiative located online at http://opensource.org/osd ("Open Source Materials"), in compliance in all material respects with all license terms applicable to such Open Source Materials. Except as described in any of the Registration Statement, the Pricing Prospectus, and the Prospectus, to the knowledge of the Company, neither the Company nor any of its subsidiaries has used or distributed any Open Source Materials in a manner that requires or has required (i) the Company or any of its subsidiaries to permit reverse engineering of any products or services of the Company or any of its subsidiaries, or any software code or other technology owned by the Company or any of its subsidiaries, or (ii) any products or services of the Company or any of its subsidiaries, or any software code or other technology owned by the Company or any of its subsidiaries, to be (A) disclosed or distributed in source code form, (B) licensed for the purpose of making derivative works, or (C) redistributed at no charge or minimal charge.

(xxvii) (i) the Company and its subsidiaries have (A) operated and currently operate their respective businesses in a manner compliant in all material respects with all applicable foreign, federal, state and local laws and regulations, all contractual obligations and all Company policies (internal and posted), in each case, related to privacy and data security applicable to the Company's, and its subsidiaries', collection, use, handling, transfer, transmission, storage, disclosure and/or disposal of the data of their respective customers, employees and other third parties (the "Privacy and Data Security Requirements") and (B) maintain, monitor and have been and are in material compliance with, applicable administrative, technical and physical safeguards and policies and procedures designed to ensure compliance with Privacy and Data Security Requirements in all material respects and (ii) except as described in the Registration Statement, Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, there has been no material loss or material unauthorized access, use, modification or breach of security of customer, employee or third party data or personal information maintained by or on behalf of the Company and its subsidiaries (each, a "Data Breach"), and neither the Company nor any of its subsidiaries has notified, nor has the current intention to notify, any customer, governmental entity or the media of any such event with regard to any material Data Breach;

(xxviii) The Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "IT Systems") (i) are reasonably adequate for and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, and (ii) are free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards designed to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems, and to the knowledge of the Company, there have been no breaches, violations, outages or unauthorized uses of or accesses to such IT Systems, except for those that have been remedied without material cost or liability.

(xxix) (i) Neither the Company nor any of its subsidiaries nor, any director, or officer thereof, nor, to the knowledge of the Company, any employee, agent, affiliate or other person while "associated with" (as that term is defined in the Bribery Act 2010 of the United Kingdom) or acting on behalf of the Company or any of its subsidiaries has (A) made, offered, promised or authorized any unlawful contribution, gift, entertainment or other unlawful expense or taken any act in furtherance thereof; (B) made, offered, promised or authorized any direct or indirect unlawful payment to any foreign or domestic government official, employee or agent, including those acting on behalf of any government instrumentality such as government-owned or controlled entities, or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; or (C) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law (hereinafter, the "Anti-Bribery and Anti-Corruption Laws"). The Company, its subsidiaries and its controlled affiliates have conducted their businesses in compliance with, and have instituted and maintain policies and procedures reasonably designed to promote and achieve compliance with the Anti-Bribery and Anti-Corruption Laws and with the representations and warranties contained herein. Neither the Company nor its subsidiaries will use, directly or indirectly, the proceeds of the offering of the Shares hereunder in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of the Anti-Bribery and Anti-Corruption Laws;

(xxx) The operations of the Company and its subsidiaries, and to the knowledge of the Company, its bank partners (solely with respect to their operations relating to their loan program with the Company), are and have been conducted at all times in compliance in all material respects with the requirements of applicable anti-money laundering laws, including, but not limited to, the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the applicable anti-money laundering laws of the various jurisdictions in which the Company and its subsidiaries conduct business (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(xxxi) Neither the Company nor any of its subsidiaries nor any director or officer thereof nor, to the knowledge of the Company, any employee, agent, affiliate or representative of the Company or any of its subsidiaries is, or is owned or controlled by one or more individuals or entities that is, (i) currently the subject or the target of any sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person," the European Union, Her Majesty's Treasury, the United Nations Security Council, or other relevant sanctions authority in a country (collectively, "Sanctions"), nor (ii) located, organized or resident in a country or territory that is the subject or the target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a "Sanctioned Country") and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (A) to fund or facilitate any activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions or (B) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in, and will not knowingly engage in, any dealings or transactions with any individual or entity, or in any country or territory, that at the time of the dealing or transaction is or was the subject of or the target of Sanctions or with any Sanctioned Country, respectively;

(xxxii) The financial statements included in the Registration Statement, Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of the Company and its subsidiaries at the dates indicated therein and the statement of operations, stockholders' equity and cash flows of the Company and its subsidiaries for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement, the Pricing Prospectus or the Prospectus under the Act or the rules and regulations promulgated thereunder. All disclosures contained in the Registration Statement, the Pricing Prospectus and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Act, to the extent applicable;

(xxxiii) Any statistical, industry-related and market-related data included in the Pricing Prospectus and the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate and, to the extent required, the Company has obtained the consent to the use of such data from such sources;

(xxxiv) The Company and each of its subsidiaries have filed all material federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof, subject to permitted extensions, and have paid all taxes due thereon. No material tax deficiency has been determined adversely to the Company or any of its subsidiaries and the Company does not have any knowledge of any tax deficiencies;

(xxxv) From the time of the initial confidential submission of a registration statement relating to the Shares with the Commission through the date hereof, the Company has been and is an "emerging growth company" as defined in Section 2(a)(19) of the Act (an "Emerging Growth Company");

(xxxvi) Nothing has come to the attention of the Company that has caused it to believe that the forward-looking statements (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus or the Prospectus have been made other than on a reasonable basis and in good faith; and

(xxxvii) The Company and its subsidiaries has not and, to its knowledge, no one acting on its behalf has, other than as contemplated by this Agreement (i) taken, directly or indirectly, any action which was designed to or which has constituted or which might reasonably be expected to cause or result in the manipulation of the price of any security of the Company to facilitate the sale of the Shares.

(b) Each of the Selling Stockholders severally and not jointly represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(i) All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and the Power of Attorney and the Custody Agreement referred to below, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained except for the registration under the Act of the Shares and such consents, approvals, authorizations and orders as may be required under state securities or Blue Sky laws, the rules and regulations of FINRA or the approval for listing on the Exchange or such other approvals as have been or will be made or obtained on or prior to the First Time of Delivery; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power-of-Attorney and the Custody Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, (B) nor will such action result in any violation of (1) the provisions of the Certificate of Incorporation or Bylaws of such Selling Stockholder if such Selling Stockholder is a corporation, the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership (or similar applicable organizational document) or (2) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or any of its subsidiaries or any property or assets of such Selling Stockholder, except, in the case of clauses (A) and (B)(2) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, adversely affect the validity of the Shares to be sold by such Selling Stockholder or the validity or binding nature of such Selling Stockholder's agreements under this Agreement, the Power-of-Attorney or the Custody Agreement or reasonably be expected to adversely affect the ability of such Selling Stockholder to perform its obligations under this Agreement, the Power-of-Attorney or the Custody Agreement;; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental body or agency is required for the performance by such Selling Stockholder of its obligations under this Agreement, the Power of Attorney and the Custody Agreement and the consummation by such Selling Stockholder of the transactions contemplated by this Agreement, the Power of Attorney and the Custody Agreement in connection with the Shares to be sold by such Selling Stockholder hereunder, except the registration under the Act of the Shares, the approval by FINRA of the underwriting terms and arrangements, the approval for listing on the Exchange of the Shares and such consents, approvals, authorizations, orders, registrations or qualifications (x) as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters, or (y) that have already been obtained or (z) that, if not obtained, would not, individually or in the aggregate, adversely affect the validity of the Shares to be sold by such Selling Stockholder or the validity or binding nature of such Selling Stockholder's agreements under this Agreement, the Power-of-attorney or the Custody Agreement or reasonably be expected to affect the ability of such Selling Stockholder to perform its obligations under this Agreement, the Power-of-Attorney or the Custody Agreement;

(iii) Such Selling Stockholder has, and immediately prior to each Time of Delivery (as defined in Section 4 hereof) such Selling Stockholder will have, good and valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code in respect of, the Shares to be sold by such Selling Stockholder hereunder at such Time of Delivery, free and clear of all liens, encumbrances, equities or claims, other than those under the Custody Agreement; and, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several Underwriters;

(iv) On or prior to the date of the Pricing Prospectus, such Selling Stockholder has executed and delivered to the Underwriters an agreement substantially in the form of Annex III hereto.

(v) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action that is designed to or that has constituted or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(vi) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto are made in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder pursuant to Items 7 and 11(m) of Form S–1 expressly for use therein (it being understood and agreed upon that the only such information furnished by any Selling Stockholder consists of the following information furnished on behalf of such Selling Stockholder: (i) the name, address and the number of shares of Stock owned by such Selling Stockholder before and after the offering contemplated hereby and the other information with respect to such Selling Stockholder (other than percentages) that appears in the table and corresponding footnotes under the caption "Principal and Selling Stockholders" in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto, and (ii) if such Selling Stockholder is an executive officer or director of the Company (including any person who is named in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto as a person who is to become a director of the Company at a future date), the biographical information of such Selling Stockholder as set forth under the caption "Management" in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto (such information, the "Selling Stockholder Information"), such Registration Statement and Preliminary Prospectus did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will, when they become effective or are filed with the Commission, as the case may be, 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;

(vii) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Stockholder will deliver to the Representatives prior to or at the First Time of Delivery a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof);

(viii) Certificates in negotiable form or book-entry securities entitlements representing all of the Shares to be sold by such Selling Stockholder hereunder have been placed in custody under a Custody Agreement, in the form heretofore furnished to the Representatives (the "Custody Agreement"), duly executed and delivered by such Selling Stockholder to American Stock Transfer & Trust Company, LLC, as custodian (the "Custodian"), and such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to the Representatives (the "Power of Attorney"), appointing the persons indicated in Schedule II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the "Attorneys-in-Fact") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section 2 hereof, to authorize the delivery of the Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement;

(ix) The Shares held in custody for such Selling Stockholder under the Custody Agreement are subject to the interests of the Underwriters hereunder; the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership or corporation, by the dissolution of such partnership, limited liability company or corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership, limited liability company or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares to be sold by such Selling Stockholder hereunder, certificates representing the Shares to be sold by such Selling Stockholder hereunder shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement and of the Custody Agreements; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event;

(x) Such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, (i) to fund or facilitate any activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions, or in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions, or (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Money Laundering Laws or any applicable anti-bribery or anti-corruption laws; and

(xi) Such Selling Stockholder is not prompted by any material non-public information concerning the Company or any of its subsidiaries that is not disclosed in the Pricing Prospectus to sell its Shares pursuant to this Agreement.

2. Subject to the terms and conditions herein set forth, (a) the Company and each of the Selling Stockholders agree, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at a purchase price per share of $[•], the number of Firm Shares (to be adjusted by the Representatives so as to eliminate fractional shares) determined by multiplying the aggregate number of Firm Shares to be sold by the Company and each of the Selling Stockholders as set forth opposite their respective names in Schedule II hereto by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from the Company and all of the Selling Stockholders hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Selling Stockholders, as and to the extent indicated in Schedule II hereto, agree, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Selling Stockholders, at the purchase price per share set forth in clause (a) of this Section 2 (provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares), that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by the Representatives so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Selling Stockholders, as and to the extent indicated in Schedule II hereto, hereby grant, severally and not jointly, to the Underwriters the right to purchase at their election up to an aggregate of [•] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares shall be made in proportion to the maximum number of Optional Shares to be sold by each Selling Stockholder as set forth in Schedule II hereto. Any such election to purchase Optional Shares may be exercised only by written notice from the Representatives to the Company, given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless the Representatives, the Company and the Attorneys-in-Fact otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by the Representatives of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Pricing Prospectus and the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive or book-entry form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company and the Selling Stockholders shall be delivered by or on behalf of the Company and the Selling Stockholders to the Representatives, through the facilities of the Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance. The Company and the Selling Stockholders will cause the certificates, if any, representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [•], 2020 or such other time and date as the Representatives, the Company and the Attorneys-in-Fact may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by the Representatives in each written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives, the Company and the Attorneys-in-Fact may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", each such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 8(m) hereof, will be delivered at the offices of Sullivan & Cromwell LLP, 1870 Embarcadero Road, Palo Alto, California 94303 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at [•] p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by the Representatives promptly after reasonable notice thereof; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish the Representatives with copies thereof; to file promptly all materials required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose or pursuant to Section 8A of the Act, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation (where not otherwise required) or to file a general consent to service of process in any jurisdiction (where not otherwise required) or subject itself to taxation in any such jurisdiction in which it was not otherwise subject to taxation;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such later time as may be agreed to by the Company and the Representatives) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify the Representative and upon the Representatives' request to prepare and furnish without charge to each Underwriter and to any dealer in securities (whose name and address the Representatives shall furnish to the Company) as many written and electronic copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon the Representatives' request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as the Representatives may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable (which may be satisfied by filing with the Commission's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR")), but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) (i) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the "Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the Commission a registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any hedging, swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise without the Representatives' prior written consent: provided, however, that the foregoing restrictions shall not apply to: (A) Shares to be sold hereunder, (B) the issuance of stock options, restricted stock, or restricted stock units in accordance with the Company's equity plans that are outstanding as of the date of this Agreement and described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus and the form of award agreement thereunder, (C) the issuance by the Company of shares of common stock upon the exercise of options or the conversion or exchange of convertible or exchangeable securities outstanding as of the date of this Agreement and described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, (D) the repurchase of any shares of Stock pursuant to agreements providing for an option to repurchase or a right of first refusal on behalf of the Company pursuant to the Company's repurchase rights that are described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, (E) the issuance by the Company of shares of Stock or securities convertible into, exchangeable for or that represent the right to receive shares of Stock in connection with (1) the acquisition by the Company or any of its subsidiaries of the securities, business, technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance of any such securities pursuant to any such agreement, or (2) the Company's joint ventures, commercial relationships and other strategic transactions, (F) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to the Company Stock Plans or any assumed employee benefit plan contemplated by clause (E); provided, that the aggregate number of shares of Stock that the Company may sell or issue or agree to sell or issue pursuant to clause (E) shall not exceed 10% of the total number of shares of Stock outstanding immediately following the offering of the Shares contemplated by this Agreement; and provided, further, that in the case of clauses (B), (C) and (E), the Company shall (a) cause each recipient of such securities that is a member of the Company's board of directors, an executive officer, a beneficial holder of 1.0% of the fully-diluted capital stock of the Company or a stockholder listed on Schedule IV hereto, to execute and deliver to the Representatives, on or prior to the issuance of such securities, a lock-up letter substantially to the effect set forth in Annex III hereto to the extent not already executed and delivered by such recipients as of the date hereof and (b) enter stop transfer instructions with the Company's transfer agent and registrar on such securities with respect to all recipients of such securities, which the Company agrees it will not waive or amend without the prior written consent of the Representatives;

(ii) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in any lock-up letter pursuant to Section 8(k) hereof, in each case for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Annex II hereto through a major news service at least two business days before the effective date of the release or waiver.

(iii) During the Lock-Up Period, to the extent that any agreement between the Company and any holder of Stock or any securities of the Company that are substantially similar to the Shares, including but not limited to any options to purchase shares of Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities, contains or references any restriction similar to the restrictions contained in Annex III or any other form of "lock up" or "market stand-off provision", the Company will not waive any such restriction with respect to any such holder without the prior written consent of the Representatives and will take all reasonable actions necessary to enforce any such restriction, including imposing stop-transfer instructions with respect to such securities and instructing its transfer agent to place restrictive legends describing such restriction on the certificates or book-entries with respect to such securities;

(f) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail, provided, however, that the Company may satisfy the requirements of this Section 5(f) by filing such information through EDGAR;

(g) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to the Representatives copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to the Representatives as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and such additional information concerning the business and financial condition of the Company as the Representatives may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission), provided, that no reports, documents or other information need to be furnished pursuant to this subsection (g) to the extent that they are available on EDGAR or the provision of which would require disclosure by the Company under Regulation FD;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list for trading, subject to official notice of issuance, the Shares on the Nasdaq Global Select Market (the "Exchange");

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 3(a)(c) of the Commission's Informal and Other Procedures (16 C.F.R. 202.3a);

(l) Upon request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, service marks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License"); provided, however, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred; and

(m) To promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Act and (ii) the completion of the Company's Lock-Up Period.

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each Selling Stockholder represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus; and each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus required to be filed with the Commission; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule III(a) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic roadshow;

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Written Testing-the-Waters Communication or other document which will correct such conflict, statement or omission, provided, however, that this covenant shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with the Underwriter Information or the Selling Stockholder Information;

(d) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Testing-the-Waters Communications, other than Testing-the-Waters Communications with the prior consent of the Representatives with entities that the Company reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Written Testing-the-Waters Communications, other than those distributed with the prior consent of the Representatives that are listed on Schedule III(d) hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Testing-the-Waters Communications; and

(e) Each Underwriter represents and agrees that any Testing-the-Waters Communications undertaken by it were with entities that such Underwriter reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act.

7. The Company covenants and agrees with the several Underwriters that (a) the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Written Testing-the-Waters Communication, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares, provided, however, that the amounts payable by the Company and the Selling Stockholders for the fees and disbursements of counsel to the Underwriters pursuant to subsections (a)(iii) and (a)(v) shall not exceed $35,000 in the aggregate; and (b) the Company will pay or cause to be paid: (i) the cost of preparing stock certificates, if applicable; (ii) the cost and charges of any transfer agent or registrar; (iii) the expenses of the Company relating to any "roadshow" undertaken in connection with the marketing of the offering of the Shares; provided, however that the Company shall only pay 50% of the cost of any aircraft or other transportation chartered in connection therewith (the remaining 50% of the cost of such aircraft or other transportation to be paid by the Underwriters), and the Underwriters will pay all of lodging expenses incurred by them in connection with any "roadshow" and (iv) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section; Each Selling Stockholder, severally and not jointly, will pay or cause to be paid all costs and expenses incident to the performance of such Selling Stockholder's obligations hereunder with respect to (i) any fees and expenses of counsel for such Selling Stockholder other than those being paid for by the Company, and (ii) all taxes incident to the sale and delivery of the Shares to be sold by such Selling Stockholder to the Underwriters hereunder. In connection with clause (c)(ii) of the preceding sentence, the Representatives agree to pay New York State stock transfer tax, and the Selling Stockholder agrees to reimburse the Representatives for associated carrying costs if such tax payment is not rebated on the day of payment and for any portion of such tax payment not rebated. It is understood, however, that the Company shall bear, and the Selling Stockholders shall not be required to pay or to reimburse the Company for, the cost of any other matters not directly relating to the sale and purchase of the Shares pursuant to this Agreement, and that, except as provided in this Section, and Sections 9 and 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

8. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and the Selling Stockholders herein are, at and as of the Applicable Time and such Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all of its and their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose or pursuant to Section 8A of the Act shall have been initiated or threatened by the Commission; no stop order suspending or preventing the use of the Pricing Prospectus, Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;

(b) Sullivan & Cromwell LLP, counsel for the Underwriters, shall have furnished to the Representatives such written opinion or opinions dated such Time of Delivery, in form and substance satisfactory to the Representatives, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel for the Company, shall have furnished to the Representatives their written opinion (a form of such opinion is attached as Annex I(a) hereto), dated as of such Time of Delivery, in form and substance satisfactory to the Representatives.

(d) Buckley LLP, regulatory counsel for the Company, shall have furnished to the Representatives their written opinion (a form of such opinion is attached as Annex I(b) hereto), dated as of such Time of Delivery, in form and substance satisfactory to the Representatives;

(e) The respective counsel for each of the Selling Stockholders, as indicated in Schedule II hereto, each shall have furnished to the Representatives their written opinion with respect to each of the Selling Stockholders for whom they are acting as counsel (a form of each such opinion is attached as Annex I(c) hereto), dated as of such Time of Delivery, in form and substance satisfactory to the Representatives;

(f) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Deloitte & Touche LLP shall have furnished to the Representatives a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to the Representatives;

(g) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Registration Statement, the Pricing Disclosure Package, Pricing Prospectus and the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package, Pricing Prospectus and the Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus and the Prospectus there shall not have been any change in the capital stock (other than, as described in the Registration Statement, the Pricing Disclosure Package, the Pricing Prospectus and the Prospectus, as a result of (i) the grant, vesting, exercise or settlement (including any "net" or "cashless" exercises or settlements) of stock options or other equity incentives or the award, if any, of stock options or other equity incentives in the ordinary course of business, in each case pursuant to the Company Stock Plans, or (ii) the repurchase of shares of capital stock pursuant to agreements providing for an option to repurchase from service providers, or a right of refusal on behalf of the Company pursuant to the Company's repurchase rights or the issuance, if any, of stock upon conversion or exchange of Company securities) or the long-term debt of the Company or any of its subsidiaries or any change or effect, or any development involving a prospective change or effect, in or affecting (x) the business, general affairs, management, consolidated financial position, consolidated stockholders' equity or consolidated results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus and the Prospectus, or (y) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Pricing Prospectus and the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the Representatives' judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Disclosure Package, Pricing Prospectus and the Prospectus;

(h) On or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Exchange Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities; provided, that, for the avoidance of doubt, this Section 8(h) shall not apply to any debt securities underlying the Company's sponsored asset-backed securitization transactions;

(i) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York or California State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the Representatives' judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(j) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(k) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from (i) each member of the Company's board of directors, (ii) each executive officer of the Company, and (iii) stockholders of the Company listed on Schedule IV hereto, substantially to the effect set forth in Annex III hereto in form and substance satisfactory to the Representatives;

(l) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement;

(m) The Company and the Selling Stockholders shall have furnished or caused to be furnished to the Representatives at such Time of Delivery certificates of officers of the Company and of the Selling Stockholders, respectively, satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company and the Selling Stockholders, respectively, herein at and as of such Time of Delivery, as to the performance by the Company and the Selling Stockholders of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Representatives and the Company may agree prior to the date hereof; and

(n) The Company shall have furnished or caused to be furnished to the Representatives on the date of the Prospectus at a time prior to the execution of this Agreement and at such Time of Delivery a certificate of the Chief Financial Officer of the Company as to the accuracy of certain financial information included in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus and the Prospectus, in form and substance satisfactory to the Representatives.

9. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any "roadshow" as defined in Rule 433(h) under the Act (a "roadshow"), any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any Testing-the-Waters Communication prepared or authorized by the Company, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, any "roadshow" or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information.

(b) Each of the Selling Stockholders, severally and not jointly, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any roadshow or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein that constitutes Selling Stockholder Information; and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus or any amendment or supplement thereto or any Issuer Free Writing Prospectus in reliance upon and in conformity with the Underwriter Information; provided, further, that the liability of a Selling Stockholder pursuant to this subsection 9(b) shall not exceed the net proceeds (after deducting underwriting discounts and commissions) received by the Selling Stockholder from the sale of the Shares by such Selling Stockholder.

(c) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred. As used in this Agreement with respect to an Underwriter and an applicable document, "Underwriter Information" shall mean the written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the fifth paragraph under the caption "Underwriting", and the information contained in the ninth, tenth and eleventh paragraphs under the caption "Underwriting".

(d) Promptly after receipt by an indemnified party under subsection (a), (b) or (c) of this Section 9 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; provided that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under the preceding paragraphs of this Section 9. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations and with the proportion among the Company and the Selling Stockholders to reflect the relative fault of the Company and the Selling Stockholders. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (but before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (e) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the net proceeds (after deducting underwriting discounts and commissions) received by the Selling Stockholder from the Shares sold by such Selling Stockholder pursuant to this Agreement exceeds any damages which such Selling Stockholder has otherwise been required to pay by reason of untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint; and the Selling Stockholders' obligations in this subsection (e) to contribute are several in proportion to their respective net proceeds (after deducting underwriting discounts and commissions) received by the Selling Stockholders from the Shares sold by the Selling Stockholders pursuant to this Agreement.

(f) The obligations of the Company and the Selling Stockholders under this Section 9 shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer or other affiliate of any Underwriter; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

(g) The provisions of this Section 9 shall not, solely as between the Company and the Selling Stockholders, affect any other agreement among the Company and the Selling Stockholders with respect to indemnification, but, for the avoidance of doubt, and notwithstanding the foregoing, neither this paragraph (g) nor any such other agreement shall in any way affect or limit the rights of the Underwriters pursuant to this Section 9 or otherwise under this Agreement or the rights of any other person or entity under Section 9(f) of this Agreement.

10. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, the Representatives may in the Representatives' discretion arrange for the Representatives or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Shares on such terms. In the event that, within the respective prescribed periods, the Representatives notify the Company and the Selling Stockholders that the Representatives have so arranged for the purchase of such Shares, or the Company or a Selling Stockholder notifies the Representatives that it has so arranged for the purchase of such Shares, the Representatives or the Company or the Selling Stockholders shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the Representatives' opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to a Second Time of Delivery, the obligations of the Underwriters to purchase and of the Selling Stockholders to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders, except for the expenses to be borne by the Company, the Selling Stockholders and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, neither the Company nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company and the Selling Stockholders as provided herein, or the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives; and in all dealings with any Selling Stockholder hereunder, the Representatives and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholder made or given by any or all of the Attorneys-in-Fact for such Selling Stockholder.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Stockholders, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to each of the Representatives in care of (a) Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282-2198, Attention: Registration Department; (b) BofA Securities, Inc., One Bryant Park, New York, New York 10036, Attention: Syndicate Department, facsimile number: 1-646-855-3073, with a copy to ECM Legal, facsimile number: 1-212-230-8730; ; and (c) Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013 Attention: General Counsel, facsimile number: 1-646-291-1469; if to any Selling Stockholder shall be delivered or sent by mail, telex or facsimile transmission to counsel for such Selling Stockholder at its address set forth in Schedule II hereto and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth on the cover of the Registration Statement, Attention: [Secretary] Legal Department; and if to any Selling Stockholder represented by Whalen LLP shall be delivered or sent by mail, telex or facsimile transmission to each of the Attorneys-in Fact named in the Power of Attorney, c/o the Company at the address set forth on the cover of the Registration Statement, Attention: General Counsel with a copy, which shall not constitute notice, to Whalen LLP, 1601 Dove Street, Suite 270, Newport Beach, California 92660; provided, however, that any notice to an Underwriter pursuant to Section 9(d) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company or the Selling Stockholders by the Representatives on request; provided further that notices under subsection 5(e) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Representatives as the Representatives at (i) Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Control Room; BofA Securities, Inc., One Bryant Park, New York, New York 10036, Attention: Syndicate Department, facsimile number: 1-646-855-3073, with a copy to ECM Legal, facsimile number: 1-212-230-8730 ; and (c) Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, Attention General Counsel, facsimile number: 1-646-291-1469 . Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. The Company and the Selling Stockholders acknowledge and agree that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company and the Selling Stockholders, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company or any Selling stockholder, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company or any Selling Stockholder with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or any Selling Stockholder on other matters) or any other obligation to the Company or any Selling Stockholder except the obligations expressly set forth in this Agreement and (iv) the Company and each Selling Stockholder has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company and each Selling Stockholder agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company or any Selling Stockholder, in connection with such transaction or the process leading thereto.

17. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company, the Selling Stockholders and the Underwriters, or any of them, with respect to the subject matter hereof.

18. This Agreement and any transaction contemplated by this Agreement and any claim, controversy or dispute arising under or related thereto shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would results in the application of any other law than the laws of the State of New York. The Company and each Selling Stockholder agree that any suit or proceeding arising in respect of this Agreement or any transaction contemplated by this Agreement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company and each Selling Stockholder agree to submit to the jurisdiction of, and to venue in, such courts.

19. The Company, each Selling Stockholder and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

21. Notwithstanding anything herein to the contrary, the Company and the Selling Stockholders are authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company and the Selling Stockholders relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

22. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this section:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with the Representatives' understanding, please indicate the Representatives' acceptance of this letter by signing in the space provided below, and upon the acceptance hereof by the Representatives, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that the Representatives' acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination upon request, but without warranty on the Representatives' part as to the authority of the signers thereof.

[*Signature Page Follows*]

Any person executing and delivering this Agreement as Attorney-in-Fact for a Selling Stockholder represents by so doing that he has been duly appointed as Attorney-in-Fact by such Selling Stockholder pursuant to a validly existing and binding Power-of-Attorney that authorizes such Attorney-in-Fact to take such action.

Very truly yours,

Upstart Holdings, Inc.

By: _____
Name: David Girouard
Title: Chief Executive Officer

The Selling Stockholders Named In Schedule II Hereto, Acting Severally

By: _____
Name:
Title:
As Attorney-in-Fact.

Accepted as of the date hereof:

Goldman Sachs & Co. LLC

By: _____
Name:
Title:

BofA Securities, Inc.

By: _____
Name:
Title:

Citigroup Global Markets Inc.

By: _____
Name:
Title:

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman Sachs & Co. LLC	[•]	[•]
BofA Securities, Inc.	[•]	[•]
Citigroup Global Markets Inc.	[•]	[•]
Jefferies LLC	[•]	[•]
Barclays Capital Inc.	[•]	[•]
JMP Securities LLC	[•]	[•]
Blaylock Van, LLC	[•]	[•]
Total	[•]	[•]

SCHEDULE II

	Total Number of Firm Shares to be Sold	Number of Optional Shares to be Sold if Maximum Option Exercised
The Company.		
The Selling Stockholder(s):		
[Name of Selling Stockholder](a)		
[Name of Selling Stockholder](b)		
[Name of Selling Stockholder](c)		
[Name of Selling Stockholder](d)		
[Name of Selling Stockholder](e)		
Total	[•]	[•]

(a) This Selling Stockholder is represented by [•] and has appointed [•], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(b) This Selling Stockholder is represented by [•] and has appointed [•], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(c) This Selling Stockholder is represented by [•] and has appointed [•], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(d) This Selling Stockholder is represented by [•] and has appointed [•], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
(e) This Selling Stockholder is represented by [•] and has appointed [•], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

SCHEDULE III

(a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package

[Electronic Roadshow dated [ ]]

(b) Additional documents incorporated by reference

[None]

(c) Information other than the Pricing Prospectus that comprise the Pricing Disclosure Package

The initial public offering price per share for the Shares is $ . . . . . .

The number of Shares purchased by the Underwriters is [. . .].

[Add any other pricing disclosure.]

(d) Written Testing-the-Waters Communications

SCHEDULE IV

Name of Stockholder	Address

ANNEX II

FORM OF PRESS RELEASE

Upstart Holdings, Inc.
[Date]

Upstart announced today that Goldman Sachs & Co. LLC, BofA Securities, Inc., and Citigroup Global Markets Inc. the joint lead book-running managers in the recent public sale of shares of the Company's common stock, is releasing a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The release will take effect on [ ], 20 , and the shares may be sold on or after such date.

ANNEX III

FORM OF LOCK-UP AGREEMENT

CONFIDENTIAL

Upstart Holdings, Inc.

Lock-Up Agreement

[ ], 2020

Goldman Sachs & Co. LLC
BofA Securities, Inc.
Citigroup Global Markets Inc.
As representatives of the several Underwriters

c/o Goldman Sachs & Co. LLC
200 West Street
New York, NY 10282-2198

c/o BofA Securities, Inc.
One Bryant Park
New York, New York 10036

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Re: Upstart Holdings, Inc.—Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that you, as representatives (the "Representatives"), propose to enter into an Underwriting Agreement (the "Underwriting Agreement") on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the "Underwriters"), with Upstart Holdings, Inc., a Delaware corporation (the "Company"), and the Selling Stockholders named in Schedule II of such agreement, if any, providing for a public offering (the "Public Offering") of the Common Stock of the Company, par value $0.0001 (the "Common Stock") pursuant to a Registration Statement on Form S-1 to be filed with the Securities and Exchange Commission (the "SEC").

In consideration of the agreement by the Underwriters to offer and sell shares of Common Stock, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date of this lock-up agreement (the "Lock-Up Agreement") and continuing to and including the date that is 180 days after the Public Offering date (the "Public Offering Date") set forth on the cover of the final prospectus (the "Prospectus") used to sell the shares of Common Stock (the "Lock-Up Period"), the undersigned shall not, and shall not cause or direct any of its affiliates to, (i) offer, sell, contract to sell, pledge, grant any option to purchase, lend or otherwise dispose of any shares of Common Stock, or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock (such options, warrants or other securities, collectively, "Derivative Instruments"), including without limitation any such shares or Derivative Instruments now owned or hereafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC (collectively, the "Undersigned's Shares"), (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition (whether by the undersigned or someone other than the undersigned), or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of shares of Common Stock or Derivative Instruments, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Common Stock or other securities, in cash or otherwise (any such sale, loan, pledge or other disposition or transfer of economic consequences as described in clause (i) or this clause (ii), "Prohibited Activity") or (iii) otherwise publicly announce any intention to engage in or cause any Prohibited Activity. The undersigned represents and warrants that the undersigned is not, and has not caused or directed any of its affiliates to be or become, currently a party to any agreement or arrangement that provides for any Prohibited Activity during the Lock-Up Period. For the avoidance of doubt, if the undersigned is an officer or director of the Company, the undersigned agrees that the foregoing provisions shall be equally applicable to any Company-directed shares of Common Stock the undersigned may purchase in the Public Offering.

If the undersigned is not a natural person, the undersigned represents and warrants that no single natural person, entity or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), other than a natural person, entity or "group" (as described above) that has executed a Lock-Up Agreement in substantially the same form as this Lock-Up Agreement, beneficially owns, directly or indirectly, 50% or more of the common equity interests, or 50% or more of the voting power, in the undersigned.

If the undersigned is an officer or director of the Company, (i) Goldman Sachs & Co. LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Goldman Sachs & Co. LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Goldman Sachs & Co. LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this Lock-Up Agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may:

(a) transfer the Undersigned's Shares:

(i) as a *bona fide* gift or gifts, or for bona fide estate planning purposes,

(ii) to any member of the undersigned's immediate family or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust,

(iii) upon death or by will, testamentary document or the laws of intestate succession,

(iv) in connection with a sale of the Undersigned's Shares acquired (A) from the Underwriters in the Public Offering or (B) in open market transactions after the Public Offering Date,

(v) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a distribution, transfer or disposition without consideration by the undersigned to its stockholders, partners, members or other equity holders,

(vi) to the Company for the purposes of exercising (including for the payment of tax withholdings or remittance payments due as a result of such exercise) on a "net exercise" basis options to purchase shares of Common Stock provided that any such shares of Common Stock received upon such exercise shall be subject to the terms of this Lock-Up Agreement, provided further that any such options are held by the undersigned as of the Public Offering Date and were issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the Prospectus,

(vii) to the Company in connection with the repurchase of shares of Common Stock issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the Prospectus, or pursuant to the agreements pursuant to which such shares were issued, as described in the Prospectus, provided that such repurchase of shares of Common Stock is in connection with the termination of the undersigned's service provider relationship with the Company,

(viii) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a Change of Control of the Company, provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the Undersigned's Shares shall remain subject to the provisions of this Lock-Up Agreement,

(ix) in connection with the conversion or reclassification of the outstanding preferred stock into shares of Common Stock, or any reclassification or conversion of the Company's Common Stock, provided that any such shares of Common Stock received upon such conversion or reclassification shall be subject to the terms of this Lock-Up Agreement,

(x) by operation of law pursuant to a final qualified domestic order or in connection with a divorce settlement,

(xi) to the Underwriters pursuant to the Underwriting Agreement, or

(xii) with the prior written consent of Goldman Sachs & Co. LLC, BofA Securities, Inc. and Citigroup Global Markets Inc. on behalf of the Underwriters.

provided, *that* (A) in the case of (i), (ii), (iii), (v) and (x) above, it shall be a condition to the transfer or distribution that the donee, devisee, transferee or distributee, as the case may be, agrees in writing to be bound by the restrictions set forth herein, and there shall be no further transfer of such Common Stock except in accordance with this Lock-Up Agreement, (B) in the case of (i), (ii), (iii) and (v) above, such transfer shall not involve a disposition for value, (C) in the case of (i), (ii) and (iii) above, no filing under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock shall be required or shall be voluntarily made during the Lock-Up Period (other than any required Form 5 filing after the end of the calendar year in which the transaction occurs, which filing shall clearly indicate in the footnotes thereto the nature and conditions of such transfer), (D) in the case of (iv) and (v) above, no filing under Section 16 of the Exchange Act, or other public filing, report or announcement shall be required or shall be voluntarily made during the Lock-Up Period in connection with such transfer or distribution, (E) in the case of (vi), no filing under Section 16(a) of the Exchange Act or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock shall be required or shall be voluntarily made during the first 60 days after the Public Offering Date, and it shall be a condition to such transfer that if any filing under Section 16(a) of the Exchange Act or other public filing report or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be legally required during the Lock-Up Period thereafter, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer, and (F) in the case of (vii), (ix), (x) and (xii) above, it shall be a condition to such transfer that if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be legally required during the Lock-Up Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer; or

(b) enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act after the date of this Lock-Up Agreement relating to the transfer, sale or other disposition of securities of the undersigned, if then permitted by the Company, provided that the securities subject to such plan may not be transferred until after the expiration of the Lock-Up Period and no public announcement or filing under the Exchange Act shall be required or shall be voluntarily made by any person regarding the establishment of such plan during the Lock-Up Period.

For purposes of this Lock-Up Agreement, "immediate family" shall mean any relationship by blood, marriage, or adoption, not more remote than first cousin. The undersigned now has, and, except as contemplated by clause (a) above, for the duration of this Lock-Up Agreement will have, good and marketable title to the Undersigned's Shares, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Undersigned's Shares except in compliance with the foregoing restrictions.

For purposes of this Lock-Up Agreement, "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an Underwriter pursuant to the Public Offering), of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold more than 65% of the outstanding voting securities of the Company (or the surviving entity).

Notwithstanding anything to the contrary contained herein, this Lock-Up Agreement will automatically terminate and the undersigned will be released from all obligations hereunder upon the earliest to occur, if any, of (i) the Company advises the Representatives in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Public Offering, (ii) the Company files an application with the SEC to withdraw the registration statement related to the Public Offering, (iii) the Underwriting Agreement is executed but is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the shares of Common Stock to be sold thereunder, or (iv) December 31, 2020, in the event that the Underwriting Agreement has not been executed by such date; *provided, however*, that the Company may, by written notice to the undersigned prior to such date, extend such date for a period of up to three additional months.

In the event that any of the Representatives withdraw from or decline to participate in the Public Offering, all references to the Representatives contained in this Lock-Up Agreement shall be deemed to refer to the remaining Representative(s) that continue to participate in the Public Offering (the "Remaining Representatives," and if only one, the "Remaining Representative"), and, in such event, any written consent, waiver or notice given or delivered in connection with this Lock-Up Agreement by the Remaining Representative(s) shall be deemed to be sufficient and effective for all purposes under this Lock-Up Agreement.

The undersigned hereby consents to receipt of this Lock-Up Agreement in electronic form and understands and agrees that this Lock-Up Agreement may be signed electronically. In the event that any signature is delivered by facsimile transmission, electronic mail, or otherwise by electronic transmission evidencing an intent to sign this Lock-Up Agreement, such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this Lock-Up Agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

[*Signature page follows*]

Very truly yours,

Exact Name of Shareholder

Authorized Signature

Title

Email

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

OF

UPSTART HOLDINGS, INC.

The undersigned, David Girouard, hereby certifies that:

1. The undersigned is the duly elected and acting President of Upstart Holdings, Inc., a Delaware corporation.

2. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on December 9, 2013.

3. The Amended and Restated Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I

"The name of this corporation is Upstart Holdings, Inc. (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Zip Code 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

(A) **Classes of Stock.** The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 143,927,657 shares, each with a par value of $0.0001 per share. 90,000,000 shares shall be Common Stock and 53,927,657 shares shall be Preferred Stock.

(B) **Rights, Preferences and Restrictions of Preferred Stock.** The Preferred Stock authorized by this Amended and Restated Certificate of Incorporation (the "Restated Certificate") shall be divided into series as provided herein. 2,009,641 shares of Preferred Stock shall be designated "Series Seed Preferred Stock," 5,547,713 shares of Preferred Stock shall be designated "Series A Preferred Stock", 10,140,679 shares of Preferred Stock shall be designated "Series B Preferred Stock," 9,724,108 shares of Preferred Stock shall be designated "Series C Preferred Stock," 15,394,772 shares of Preferred Stock shall be designated "Series C-1 Preferred Stock," and 11,110,744 shares of Preferred Stock shall be designated "Series D Preferred Stock". The rights, preferences, privileges and restrictions granted to and imposed on the Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, and Series D Preferred Stock are as set forth below in this Article IV(B).

1. Dividend Provisions. The holders of shares of Series C-1 Preferred Stock, Series C Preferred Stock, Series B Preferred Stock, Series A Preferred Stock and/or Series Seed Preferred Stock shall be entitled to receive dividends, on a pari passu basis, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock of the Corporation, at the rate of $0.0697 per share (as adjusted for stock splits, stock dividends, reclassification and the like) per annum on each outstanding share of Series Seed Preferred Stock then held by them, $0.0851 per share (as adjusted for stock splits, stock dividends, reclassification and the like) per annum on each outstanding share of Series A Preferred Stock then held by them, $0.1333 per share (as adjusted for stock splits, stock dividends, reclassification and the like) per annum on each outstanding share of Series B Preferred Stock then held by them, $0.2880 per share (as adjusted for stock splits, stock dividends, reclassification and the like) per annum on each outstanding share of Series C Preferred Stock then held by them, $0.2890 per share (as adjusted for stock splits, stock dividends, reclassification and the like) per annum on each outstanding share of Series C-1 Preferred Stock then held by them, and $0.7200 per share (as adjusted for stock splits, stock dividends, reclassification and the like) per annum on each outstanding share of Series D Preferred Stock then held by them payable when, as and if declared by the Board of Directors of the Corporation (the "Board of Directors"). Such dividends shall not be cumulative. After payment of such dividends, any additional dividends shall be distributed among the holders of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, Series D Preferred Stock and Common Stock pro rata based on the number of shares of Common Stock then held by each holder (assuming conversion of all such Preferred Stock into Common Stock).

2. Liquidation.

(a) **Preference.** In the event of any liquidation, dissolution or winding up of the Corporation or Liquidation Transaction, as defined below, either voluntary or involuntary, the holders of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock and/or Series D Preferred Stock shall be entitled to receive, on a pari passu basis, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock, by reason of their ownership thereof, an amount per share equal to (a) $0.8708 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each outstanding share of Series Seed Preferred Stock then held by them, (b) $1.0635 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each outstanding share of Series A Preferred Stock then held by them, (c) $1.666089 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each outstanding share of Series B Preferred Stock then held by them, (d) $3.599299 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each outstanding share of Series C Preferred Stock then held by them, (e) $3.612413 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each outstanding share of Series C-1 Preferred Stock then held by them, and (f) $9.000295 per share (as adjusted for stock splits, stock dividends, reclassification and the like) for each outstanding share of Series D Preferred Stock then held by them; in each case, plus any declared or accrued but unpaid dividends thereon. If, upon the occurrence of such event, the assets and funds thus distributed among the holders of Series Seed Preferred Stock, holders of Series A Preferred Stock, holders of Series B Preferred Stock, holders of Series C Preferred Stock, holders of Series C-1 Preferred Stock, and holders of Series D Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of Series Seed Preferred Stock, holders of Series A Preferred Stock, holders of Series B Preferred Stock, holders of Series C Preferred Stock, Series C-1 Preferred Stock, and Series D Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) **Remaining Assets.** Upon the completion of the distribution required by Section 2(a) above, if assets remain in the Corporation, the holders of the Common Stock of the Corporation shall receive all of the remaining assets of the Corporation.

(c) **Deemed Conversion.** Notwithstanding the above, for purposes of determining the amount each holder of shares of Preferred Stock is entitled to receive with respect to any (voluntary or involuntary) liquidation, dissolution or winding up of the Corporation or Liquidation Transaction, as defined below, each such holder of shares of a series of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of such series into shares of Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation or Liquidation Transaction if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of Preferred Stock into shares of Common Stock. If any such holder shall be deemed to have converted shares of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(d) **Certain Acquisitions.**

(i) **Deemed Liquidation.** For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to occur if the Corporation shall (x) sell, lease, convey, transfer or otherwise dispose, in a single transaction or a series of related transactions, by the Corporation or any subsidiary or subsidiaries of the Corporation, of all or substantially all of its assets, property or business of the Corporation and its subsidiaries taken as a whole (or, if substantially all the assets of the Corporation and its subsidiaries taken as a whole are held by one or more subsidiaries, the sale or disposition (whether by merger, consolidation, conversion or otherwise) of such subsidiaries of the Corporation), except where such sale, lease, transfer or other disposition is made to the Corporation or one or more wholly owned subsidiaries of the Corporation (a transaction described in this clause (x), an "Asset Sale"), or (y) merge with or into or consolidate with any other corporation, limited liability company or other entity (other than a wholly-owned subsidiary of the Corporation) (any of (x) and (y), a "Liquidation Transaction"), provided that none of the following shall be considered a Liquidation Transaction: (A) a merger effected exclusively for the purpose of changing the domicile of the Corporation, (B) an equity financing in which the Corporation is the surviving corporation or (C) a transaction in which the stockholders of the Corporation immediately prior to the transaction own 50% or more of the voting power of the surviving corporation following the transaction. In the event of a merger or consolidation of the Corporation that is deemed pursuant to this section to be a Liquidation Transaction, all references in this Section 2 to "assets of the Corporation" shall be deemed instead to refer to the aggregate consideration to be paid to the holders of the Corporation's capital stock in such merger or consolidation. Nothing in this subsection 2(d)(i) shall require the distribution to stockholders of anything other than proceeds of such transaction in the event of a merger or consolidation of the Corporation. The holders of at least sixty-five percent (65%) of the Corporation's outstanding Preferred Stock, voting together as a separate class on an as converted basis, shall be entitled to waive the treatment of a Liquidation Transaction under this section.

(ii) **Valuation of Consideration.** In the event of a deemed liquidation as described in Section 2(d)(i) above, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability:

(1) If traded on a securities exchange, the value shall be based on a formula approved by the Board of Directors and derived from the closing prices of the securities on such exchange over a specified time period;

(2) If actively traded over-the-counter, the value shall be based on a formula approved by the Board of Directors and derived from the closing bid or sales prices (whichever is applicable) of such securities over a specified time period; and

(3) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(B) 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 or former affiliate) shall be to make an appropriate discount from the market value determined as specified above in Section 2(d)(ii)(A) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

(e) **Notice of Liquidation Transaction.** The Corporation shall give each holder of record of Preferred Stock written notice of any impending Liquidation Transaction not later than 10 days prior to the stockholders' meeting called to approve such Liquidation Transaction, or 10 days prior to the closing of such Liquidation Transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such Liquidation Transaction. The first of such notices shall describe the material terms and conditions of the impending Liquidation Transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. Unless such notice requirements are waived, the Liquidation Transaction shall not take place sooner than 10 days after the Corporation has given the first notice provided for herein or sooner than 10 days after the Corporation has given notice of any material changes provided for herein. Notwithstanding the other provisions of this Restated Certificate, all notice periods or notice requirements in this Restated Certificate may be shortened or waived, either before or after the action for which notice is required, upon the vote or written consent of the holders of a majority of the outstanding shares of Preferred Stock that are entitled to such notice rights, voting as a single class on an as-converted basis.

(f) **Effect of Noncompliance.** In the event the requirements of Section 2(e) are not complied with, the Corporation shall forthwith either cause the closing of the Liquidation Transaction to be postponed until the requirements of this Section 2 have been complied with, or cancel such Liquidation Transaction, in which event the rights, preferences, privileges and restrictions of the holders of Preferred Stock shall revert to and be the same as such rights, preferences, privileges and restrictions existing immediately prior to the date of the first notice referred to in Section 2(e).

(g) **Allocation of Escrow and Contingent Consideration.** In the event of a Liquidation Transaction pursuant to Section 2(d), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "Additional Consideration"), the definitive agreement for such Liquidation Transaction 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 Sections 2(a) and 2(b) as if the Initial Consideration were the only consideration payable in connection with such Liquidation Transaction 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 Sections 2(a) and 2(b) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2(g), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Liquidation Transaction shall be deemed to be Additional Consideration.

(h) **Deemed Liquidation Redemption**. In the event of deemed liquidation under Section 2(d) above that is an Asset Sale, if the Corporation does not effect a dissolution of the Corporation under the Delaware General Corporation Law within ninety (90) days after such Asset Sale, then:

(i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Asset Sale advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of clause (ii) to require the redemption of such shares of Preferred Stock, and

(ii) if the holders of at least sixty-five percent (65%) of the then outstanding shares of Preferred Stock (voting together as a single class on an as-converted basis) so request in a written instrument delivered to the Corporation not later than 120 days after such Asset Sale, the Corporation shall use the consideration received by the Corporation for such Asset Sale (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors), together with any other assets of the Corporation available for distribution to its stockholders, which assets shall be used for no other corporate purposes in each case except to the extent prohibited by the Delaware General Corporation Law governing distributions to stockholders (the "Available Proceeds") on the 150th day after such Asset Sale to redeem all outstanding shares of Preferred Stock at the liquidation preference specified in Section 2(a) herein.

Notwithstanding the foregoing, in the event of a redemption pursuant to this Section 2(h), if the Available Proceeds are insufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem each holder's shares of Preferred Stock ratably based on the total amount payable in respect of such holder's Preferred Stock in proportion to the total amount so payable in respect of all shares of Preferred Stock, to the fullest extent of such Available Proceeds, and shall redeem the remaining shares as soon as it may lawfully do so under the Delaware General Corporation Law of Delaware governing distributions to stockholders.

3. Redemption. The Preferred Stock is not mandatorily redeemable.

4. Conversion. The holders of shares Preferred Stock shall be entitled to conversion rights as follows:

(a) **Right to Convert.** Subject to Section 4(c), each share of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, and Series D 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 such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (i) $0.8708 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) in the case of the Series Seed Preferred Stock, (ii) $1.0635 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) in the case of the Series A Preferred Stock, (iii) $1.666089 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) in the case of the Series B Preferred Stock, (iv) $3.599299 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) in the case of the Series C Preferred Stock, (v) $3.612413 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) in the case of the Series C-1 Preferred Stock, and (vi) $9.000295 (as adjusted for any stock splits, stock dividends, combinations,

subdivisions, recapitalizations or the like) in the case of the Series D Preferred Stock, by the Conversion Price applicable to such shares (each such conversion rate for a series of Preferred Stock into Common Stock is referred to herein as the "Conversion Rate" with regard to such series), determined as hereafter provided, in effect on (A) the date the certificate is surrendered for conversion or (B) in the case of uncertificated securities, the date the notice of conversion is received by the Corporation. The initial "Conversion Price" shall be $0.8708 per share in the case of the Series Seed Preferred Stock, $1.0635 per share in the case of the Series A Preferred Stock, $1.666089 per share in the case of Series B Preferred Stock, $3.599299 per share in the case of the Series C Preferred Stock, $3.612413 per share in the case of the Series C-1 Preferred Stock, and $9.000295per share in the case of the Series D Preferred Stock. Such initial Conversion Prices shall be subject to adjustment as set forth in Section 4(d) below.

(b) **Automatic Conversion.** Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate then in effect for such share immediately upon the earlier of (i) except as provided below in Section 4(c), the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended (the "Securities Act") the public offering price of which is not less than $13.451340 per share (as adjusted for stock splits, stock dividends, reclassification and the like) and which results in aggregate cash proceeds to the Corporation of not less than $150,000,000, net of underwriting discounts and commissions (a "Qualified IPO"), or (ii) the date specified by vote or written consent of the holders of at least 65% of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis and the vote or written consent of the holders of at least a majority of the shares of Series D Preferred Stock, voting separately as a single class.

(c) **Mechanics of Conversion.** Before any holder of Preferred Stock shall be entitled to convert such Preferred Stock into shares of Common Stock, the holder shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the shares of Common Stock are to be issued and, in the case of Preferred Stock represented by a certificate, the holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such series of Preferred Stock. The Corporation shall, as soon as practicable thereafter, 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 or, upon request in the case of uncertificated securities, a notice of issuance, for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of certificates, or in the case of uncertificated securities, on the date such notice of conversion is received by the Corporation, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with a firm commitment underwritten public offering of securities, the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event any persons entitled to receive Common Stock upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(d) **Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations.** The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(i) **Issuance of Additional Stock Below Purchase Price.** If the Corporation should issue, at any time after the date upon which any shares of Series D Preferred Stock were first issued (the "Purchase Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for the Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, and Series D Preferred Stock, as applicable, in effect immediately prior to the issuance of such Additional Stock (as adjusted for stock splits, stock dividends, reclassification and the like), the Conversion Price for such series in effect immediately prior to each such issuance shall automatically be adjusted as set forth in this Section 4(d)(i), unless otherwise provided in this Section 4(d)(i).

(A) **Adjustment Formula.** Whenever the Conversion Price is adjusted pursuant to this Section 4(d)(i), the new Conversion Price shall be determined by multiplying the Conversion Price then in effect by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (the "Outstanding Common") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and (y) the denominator of which shall be the number of shares of Outstanding Common plus the number of shares of such Additional Stock. For purposes of the foregoing calculation, the term "Outstanding Common" shall include shares of Common Stock deemed issued pursuant to Section 4(d)(i)(E) below.

(B) **Definition of "Additional Stock".** For purposes of this Section 4(d)(i), "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 4(d)(i)(E)) by the Corporation after the Purchase Date, other than:

(1) securities issued pursuant to stock splits, stock dividends or similar transactions, as described in Section 4(d)(ii) hereof;

(2) securities issuable upon conversion, exchange or exercise of convertible, exchangeable or exercisable securities outstanding as of the Purchase Date including, without limitation, warrants, notes or options;

(3) Common Stock (or options therefor) issued or issuable to employees, consultants, officers or directors of the Corporation pursuant to stock option plans or restricted stock plans or agreements approved by the Board of Directors, including at least one of the Preferred Directors (as defined below);

(4) Common Stock issued or issuable in a Qualified IPO;

(5) securities issued or issuable in connection with the bona fide acquisition by the Corporation of another company (by merger, consolidation, reorganization, the purchase of substantially all the assets of or more than 50% of the voting securities held by such entity) approved by the Board of Directors, including (A) at least one of the Preferred Directors when there are two or fewer Preferred Directors in office, or (B) a majority of the Preferred Directors when there are more than two Preferred Directors in office;

(6) securities issued or issuable to financial institutions, equipment lessors, brokers or similar persons in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or similar transactions, which arrangement is primarily for non-equity financing purposes, and which is approved by the Board of Directors, including (A) at least one of the Preferred Directors when there are two or fewer Preferred Directors in office, or (B) a majority of the Preferred Directors when there are more than two Preferred Directors in office;

(7) securities issued or issuable to an entity as a component of any business relationship with such entity primarily for the purpose of (A) joint venture, technology licensing or development activities, (B) distribution, supply or manufacture of the Corporation's products or services or (C) any other arrangements involving corporate partners that are primarily for purposes other than raising capital, the terms of which business relationship with such entity are approved by the Board of Directors, including a (A) at least one of the Preferred Directors when there are two or fewer Preferred Directors in office, or (B) a majority of the Preferred Directors when there are more than two Preferred Directors in office; and

(8) Common Stock issued or issuable upon conversion of the Preferred Stock; and,

(9) securities issued or issuable in any other transaction in which exemption from these price-based antidilution provisions is approved before or after issuance of the securities by (i) the affirmative vote of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, (ii) with respect only to the exemption of the Series C Preferred Stock from these price-based antidilution provisions, the affirmative vote of at least a majority of the then-outstanding shares of Series C Preferred Stock, voting as a separate class, (iii) with respect only to the exemption of the Series C-1 Preferred Stock from these price-based antidilution provisions, the affirmative vote of at least a majority of the then outstanding shares of the Series C-1 Preferred Stock, voting as a separate class, and (iv) with respect only to the exemption of the Series D Preferred Stock from these price-based antidilution provisions, the affirmative vote of at least a majority of the then outstanding shares of the Series D Preferred Stock, voting as a separate class.

(C) **No Fractional Adjustments.** No adjustment of the Conversion Price for any Preferred Stock shall be made in an amount less than one cent per share (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three years from the date of the event giving rise to the adjustment being carried forward.

(D) **Determination of Consideration.** In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof. In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(E) **Deemed Issuances of Common Stock.** In the case of the issuance of securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (the "Common Stock Equivalents"), the following provisions shall apply for all purposes of this Section 4(d)(i):

(1) The aggregate maximum number of shares of Common Stock deliverable upon conversion, exchange or exercise (assuming the satisfaction of any conditions to convertibility, exchangeability or exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) of any Common Stock Equivalents and subsequent conversion, exchange or exercise thereof shall be deemed to have been issued at the time such securities were issued or such Common Stock Equivalents were issued and for a

consideration equal to the consideration, if any, received by the Corporation for any such securities and related Common Stock Equivalents (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion, exchange or exercise of any Common Stock Equivalents (the consideration in each case to be determined in the manner provided in Section 4(d)(i)(D)).

(2) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon conversion, exchange or exercise of any Common Stock Equivalents, other than a change resulting from the antidilution provisions thereof, the Conversion Price of any series of Preferred Stock, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the conversion, exchange or exercise of such Common Stock Equivalents.

(3) Upon the termination or expiration of the convertibility, exchangeability or exercisability of any Common Stock Equivalents, the Conversion Price of any series of Preferred Stock, to the extent in any way affected by or computed using such Common Stock Equivalents, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and Common Stock Equivalents that remain convertible, exchangeable or exercisable) actually issued upon the conversion, exchange or exercise of such Common Stock Equivalents.

(4) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Section 4(d)(i)(D) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 4(d)(i)(E)(2) or (3).

(F) **No Increased Conversion Price.** Notwithstanding any other provisions of this Section 4(d)(i), except to the limited extent provided for in Sections 4(d)(i)(E)(2) and (3), no adjustment of the Conversion Price pursuant to this Section 4(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(ii) **Stock Splits and Dividends.** In the event the Corporation should at any time after the filing date of this Restated Certificate 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 Common Stock Equivalents without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (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), the Conversion Price of each series of Preferred Stock that is convertible into Common Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section 4(d)(i)(E).

(iii) **Reverse Stock Splits.** If the number of shares of Common Stock outstanding at any time after the filing date of this Restated Certificate is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such reverse split, the Conversion Price for each series of Preferred Stock that is convertible into Common Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) **Other Distributions.** In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 4(d)(i) or in Section 4(d)(ii), then, in each such case for the purpose of this Section 4(e), the holders of each series of Preferred Stock that is convertible into Common Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution (or the date of such distribution if no record date is fixed).

(f) **Recapitalizations.** If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in Section 2 or this Section 4), provision shall be made so that the holders of each series of Preferred Stock that is convertible into Common Stock shall thereafter be entitled to receive upon conversion of such Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled in connection with such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of such Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of such Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(g) **No Fractional Shares and Certificate as to Adjustments.**

(i) No fractional shares shall be issued upon the conversion of any share or shares of Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded down to the nearest whole share. The number of shares issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion. If the conversion would result in any fractional share, the Corporation shall, in lieu of issuing any such fractional share, pay the holder thereof an amount in cash equal to the fair market value of such fractional share on the date of conversion, as determined in good faith by the Board of Directors.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Preferred Stock pursuant to this Section 4, 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 such 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 such Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock 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 such series of Preferred Stock.

(h) **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 (other than a cash 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 mail to each holder of Preferred Stock, at least 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.

(i) **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 each series of Preferred Stock that is convertible into Common 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 such series of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of such series of Preferred Stock, in addition to such other remedies as shall be available to the holder of such 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 purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate.

(j) **Notices.** Any notice required by the provisions of this Section 4 to be given to the holders of shares of Preferred Stock shall be deemed given if deposited in the U.S. mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Voting Rights.

(a) **General Voting Rights**. Except as expressly provided by this Restated Certificate or as provided by law, the holders of Preferred Stock shall have the same voting rights as the holders of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and the holders of Common Stock and the holders of Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, and Series D Preferred Stock shall vote together as a single class on all matters. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock could be converted. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) **Voting for the Election of Directors.**

(i) So long as 987,305 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series Seed Preferred Stock, Series A Preferred Stock and Series B Preferred Stock, collectively, are outstanding, the holders of a majority of the outstanding Series A Preferred Stock and Series B Preferred Stock, voting together as a single class on an as-converted basis, shall be entitled to vote to elect one (1) director of the Corporation at each meeting and in each written consent whereby directors of the Corporation are elected (such director, the "Series Seed/A/B Director") and shall be entitled to remove any Series Seed/A/B Director at each meeting and in each written consent of the Corporation whereby directors are removed. So long as 1,000,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series C Preferred Stock are outstanding, the holders of a majority of the outstanding Series C Preferred Stock, voting together as a separate class, shall

be entitled to vote to elect one (1) director of the Corporation at each meeting and in each written consent whereby directors of the Corporation are elected (such director, the "Series C Director) and shall be entitled to remove any Series C Director at each meeting and in each written consent of the Corporation whereby directors are removed. So long as 1,000,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series C-1 Preferred Stock are outstanding, the holders of a majority of the outstanding Series C-1 Preferred Stock, voting together as a separate class, shall be entitled to vote to elect one (1) director of the Corporation at each meeting and in each written consent whereby directors of the Corporation are elected (such director, the "Series C-1 Director). So long as 1,000,000 shares (as adjusted for stock splits, stock dividends, reclassification and the like) of Series D Preferred Stock are outstanding, the holders of a majority of the outstanding Series D Preferred Stock, voting together as a separate class, shall be entitled to vote to elect one (1) director of the Corporation at each meeting and in each written consent whereby directors of the Corporation are elected (such director, the "Series D Director", and together with the Series Seed/A/B Director, the Series C Director and the Series C-1 Director, the "Preferred Directors"). The holders of a majority of the outstanding Common Stock (voting as a separate class) shall be entitled to elect four (4) directors of this Corporation at each meeting and in each written consent whereby directors of the Corporation are elected (such directors, the "Common Directors") and shall be entitled to remove the Common Directors at each meeting and in each written consent of the Corporation whereby such director is removed. The holders of a majority of the Common Stock issued and outstanding, voting separately as a single class, and the holders of a majority of the Common Stock issuable upon a conversion of the Preferred Stock, voting separately as a single class, shall be entitled to elect one (1) director of this Corporation at each meeting and in each written consent whereby directors of the Corporation are elected (such director, the "General Director") and shall be entitled to remove the General Director at each meeting and in each written consent of the Corporation whereby such director is removed.

(ii) Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Restated Certificate, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; *provided, however*, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board's action to fill such vacancy by voting for their own designee to fill such vacancy (i) at a meeting of the Corporation's stockholders or (ii) via written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee; *provided further* that, notwithstanding the foregoing, any vacancy in the seat on the Board of Directors held by the Series C-1 Director shall be filled only by vote or written consent in lieu of a meeting of the holders of Series C-1 Preferred Stock in accordance with Subsection 5(b)(i) above, except that, for administrative convenience, the initial Series C-1 Director may be appointed by the Board of Directors in connection with the approval of the initial issuance of Series C-1 Preferred Stock without a separate action by the holders of Series C-1 Preferred Stock notwithstanding the provisions of Sections 223(a)(1) and 223(a)(2) of the Delaware General Corporation Law; *provided further* that, notwithstanding the foregoing, any vacancy in the seat on the Board of Directors held by the Series D Director shall be filled only by vote or written consent in lieu of a meeting of the holders of Series D Preferred Stock in accordance with Subsection 5(b)(i) above, except that, for administrative convenience, the initial Series D Director may be appointed by the Board of Directors in connection with the approval of the initial issuance of Series D Preferred Stock without a separate action by the holders of Series D Preferred Stock notwithstanding the provisions of Sections 223(a)(1) and 223(a)(2) of the Delaware General Corporation Law. Any director who shall have been elected by the holders of a class or series of stock may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect

such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to unanimous written consent.

(c) **Vote Limited Investor Restrictions**. Notwithstanding anything to the contrary in this Certificate of Incorporation, any shares of Common Stock or Preferred Stock held directly or indirectly (which shall include, for the avoidance of doubt, any such shares held through a subsidiary) by a Vote Limited Investor (as defined below) shall be entitled to a maximum aggregate number of votes such that the aggregate shares held directly or indirectly (which shall include, for the avoidance of doubt, any such shares held through a subsidiary) by a particular Vote Limited Investor would be entitled to no more than 4.99% of the aggregate voting power of all shares of Common Stock and Preferred Stock (or in the case of matters presented to a particular class or series of stock of the Corporation, to no more than 4.99% of the aggregate voting power of all shares of such class or series) with respect to any matter presented to the stockholders of the Corporation (or stockholders of any particular class or series of stock of the Corporation) for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting) including, for the avoidance of doubt, any election of members of the Board. For purposes of this Section 5, the term "Vote Limited Investor" shall mean any investment company registered under the Investment Company Act of 1940, as amended. The provisions of this Section 5 shall not be amended, terminated or waived without the consent of each Vote Limited Investor then holding capital stock of the Corporation.

6. Protective Provisions.

(a) So long as at least 3,000,000 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of Preferred Stock are outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least 65% of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis:

(i) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect a Liquidation Transaction or consent, agree or commit to or enter into a definitive agreement therefor;

(ii) alter or change the rights, preferences or privileges of the Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, and Series D Preferred Stock, so as to affect adversely the rights of the Series Seed Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series C-1 Preferred Stock, or Series D Preferred Stock;

(iii) declare or pay a dividend or other distribution with respect to any shares of the Corporation's capital stock;

(iv) redeem, purchase or otherwise acquire (or pay into or set aside funds for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock; *provided*, *however*, that this restriction shall not apply to (A) the repurchase of shares of Common Stock at (or below) the original cost thereof from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements either (x) in effect as of the Purchase Date, or (y) approved by the Board of Directors, including at least one of the Preferred Directors, in each case under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment, or (B) through the exercise (as approved by the Board of Directors, including at least one of the Preferred Directors) of any right of first refusal;

(v) incur or guarantee any debt (outside of the ordinary course of business) in excess of $1,000,000;

(vi) change the number of authorized directors;

(vii) amend, alter or repeal any provision of this Restated Certificate or Bylaws of the Corporation;

(viii) increase or decrease (other than by conversion) the total number of authorized shares of Preferred Stock (or any series thereof) or Common Stock;

(ix) authorize or designate, or obligate itself to issue, any other equity security, including any security (other than the series of Preferred Stock authorized by this Restated Certificate) convertible into or exercisable for any equity security, having rights, powers or preferences over, or being on a parity with, any series of Preferred Stock authorized by this Restated Certificate, including with respect to voting (other than the pari passu voting rights of Common Stock), dividends, redemption, conversion or upon liquidation;

(x) issue shares of capital stock of a subsidiary of the Corporation to any third party other than to (A) the Corporation or (B) another entity in which the Corporation owns 100% of such entity's equity securities (including all derivative securities and securities directly or indirectly convertible into, or exchangeable or exercisable for, equity securities);

(xi) initiate a sale of the Corporation's Common Stock in a public offering, whether pursuant to a registration statement under the Securities Act or by listing such Common Stock on a national securities exchange of the United States or any other country or otherwise, unless such public offering is a Qualified IPO approved by the Board of Directors; or

(xii) enter into any interested party transaction, unless approved by the disinterested members of the Board of Directors (including at least three (3) Preferred Directors elected by holders of Preferred Stock pursuant to Section 5(b)(i) above who are disinterested);

(b) So long as at least 1,000,000 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of Series C Preferred Stock are outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then-outstanding shares of Series C Preferred Stock, voting together as a separate class:

(i) increase or decrease (other than by conversion) the total number of authorized shares of Series C Preferred Stock;

(ii) redeem, purchase or otherwise acquire (or pay into or set aside funds for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock, or declare or pay a dividend or other distribution with respect to any shares of the Corporation's capital stock, unless such redemption, purchase or other acquisition, or such declaration, dividend payment or other distribution, is also made, on a pari passu basis, to each holder of Series C Preferred Stock; *provided, however*, that these restrictions shall not apply to the repurchase of shares of Common Stock at (or below) the original cost thereof from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment, or through the exercise of any right of first refusal; or

(iii) alter or change the rights, preferences or privileges of the Series C Preferred Stock so as to affect adversely the rights of the Series C Preferred Stock. For clarity, the following shall not, in and of itself, be deemed to require approval pursuant to the preceding sentence: the authorization or issuance of additional shares of Preferred Stock (including shares of one or more series of Preferred Stock) having rights senior to or on parity with the existing Preferred Stock.

(c) So long as at least 1,000,000 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of Series C-1 Preferred Stock are outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then-outstanding shares of Series C-1 Preferred Stock, voting together as a separate class:

(i) increase or decrease (other than by conversion) the total number of authorized shares of Series C-1 Preferred Stock;

(ii) redeem, purchase or otherwise acquire (or pay into or set aside funds for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock, or declare or pay a dividend or other distribution with respect to any shares of the Corporation's capital stock, unless such redemption, purchase or other acquisition, or such declaration, dividend payment or other distribution, is also made, on a pari passu basis, to each holder of Series C-1 Preferred Stock; *provided, however*, that these restrictions shall not apply to (A) the repurchase of shares of Common Stock at (or below) the original cost thereof from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements either (x) in effect as of the Purchase Date, or (y) approved by the Board of Directors, including at least one of the Preferred Directors, in each case under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment, or (b) through the exercise (as approved by the Board of Directors, including at least one of the Preferred Directors) of any right of first refusal; or

(iii) alter or change the rights, preferences or privileges of the Series C-1 Preferred Stock so as to affect adversely the rights of the Series C-1 Preferred Stock. For clarity, but without limiting the effect of Subsection 6(a)(ix) above, the following shall not, in and of itself, be deemed to require approval pursuant to the preceding sentence: the authorization or issuance of additional shares of Preferred Stock (including shares of one or more series of Preferred Stock) having rights senior to or on parity with the existing Preferred Stock.

(d) So long as at least 1,000,000 shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like) of Series D Preferred Stock are outstanding, the Corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then-outstanding shares of Series D Preferred Stock, voting together as a separate class:

(i) alter or change the rights, preferences or privileges of the Series D Preferred Stock so as to affect adversely the rights of the Series D Preferred Stock. For clarity, but without limiting the effect of Subsection 6(a)(ix) above, the following shall not, in and of itself, be deemed to require approval pursuant to the preceding sentence: the authorization or issuance of additional shares of Preferred Stock (including shares of one or more series of Preferred Stock) having rights senior to or on parity with the existing Preferred Stock;

(ii) increase or decrease (other than by conversion) the total number of authorized shares of Series D Preferred Stock;

(iii) redeem, purchase or otherwise acquire (or pay into or set aside funds for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock, or declare or pay a dividend or other distribution with respect to any shares of the Corporation's capital stock, unless such redemption, purchase or other acquisition, or such declaration, dividend payment or other distribution, is also made, on a pari passu basis, to each holder of Series D Preferred Stock; *provided*, *however*, that these restrictions shall not apply to (A) the repurchase of shares of Common Stock at (or below) the original cost thereof from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements either (x) in effect as of the Purchase Date, or (y) approved by the Board of Directors, including at least one of the Preferred Directors, in each case under which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment, or (b) through the exercise (as approved by the Board of Directors, including at least one of the Preferred Directors) of any right of first refusal; or

(iv) amend or alter the definition of Qualified IPO to reduce the dollar thresholds included in the definition.

7. Status of Converted Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by the Corporation. This Restated Certificate shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock.

(C) **Common Stock.**

1. **Dividend Rights.** Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. **Liquidation Rights.** Upon the liquidation, dissolution or winding up of the Corporation, or the occurrence of a Liquidation Transaction, the assets of the Corporation shall be distributed as provided in Section 2 of Article IV(B).

3. **Redemption.** The Common Stock is not mandatorily redeemable.

4. **Voting Rights.** Each holder of Common Stock shall have the right to one vote per share of Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of stock of the Corporation representing a majority of the votes represented by all outstanding shares of stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.

ARTICLE V

Except as otherwise set forth herein, the Board of Directors of the Corporation is expressly authorized to make, alter or repeal Bylaws of the Corporation.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

(A) To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

(B) The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

(C) Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation. Furthermore, no Fund (as defined below) shall be liable to the Corporation for any claim arising out of, or based upon, (i) the investment by the Fund in any entity competitive with the Corporation or (ii) actions taken by any advisor, partner, officer, or other representative of the Fund to assist any such competive entity or otherwise. A "Fund" is an entity that is a holder of Preferred Stock and that is primarily in the business of investing in other entities, or an entity that manages such entity.

ARTICLE IX

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court located within the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal district court of the District of Delaware, in all cases subject to the court's having

personal jurisdiction over the indispensable parties named as defendants) shall be the sole and exclusive forum for (A) any derivative action or proceeding brought on behalf of the Corporation, (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, (C) any action or proceeding asserting a claim against the Corporation arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws or (D) any action or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine."

ARTICLE X

For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under the Corporation's Certificate of Incorporation from employees, officers, directors or consultants of the Corporation in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board of Directors (in addition to any other consent required under the Corporation's Certificate of Incorporation), such repurchase may be made without regard to any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined therein) shall be deemed to be zero (0).

* * *

The foregoing Amended and Restated Certificate of Incorporation has been duly adopted by this corporation's Board of Directors and stockholders in accordance with the applicable provisions of Sections 228, 242 and 245 of the Delaware General Corporation Law.

Executed at San Carlos, California, on December 28, 2018.

/s/ David Girouard
David Girouard, President

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
UPSTART HOLDINGS, INC.

Upstart Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (the "***Corporation***"), certifies that:

1. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on December 9, 2013.

2. This Certificate of Amendment to the Amended and Restated Certificate of Incorporation was duly adopted by the Corporation's directors and stockholders in accordance with the applicable provisions of Sections 228 and 242 of the Delaware General Corporation Law.

3. Article IV, Section 4(b) of the Amended and Restated Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

"Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate then in effect for such share immediately upon the earlier of (i) except as provided below in Section 4(c), the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended (the "Securities Act") the public offering price of which is not less than $13.451340 per share (as adjusted for stock splits, stock dividends, reclassification and the like) and which results in aggregate cash proceeds to the Corporation of not less than $75,000,000, net of underwriting discounts and commissions (a "Qualified IPO"), or (ii) the date specified by vote or written consent of the holders of at least 65% of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis and the vote or written consent of the holders of at least a majority of the shares of Series D Preferred Stock, voting separately as a single class."

IN WITNESS WHEREOF, Upstart Holdings, Inc. has caused this Certificate of Amendment to be signed by its chief executive officer this 27th day of November, 2020.

By: /s/ Dave Girouard
Name: Dave Girouard
Title: Chief Executive Officer

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF

UPSTART HOLDINGS, INC.

a Delaware corporation

Upstart Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Company**"), does hereby certify as follows:

A. The original Certificate of Incorporation of the Company was filed with the Secretary of State of the State of Delaware on December 9, 2013.

B. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "**DGCL**") by the Board of Directors of the Company (the "**Board of Directors**") and has been duly approved by the written consent of the stockholders of the Company in accordance with Section 228 of the DGCL.

C. The text of the Amended and Restated Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I

The name of the Company is Upstart Holdings, Inc.

ARTICLE II

The address of the Company's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The nature of the business or purposes to be conducted or promoted by the Company is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

Section 1. This Company is authorized to issue two classes of stock, to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of stock that the Company shall have authority to issue is 770,000,000 shares, of which 700,000,000 shares are Common Stock, $0.0001 par value per share, and 70,000,000 shares are Preferred Stock, $0.0001 par value per share.

Section 2. Each share of Common Stock outstanding as of the applicable record date shall entitle the holder thereof to one (1) vote on any matter submitted to a vote at a meeting of stockholders.

Section 3. The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of any series of Preferred Stock, including, without limitation, authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing. The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in this Amended and Restated Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. Except as may be otherwise specified by the terms of any series of Preferred Stock, if the number of shares of any series of Preferred Stock is so decreased, then the Company shall take all such steps as are necessary to cause the shares constituting such decrease to resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

Section 4. Except as otherwise required by law or provided in this Amended and Restated Certificate of Incorporation, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

Section 5. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the Company entitled to vote thereon, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote of any holders of one or more series of Preferred Stock is required pursuant to the terms of any certificate of designation relating to any series of Preferred Stock, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V

Section 1. Subject to the rights of holders of Preferred Stock, the number of directors that constitutes the entire Board of Directors of the Company shall be fixed only by resolution of the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board. For the purposes of this Amended and Restated Certificate of Incorporation, the term "**Whole Board**" shall mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships. At each annual meeting of stockholders, directors of the Company shall be elected to hold office until the expiration of the term for which they are elected and until their successors have been duly elected and qualified or until their earlier resignation or removal; except that if any such meeting shall not be so held, such election shall take place at a stockholders' meeting called and held in accordance with the DGCL.

Section 2. From and after the effectiveness of this Amended and Restated Certificate of Incorporation, the directors of the Company (other than any who may be elected by holders of Preferred Stock under specified circumstances) shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. Directors already in office shall be assigned to each class at the time such classification becomes effective in accordance with a resolution or resolutions adopted by the Board of Directors. At the first annual meeting of stockholders following the date hereof, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the date hereof, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the date hereof, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. If the number of directors is changed, any newly created directorships or decrease in directorships shall be so apportioned hereafter among the classes as to make all classes as nearly equal in number as is practicable, *provided that* no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

ARTICLE VI

Section 1. From and after the effectiveness of this Amended and Restated Certificate of Incorporation, only for so long as the Board of Directors is classified and subject to the rights of holders of Preferred Stock, any director or the entire Board of Directors may be removed from office at any time, but only for cause, and only by the affirmative vote of the holders of at least a majority of the voting power of the issued and outstanding capital stock of the Company entitled to vote in the election of directors.

Section 2. Except as otherwise provided for or fixed by or pursuant to the provisions of ARTICLE IV hereof in relation to the rights of the holders of Preferred Stock to elect directors under specified circumstances or except as otherwise provided by resolution of a majority of the Whole Board, newly created directorships resulting from any increase in the number of directors, created in accordance with the Bylaws of the Company, and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders. A person so elected by the Board of Directors to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen until his or her successor shall have been duly elected and qualified, or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

ARTICLE VII

Section 1. The Company is to have perpetual existence.

Section 2. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by statute or by this Amended and Restated Certificate of Incorporation or the Bylaws of the Company, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Company.

Section 3. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, alter, amend or repeal the Bylaws of the Company. The affirmative vote of at least a majority of the Whole Board shall be required in order for the Board of Directors to adopt, amend, alter or repeal the Company's Bylaws. The Company's Bylaws may also be adopted, amended, altered or repealed by the stockholders of the Company. Notwithstanding the above or any other provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Company may not be amended, altered or repealed except in accordance with the provisions of the Bylaws relating to amendments to the Bylaws. No Bylaw hereafter legally adopted, amended, altered or repealed shall invalidate any prior act of the directors or officers of the Company that would have been valid if such Bylaw had not been adopted, amended, altered or repealed.

Section 4. The election of directors need not be by written ballot unless the Bylaws of the Company shall so provide.

Section 5. No stockholder will be permitted to cumulate votes at any election of directors.

ARTICLE VIII

Section 1. From and after the closing of a firm commitment underwritten initial public offering of securities of the Company pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, and subject to the rights of holders of Preferred Stock, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of stockholders of the Company and may not be effected by any consent in writing by such stockholders.

Section 2. Subject to the terms of any series of Preferred Stock, special meetings of stockholders of the Company may be called only by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, but a special meeting may not be called by any other person or persons and any power of stockholders to call a special meeting of stockholders is specifically denied. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting.

Section 3. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner and to the extent provided in the Bylaws of the Company.

ARTICLE IX

Section 1. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended from time to time, a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Section 2. Subject to any provisions in the Bylaws of the Company related to indemnification of directors of the Company, the Company shall indemnify, to the fullest extent permitted by applicable law, any director of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he or she is or was a director of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Company shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors.

Section 3. The Company shall have the power to indemnify, to the extent permitted by applicable law, any officer, employee or agent of the Company who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

Section 4. Neither any amendment nor repeal of any Section of this ARTICLE IX, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Company inconsistent with this ARTICLE IX, shall eliminate or reduce the effect of this ARTICLE IX in respect of any matter occurring, or any Proceeding accruing or arising or that, but for this ARTICLE IX, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE X

Meetings of stockholders may be held within or outside of the State of Delaware, as the Bylaws may provide. The books of the Company may be kept (subject to any provision of applicable law) outside of the State of Delaware at such place or places or in such manner or manners as may be designated from time to time by the Board of Directors or in the Bylaws of the Company.

ARTICLE XI

The Company reserves the right to amend or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; *provided, however*, that notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote, the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board and the affirmative vote of 66 2/3% of the voting power of the then outstanding voting securities of the Company, voting together as a single class, shall be required for the amendment, repeal or modification of the provisions of Section 3 of ARTICLE IV, Section 2 of ARTICLE V, Section 1 of ARTICLE VI, Section 2 of ARTICLE VI, Section 5 of ARTICLE VII, Section 1 of ARTICLE VIII, Section 2 of ARTICLE VIII, Section 3 of ARTICLE VIII or this ARTICLE XI of this Amended and Restated Certificate of Incorporation.

IN WITNESS WHEREOF, Upstart Holdings, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by the Chief Executive Officer of the Company on this ____ day of _____ 2020.

By: _____
Dave Girouard
Chief Executive Officer

Exhibit 3.4

AMENDED AND RESTATED BYLAWS OF

UPSTART HOLDINGS, INC.

(initially adopted on December 6, 2013)

(as amended on October 23, 2020; effective as of the closing of the company's initial public offering)

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BYLAWS OF UPSTART HOLDINGS, INC.

ARTICLE I

CORPORATE OFFICES

I.1 REGISTERED OFFICE

The registered office of Upstart Holdings, Inc. (the "**Company**") shall be fixed in the Company's certificate of incorporation, as the same may be amended from time to time.

I.2 OTHER OFFICES

The Company may at any time establish other offices.

ARTICLE II

MEETINGS OF STOCKHOLDERS

II.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at a place, if any, within or outside the State of Delaware, determined by the board of directors of the Company (the "**Board of Directors**"). The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Company's principal executive office.

II.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year. The Board of Directors shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders. For the purposes of these bylaws, the term "**Whole Board**" shall mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships.

II.3 SPECIAL MEETING

(a) A special meeting of the stockholders, other than as required by statute, may be called at any time by (i) the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board, (ii) the chairperson of the Board of Directors, (iii) the chief executive officer or (iv) the president, but a special meeting may not be called by any other person or persons and any power of stockholders to call a special meeting of stockholders is specifically denied. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(b) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of a majority of the Whole Board, the chairperson of the Board of Directors, the chief executive officer or the president. Nothing contained in this Section 2.3(b) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

II.4 ADVANCE NOTICE PROCEDURES

(a) *Annual Meetings of Stockholders.*

(i) Nominations of persons for election to the Board of Directors or the proposal of other business to be transacted by the stockholders at an annual meeting of stockholders may be made only (1) pursuant to the Company's notice of meeting (or any supplement thereto); (2) by or at the direction of the Board of Directors; (3) as may be provided in the certificate of designations for any class or series of preferred stock; or (4) by any stockholder of the Company who (A) is a stockholder of record at the time of giving of the notice contemplated by Section 2.4(a)(ii); (B) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the annual meeting; (C) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting; (D) is a stockholder of record at the time of the annual meeting; and (E) complies with the procedures set forth in this Section 2.4(a).

(ii) For nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (4) of Section 2.4(a)(i), the stockholder must have given timely notice in writing to the secretary and any such nomination or proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day and no later than 5:00 p.m., local time, on the 90th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders. However, if no annual meeting of stockholders was held in the preceding year, or if the date of the applicable annual meeting has been changed by more than 25 days from the first anniversary of the preceding year's annual meeting, then to be timely such notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the annual meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Company. In no event will the adjournment, rescheduling or postponement of any annual meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. If the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors at least 10 days before the last day that a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, then a stockholder's notice required by this Section 2.4(a)(ii) will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the secretary at the principal executive offices of the Company no later than 5:00 p.m., local time, on the 10th day following the day on which such public announcement is first made. "**Public announcement**" means disclosure in a press release reported by a national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934 (as amended and inclusive of rules and regulations thereunder, the "**1934 Act**").

(iii) A stockholder's notice to the secretary must set forth:

(1) as to each person whom the stockholder proposes to nominate for election as a director:

(A) such person's name, age, business address, residence address and principal occupation or employment; the class and number of shares of the Company that are held of record or are beneficially owned by such person and a description of any Derivative Instruments (defined below) held or beneficially owned thereby or of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of such person; and all information relating to such person that is required to be disclosed in solicitations of proxies for the contested election of directors, or is otherwise required, in each case pursuant to the Section 14 of the 1934 Act;

(B) such person's written consent to being named in such stockholder's proxy statement as a nominee of such stockholder and to serving as a director of the Company if elected;

(C) a reasonably detailed description of any direct or indirect compensatory, payment, indemnification or other financial agreement, arrangement or understanding that such person has, or has had within the past three years, with any person or entity other than the Company (including the amount of any payment or payments received or receivable thereunder), in each case in connection with candidacy or service as a director of the Company (a "**Third-Party Compensation Arrangement**"); and

(D) a description of any other material relationships between such person and such person's respective affiliates and associates, or others acting in concert with them, on the one hand, and such stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, and their respective affiliates and associates, or others acting in concert with them, on the other hand;

(2) as to any other business that the stockholder proposes to bring before the annual meeting:

(A) a brief description of the business desired to be brought before the annual meeting;

(B) the text of the proposal or business (including the text of any resolutions proposed for consideration and, if applicable, the text of any proposed amendment to these bylaws or the Company's certificate of incorporation);

(C) the reasons for conducting such business at the annual meeting;

(D) any material interest in such business of such stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates and associates, or others acting in concert with them; and

(E) a description of all agreements, arrangements and understandings between such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates or associates or others acting in concert with them, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and

(3) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

(A) the name and address of such stockholder (as they appear on the Company's books), of such beneficial owner and of their respective affiliates or associates or others acting in concert with them;

(B) for each class or series, the number of shares of stock of the Company that are, directly or indirectly, held of record or are beneficially owned by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

(C) a description of any agreement, arrangement or understanding between such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, and any other person or persons (including, in each case, their names) in connection with the proposal of such nomination or other business;

(D) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities (any of the foregoing, a "**Derivative Instrument**"), or any other agreement, arrangement or understanding that has been made the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for or increase or decrease the voting power of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities;

(E) any rights to dividends on the Company's securities owned beneficially by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, that are separated or separable from the underlying security;

(F) any proportionate interest in the Company's securities or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;

(G) any performance-related fees (other than an asset-based fee) that such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with, them is entitled to based on any increase or decrease in the value of the Company's securities or Derivative Instruments, including, without limitation, any such interests held by members of the immediate family of such persons sharing the same household;

(H) any significant equity interests or any Derivative Instruments in any principal competitor of the Company that are held by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

(I) any direct or indirect interest of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, in any contract with the Company, any affiliate of the Company or any principal competitor of the Company (in each case, including any employment agreement, collective bargaining agreement or consulting agreement);

(J) a representation and undertaking that the stockholder is a holder of record of stock of the Company as of the date of submission of the stockholder's notice and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting;

(K) a representation and undertaking that such stockholder or any such beneficial owner intends, or is part of a group that intends, to (x) deliver a proxy statement or form of proxy to holders of at least the percentage of the voting power of the Company's then-outstanding stock required to approve or adopt the proposal or to elect each such nominee; or (y) otherwise solicit proxies from stockholders in support of such proposal or nomination;

(L) any other information relating to such stockholder, such beneficial owner, or their respective affiliates or associates or others acting in concert with them, or director nominee or proposed business that, in each case, would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such nominee (in a contested election of directors) or proposal pursuant to Section 14 of the 1934 Act; and

(M) such other information relating to any proposed item of business as the Company may reasonably require to determine whether such proposed item of business is a proper matter for stockholder action.

(iv) In addition to the requirements of this Section 2.4, to be timely, a stockholder's notice (and any additional information submitted to the Company in connection therewith) must further be updated and supplemented, (1) if necessary, so that the information provided or required to be provided in such notice is true and correct as of the record date(s) for determining the stockholders entitled to notice of, and to vote at, the meeting and as of the date that is 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof and (2) to provide any additional information that the Company may reasonably request. Such update and supplement or additional information, if applicable, must be received by the secretary at the principal executive offices of the Company, in the case of a request for additional information, promptly following a request therefor, which response must be delivered not later than such reasonable time as is specified in any such request from the Company or, in the case of any other update or supplement of any information, not later than five business days after the record date(s) for the meeting (in the case of any update and supplement required to be made as of the record date(s)), and not later than eight business days prior to the date for the meeting or any adjournment, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof). The failure to timely provide such update, supplement or additional information shall result in the nomination or proposal no longer being eligible for consideration at the meeting.

(b) *Special Meetings of Stockholders*. Except to the extent required by the DGCL, and subject to Section 2.3(a), special meetings of stockholders may be called only in accordance with the Company's certificate of incorporation and these bylaws. Only such business will be conducted at a special meeting of stockholders as has been brought before the special meeting pursuant to the Company's notice of meeting. If the election of directors is included as business to be brought before a special meeting in the Company's notice of meeting, then nominations of persons for election to the Board of Directors at such special meeting may be made by any stockholder who (i) is a stockholder of record at the time of giving of the notice contemplated by this Section 2.4(b); (ii) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the special meeting; (iii) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the special meeting; (iv) is a stockholder of record at the time of the special meeting; and (v) complies with the procedures set forth in this Section 2.4(b). For nominations to be properly brought by a stockholder before a special meeting pursuant to this Section 2.4(b), the stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the special meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the special meeting was first made. In no event will any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice. A stockholder's notice to the Secretary must comply with the applicable notice requirements of Section 2.4(a)(iii).

(c) *Other Requirements.*

(i) To be eligible to be a nominee by any stockholder for election as a director of the Company, the proposed nominee must provide to the secretary, in accordance with the applicable time periods prescribed for delivery of notice under Section 2.4(a)(ii) or Section 2.4(b):

(1) a signed and completed written questionnaire (in the form provided by the secretary at the written request of the nominating stockholder, which form will be provided by the secretary) containing information regarding such nominee's background and qualifications and such other information as may reasonably be required by the Company to determine the eligibility of such nominee to serve as a director of the Company or to serve as an independent director of the Company;

(2) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any voting agreement, arrangement, commitment, assurance or understanding with any person or entity as to how such nominee, if elected as a director, will vote on any issue;

(3) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any Third-Party Compensation Arrangement;

(4) a written representation and undertaking that, if elected as a director, such nominee would be in compliance, and will continue to comply, with the Company's corporate governance guidelines as disclosed on the Company's website, as amended from time to time; and

(5) a written representation and undertaking that such nominee, if elected, intends to serve a full term on the Board of Directors.

(ii) At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director must furnish to the secretary the information that is required to be set forth in a stockholder's notice of nomination that pertains to such nominee.

(iii) No person will be eligible to be nominated by a stockholder for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 2.4. No business proposed by a stockholder will be conducted at a stockholder meeting except in accordance with this Section 2.4.

(iv) The chairperson of the applicable meeting of stockholders will, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws or that business was not properly brought before the meeting. If the chairperson of the meeting should so determine, then the chairperson of the meeting will so declare to the meeting and the defective nomination will be disregarded or such business will not be transacted, as the case may be.

(v) Notwithstanding anything to the contrary in this Section 2.4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear in person at the meeting to present a nomination or other proposed business, such nomination will be disregarded or such proposed business will not be transacted, as the case may be, notwithstanding that proxies in respect of such nomination or business may have been received by the Company and counted for purposes of determining a quorum. For purposes of this Section 2.4, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

(vi) Without limiting this Section 2.4, a stockholder must also comply with all applicable requirements of the 1934 Act with respect to the matters set forth in this Section 2.4, it being understood that (1) any references in these bylaws to the 1934 Act are not intended to, and will not, limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.4; and (2) compliance with clause (4) of Section 2.4(a)(i) and with Section 2.4(b) are the exclusive means for a stockholder to make nominations or submit other business (other than as provided in Section 2.4(c)(vii)).

(vii) Notwithstanding anything to the contrary in this Section 2.4, the notice requirements set forth in these bylaws with respect to the proposal of any business pursuant to this Section 2.4 will be deemed to be satisfied by a stockholder if (1) such stockholder has submitted a proposal to the Company in compliance with Rule 14a-8 under the 1934 Act; and (2) such stockholder's proposal has been included in a proxy statement that has been prepared by the Company to solicit proxies for the meeting of stockholders. Subject to Rule 14a-8 and other applicable rules and regulations under the 1934 Act, nothing in these bylaws will be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Company's proxy statement any nomination of a director or any other business proposal.

II.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

II.6 QUORUM

The holders of a majority of the voting power of the capital stock of the Company issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairperson of the meeting, or (b) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

II.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

II.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business and discussion as seem to the chairperson in order. The chairperson of any meeting of stockholders shall be designated by the Board of Directors; in the absence of such designation, the chairperson of the Board of Directors, if any, or the chief executive officer (in the absence of the chairperson of the Board of Directors) or the president (in the absence of the chairperson of the Board of Directors and the chief executive officer), or in their absence any other executive officer of the Company, shall serve as chairperson of the stockholder meeting. The chairperson of any meeting of stockholders shall have the power to adjourn the meeting to another place, if any, date or time, whether or not a quorum is present.

II.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of the stock exchange on which the Company's securities are listed, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the outstanding shares of such class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of the stock exchange on which the securities of the Company are listed.

II.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Subject to the rights of holders of preferred stock of the Company, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of stockholders of the Company and may not be effected by any consent in writing by such stockholders.

II.11 RECORD DATES

In order that the Company may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the Company may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

II.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders, or such stockholder's authorized officer, director, employee or agent, may authorize another person or persons to act for such stockholder by proxy authorized by a document or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

II.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The Company shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however,* if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

II.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the Company shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The Company may designate one or more persons as alternate inspectors to replace any inspector who fails to act.

Such inspectors shall:

(a) ascertain the number of shares outstanding and the voting power of each;

(b) determine the shares represented at the meeting and the validity of proxies and ballots;

(c) count all votes and ballots;

(d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and

(e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are multiple inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

ARTICLE III

DIRECTORS

III.1 POWERS

The business and affairs of the Company shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

III.2 NUMBER OF DIRECTORS

The Board of Directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of a majority of the Whole Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director’s term of office expires.

III.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

If so provided in the certificate of incorporation, the directors of the Company shall be divided into three classes.

III.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws or permitted in the specific case by resolution of the Board of Directors, and subject to the rights of holders of Preferred Stock, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. If the directors are divided into classes, a person so chosen to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

III.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The Board of Directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

III.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.

III.7 SPECIAL MEETINGS; NOTICE

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairperson of the Board of Directors, the chief executive officer, the president, the secretary or a majority of the Whole Board.

Notice of the time and place of special meetings shall be:

(a) delivered personally by hand, by courier or by telephone;

(b) sent by United States first-class mail, postage prepaid;

(c) sent by electronic mail; or

(d) otherwise given by electronic transmission (as defined in Section 232 of the DGCL),

directed to each director at that director's address, telephone number, electronic mail address or other contact for notice by electronic transmission, as the case may be, as shown on the Company's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by electronic mail or (iii) otherwise given by electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting, unless required by statute.

III.8 QUORUM; VOTING

At all meetings of the Board of Directors, a majority of the Whole Board shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, except as may otherwise be expressly provided herein or therein and denoted with the phrase "notwithstanding the final paragraph of Section 3.8 of the bylaws" or language to similar effect, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

III.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

III.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors.

III.11 REMOVAL OF DIRECTORS

Any director or the entire Board of Directors may be removed from office by stockholders of the Company in the manner specified in the certificate of incorporation and applicable law. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE IV

COMMITTEES

IV.1 COMMITTEES OF DIRECTORS

The Board of Directors may, by resolution passed by a majority of the Whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors or in these bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (a) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (b) adopt, amend or repeal any bylaw of the Company.

IV.2 COMMITTEE MINUTES

Each committee and subcommittee shall keep regular minutes of its meetings.

IV.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees and subcommittees shall be governed by, and held and taken in accordance with, the provisions of:

(a) Section 3.5 (place of meetings and meetings by telephone);

(b) Section 3.6 (regular meetings);

(c) Section 3.7 (special meetings and notice);

(d) Section 3.8 (quorum; voting);

(e) Section 3.9 (action without a meeting); and

(f) Section 7.4 (waiver of notice)

with such changes in the context of those bylaws as are necessary to substitute the committee or subcommittee and its members for the Board of Directors and its members. However, (i) the time and place of regular meetings of committees or subcommittees may be determined either by resolution of the Board of Directors or by resolution of the committee or subcommittee; (ii) special meetings of committees or subcommittees may also be called by resolution of the Board of Directors or the committee or the subcommittee; and (iii) notice of special meetings of committees and subcommittees shall also be given to all alternate members who shall have the right to attend all meetings of the committee or subcommittee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

IV.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V

OFFICERS

V.1 OFFICERS

The officers of the Company shall be a president and a secretary. The Company may also have, at the discretion of the Board of Directors, a chairperson of the Board of Directors, a vice chairperson of the Board of Directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

V.2 APPOINTMENT OF OFFICERS

The Board of Directors shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

V.3 SUBORDINATE OFFICERS

The Board of Directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers as the business of the Company may require. Each of such officers shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board of Directors may from time to time determine.

V.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board of Directors or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof or by any officer who has been conferred such power of removal.

Any officer may resign at any time giving notice, in writing or by electronic transmission, to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

V.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Company shall be filled by the Board of Directors or as provided in Section 5.3.

V.6 REPRESENTATION OF SECURITIES OF OTHER ENTITIES

The chairperson of the Board of Directors, the chief executive officer, the president, any vice president, the treasurer, the secretary or assistant secretary of this Company or any other person authorized by the Board of Directors or the chief executive officer, the president or a vice president, is authorized to vote, represent and exercise on behalf of this Company all rights incident to any and all shares or other securities of any other entity or entities, and all rights incident to any management authority conferred on the Company in accordance with the governing documents of any entity or entities, standing in the name of this Company, including the right to act by written consent. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

V.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the Company shall respectively have such authority and perform such duties in the management of the business of the Company as may be designated from time to time by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

ARTICLE VI

STOCK

VI.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the Company shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Unless otherwise provided by resolution of the Board of Directors, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Company by any two officers of the Company representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a digitally signed. In case any officer, transfer agent or registrar who has signed or whose digital signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the Company in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the Company shall declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

VI.2 SPECIAL DESIGNATION ON CERTIFICATES

If the Company is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Company shall issue to represent such class or series of stock; *provided, however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Company shall issue to represent such class or series of stock, a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 156, 202(a), 218(a) or 364 of the DGCL or with respect to this Section 6.2 a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

VI.3 LOST CERTIFICATES

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

VI.4 DIVIDENDS

The Board of Directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation. The Board of Directors may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

VI.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

VI.6 STOCK TRANSFER AGREEMENTS

The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

VI.7 REGISTERED STOCKHOLDERS

The Company:

(a) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and notices and to vote as such owner; and

(b) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

MANNER OF GIVING NOTICE AND WAIVER

VII.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders shall be given in the manner set forth in the DGCL.

VII.2 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice. This Section 7.2 shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

VII.3 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

VII.4 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII

INDEMNIFICATION

VIII.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

VIII.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE COMPANY

Subject to the other provisions of this Article VIII, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

VIII.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer (for purposes of this Section 8.3 only, as such term is defined in Section 145(c)(1) of the DGCL) of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. The Company may indemnify any other person who is not a present or former director or officer of the Company against expenses (including attorneys' fees) actually and reasonably incurred by such person to the extent he or she has been successful on the merits or otherwise in defense of any suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein.

VIII.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the Company shall have power to indemnify its employees and agents, or any other persons, to the extent not prohibited by the DGCL or other applicable law. The Board of Directors shall have the power to delegate to any person or persons identified in subsections (1) through (4) of Section 145(d) of the DGCL the determination of whether employees or agents shall be indemnified.

VIII.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other employees and agents of the Company or by persons serving at the request of the Company as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Company deems appropriate. The right to advancement of expenses shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 8.6(b) or 8.6(c) prior to a determination that the person is not entitled to be indemnified by the Company.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the Company to an officer of the Company (except by reason of the fact that such officer is or was a director of the Company, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (a) by a vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (b) by a committee of such directors designated by the vote of the majority of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person did not act in good faith or in a manner that such person reasonably believed to be in, or not opposed to, the best interests of the Company.

VIII.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the Company shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Company, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Board of Directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise required to be made under Section 8.7 or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

VIII.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the Company of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Company shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the Company under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Company shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

VIII.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

VIII.9 INSURANCE

The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

VIII.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

VIII.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to or repeal or elimination of the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

VIII.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "**Company**" shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving company as such person would have with respect to such constituent company if its separate existence had continued. For purposes of this Article VIII, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this Article VIII.

ARTICLE IX

GENERAL MATTERS

IX.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the Company; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

IX.2 FISCAL YEAR

The fiscal year of the Company shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

IX.3 SEAL

The Company may adopt a corporate seal, which shall be adopted and which may be altered by the Board of Directors. The Company may use the corporate seal by causing it or a digital version thereof to be impressed or affixed or in any other manner reproduced.

IX.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "**person**" includes a corporation, partnership, limited liability company, joint venture, trust or other enterprise, and a natural person. Any reference in these bylaws to a section of the DGCL shall be deemed to refer to such section as amended from time to time and any successor provisions thereto.

IX.5 FORUM SELECTION

Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, stockholder, officer or other employee of the Company to the Company or the Company's stockholders, (c) any action arising pursuant to any provision of the DGCL or the certificate of incorporation or these bylaws (as either may be amended from time to time) or (d) any action asserting a claim governed by the internal affairs doctrine, except for, as to each of (a) through (d) above, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction.

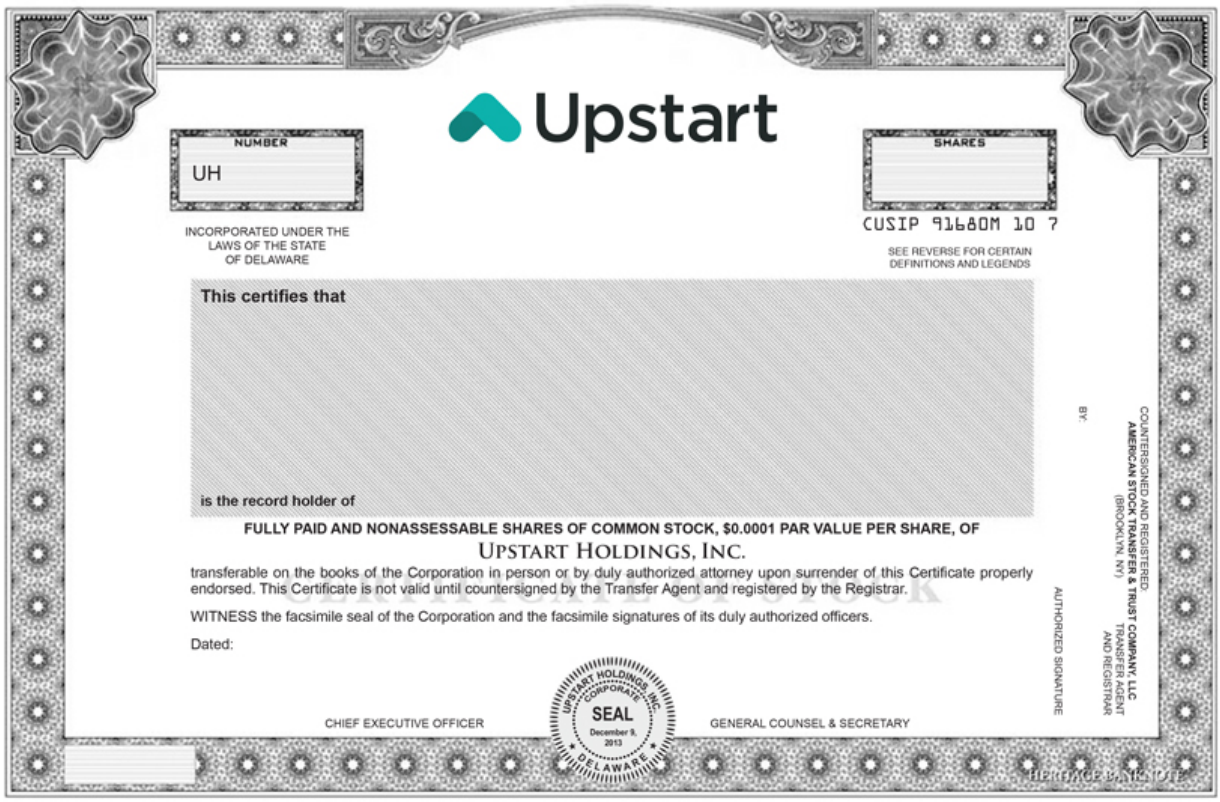
Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Company shall be deemed to have notice of and consented to the provisions of this Section 9.5. For the avoidance of doubt, nothing contained in this Section 9.5 shall apply to any action brought to enforce a duty or liability created by the 1934 Act or any successor thereto.

ARTICLE X

AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the affirmative vote of the holders of at least 66 2/3% of the total voting power of outstanding voting securities, voting together as a single class, shall be required for the stockholders of the Company to alter, amend or repeal, or adopt any bylaw inconsistent with, the following provisions of these bylaws: Article II, Section 3.1, Section 3.2, Section 3.4, Section 3.11 of Article III, Article VIII, Section 9.5 of Article IX or this Article X (including, without limitation, any such Article or Section as renumbered as a result of any amendment, alteration, change, repeal, or adoption of any other bylaw). The Board of Directors shall also have the power to adopt, amend or repeal bylaws; provided, however, that a bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board of Directors.


Upstart
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INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SEE REVERSE FOR CERTAIN DEFINITIONS AND LEGENDS
This certifies that
is the record holder of
FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, $0.0001 PAR VALUE PER SHARE, OF
UPSTART HOLDINGS, INC.
transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
Dated:
CHIEF EXECUTIVE OFFICER
SEAL
December 9, 2013
GENERAL COUNSEL & SECRETARY
BY:
AUTHORIZED SIGNATURE
COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(BROOKLYN, NY)
TRANSFER AGENT AND REGISTRAR
HERITAGE BANKNOTE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN,OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common
COM PROP	–	as community property

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act.....
(State)

UNIF TRF MIN ACT – ..... Custodian (until age .....)
(Cust)
..... under Uniform Transfers
(Minor)
to Minors Act.....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares
of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact
to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDIALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE COMMON STOCK

Company: UPSTART HOLDINGS, INC.
Number of Shares of Common Stock:
Warrant Price:
Issue Date:
Expiration Date: See also Section 5.1(b).
Credit Facility: This Warrant to Purchase Common Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith between _____ and the Company (the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, _____ (together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated common stock (the "**Common Stock**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Section 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's Common Stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**"), the fair market value of a Share shall be the closing price or last sale price of a share of Common Stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's Common Stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. 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, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company[/Repurchase Option].

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization; or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power[; *provided*, that an Acquisition shall not include any transaction or series of bona fide equity financing transactions principally for capital raising purposes in which cash is received by the Company or any successor, or indebtedness of the Company is cancelled or converted, or any combination thereof].

[(b) Repurchase Option. Upon the closing of any Acquisition or IPO, Holder may, in its sole discretion, require the Company repurchase this Warrant in its entirety for an aggregate purchase price equal to (i) Five Hundred Thousand Dollars ($500,000) if such Acquisition or IPO occurs prior to the date that is twelve (12) months from the Issue Date, (ii) One Million Dollars ($1,000,000) if such Acquisition or IPO occurs on or after the date that is twelve (12) months from the Issue Date but prior to the date that is twenty-four (24) months from the Issue Date, or (iii) One Million Five Hundred Thousand Dollars ($1,500,000) if such Acquisition or IPO occurs on or after the date that is twenty-four (24) months from the Issue Date (the "**Repurchase Option**"). Holder shall provide the Company with written notice of its decision to exercise the Repurchase Option which is to be delivered to the Company not more than (A) in connection with an Acquisition, thirty (30) days after Holder receives notice from the Company of the closing of any Acquisition, or (B) in connection with an IPO, ten (10) Business Days after the date on which the Company's IPO price per share of Common Stock is confirmed by the underwriter of such IPO. For purpose of clarity, the Repurchase Option shall not apply to shares issued upon exercise of this Warrant, and in the event of a partial exercise of this Warrant, the repurchase amounts set forth above shall be reduced accordingly on a pro rata basis. The Repurchase Option shall automatically terminate on the first to occur of (i) the next calendar day immediately following the date on which Holder is required to notify the Company of any decision to exercise the Repurchase Option in accordance with the terms set forth in Section 1.6(b)(A) above and (ii) the next calendar day immediately following the date on which Holder is required to notify the Company of any decision to exercise the Repurchase Option in accordance with the terms set forth in Section 1.6(b)(B) above.]

[(b)][(c)] Treatment of Warrant at Acquisition. In the event of an Acquisition in which[, Holder does not elect to exercise the Repurchase Option, and] the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), and the fair market value of one Share as determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date immediately prior to such Cash/Public Acquisition, and Holder has not exercised this Warrant pursuant to Section 1.1 above as to all Shares, then this Warrant shall automatically be deemed to be Cashless Exercised pursuant to Section 1.2 above as to all Shares effective immediately prior to and contingent upon the consummation of a Cash/Public Acquisition. In connection with such Cashless Exercise, Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as of the date thereof and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon exercise. In the event of a Cash/Public Acquisition where the fair market value of one Share as determined in accordance with Section 1.3 above would be less than the Warrant Price in effect immediately prior to such Cash/Public Acquisition, then this Warrant will expire immediately prior to the consummation of such Cash/Public Acquisition.

[(c)][(d)] [If Holder elects not to exercise the Repurchase Option, upon] the closing of any Acquisition other than a Cash/Public Acquisition defined above, the acquiring, surviving or successor entity shall assume the obligations of this Warrant, and this Warrant shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

[(d)][(e)] As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Common Stock payable in securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Common Stock by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Common Stock are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Common Stock are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations, substitutions, replacements or other similar events.

2.3 Intentionally Omitted.

2.4 Intentionally Omitted.

2.5 No Fractional Share. No fractional Share 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 the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Common Stock and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer or Chief Executive Officer, including computations of such adjustment and the Warrant Price, class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Company's Common Stock were last valued in the most recent 409a valuation occurring prior to the Issue Date.

(b) All Shares which may be issued upon the exercise of this Warrant, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of securities as will be sufficient to permit the exercise in full of this Warrant.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Company's stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Company's stock any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Common Stock;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect its initial, underwritten offering and sale of its securities to the public pursuant to an effective registration statement under the Act (the "**IPO**"); then, in connection with each such event, the Company shall give Holder:

(1) in the case of the matters referred to in (a) and (b) above, at least seven (7) Business Days prior written notice of the earlier to occur of the effective date thereof or 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 outstanding shares of the Common Stock will be entitled thereto) or for determining rights to vote, if any,

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event and such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such event giving rise to the notice); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements. Holder agrees that any information provided to Holder by the Company pursuant to this Warrant (including, without limitation, pursuant to this Section 3.2) may be confidential[, and Holder agrees that, with respect to any such confidential information received by Holder pursuant to this Warrant, Holder will be bound by the confidentiality provisions of Section 12.10 of the Loan Agreement, which such provision is hereby incorporated by reference. For the avoidance of doubt, Holder hereby acknowledges and agrees that no future termination of such Section 12.10 of the Loan Agreement shall in any way affect the foregoing obligations of Holder set forth in the previous sentence].

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the Shares to be acquired upon exercise of this Warrant by Holder are being 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 Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and 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. 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 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.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities 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 its underlying securities 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 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 Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the 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. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the 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 Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Lock-Up Agreement provisions in Section 1.14 of the Investors' Rights Agreement or similar agreement.

4.7 No Voting or Other Stockholder Rights. Except as set forth herein, Holder, as a Holder of this Warrant, will not have any voting rights or other rights as a stockholder until the exercise of this Warrant.

[4.8 Disqualification. As of the Issue Date, neither Holder, nor any person or entity with which Holder shares beneficial ownership of Company securities, is subject to any of the "bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of the Act. If, following the Issue Date, Holder, or any person or entity with which Holder shares beneficial ownership of Company securities, becomes subject to such disqualifications, Holder shall endeavor in good faith to notify the Company of such disqualifications but any failure to do so shall not give rise to any liability on the part of Holder, or any person or entity with which Holder shares beneficial ownership of Company securities.]

SECTION 5. MISCELLANEOUS.

5.1 Term and Automatic Conversion Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Pacific time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. The Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

> THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE COMMON STOCK ISSUED BY THE ISSUER TO _____ DATED _____, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in 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 Holder to provide an opinion of counsel if the transfer is to or any affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. Subject to the provisions of Section 5.3 and upon providing the Company with written notice, _____ and any subsequent Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable directly or indirectly, upon conversion of the Shares, if any) to any transferee, provided, however, in connection with any such transfer, _____ or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable); and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Address:

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

Upstart Holdings, Inc.

***

With a copy to (which shall not constitute notice):

***

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorney's Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which _____ is closed.

[Remainder of page left blank intentionally]
[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Common Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

UPSTART HOLDINGS, INC.

By: _____
Name: David Girouard
(Print)
Title: Chief Executive Officer

"HOLDER"

By: _____

Name: _____
(Print)
Title:

Exhibit 5.1

WILSON SONSINI

Wilson Sonsini Goodrich & Rosati
Professional Corporation

650 Page Mill Road
Palo Alto, California 94304-1050
O: 650.493.9300
F: 650.493.6811

December 4, 2020

Upstart Holdings, Inc.
2950 S. Delaware Street, Suite 300
San Mateo, California 94403

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

This opinion is furnished to you in connection with the Registration Statement on Form S-1 (Registration No. 333-249860), as amended (the "***Registration Statement***"), filed by Upstart Holdings, Inc. (the "***Company***") with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of up to 13,818,043 shares of the Company's common stock, $0.0001 par value per share (the "***Shares***"), of which 9,000,000 shares will be issued and sold by the Company and up to 4,818,043 shares will be sold by certain selling stockholders identified in such Registration Statement (including up to 1,802,353 shares issuable upon exercise of an option granted to the underwriters) (the "***Selling Stockholders***"). We understand that the Shares are to be sold to the underwriters for resale to the public as described in the Registration Statement and pursuant to an underwriting agreement, substantially in the form filed as an exhibit to the Registration Statement, to be entered into by and among the Company, the Selling Stockholders and the underwriters (the "***Underwriting Agreement***").

We are acting as counsel for the Company in connection with the sale of the Shares by the Company and the Selling Stockholders. In such capacity, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary for the purposes of rendering this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies, the authenticity of the originals of such documents and the legal competence of all signatories to such documents.

We express no opinion herein as to the laws of any state or jurisdiction other than the General Corporation Law of the State of Delaware (including the statutory provisions and all applicable judicial decisions interpreting those laws) and the federal laws of the United States of America.

On the basis of the foregoing, we are of the opinion that upon the effectiveness of the Company's Amended and Restated Certificate of Incorporation, a form of which has been filed as Exhibit 3.2 to the Registration Statement, (i) the Shares to be issued and sold by the Company have been duly authorized and, when such Shares are issued and paid for in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid and nonassessable and (ii) the Shares to be sold by the Selling Stockholders have been duly authorized and are, or in the case of any Shares subject to stock options, when issued and paid for in accordance with their terms, will be, validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement, and we consent to the reference of our name under the caption "Legal Matters" in the prospectus forming part of the Registration Statement.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

/s/ Wilson Sonsini Goodrich & Rosati, P.C.

Exhibit 10.1

UPSTART HOLDINGS, INC.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "***Agreement***") is dated as of [*insert date*], and is between Upstart Holdings, Inc., a Delaware corporation (the "***Company***"), and [*insert name of indemnitee*] ("***Indemnitee***").

RECITALS

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. **Definitions.**

(a) A "***Change in Control***" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company's board of directors;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events.* Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "***Person***" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however,* that "***Person***" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however,* that "***Beneficial Owner***" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "***Corporate Status***" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "***DGCL***" means the General Corporation Law of the State of Delaware.

(d) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "***Enterprise***" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "***Expenses***" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "***Independent Counsel***" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "***Independent Counsel***" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) "***Proceeding***" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to "***other enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "***serving at the request of the Company***" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

2. **Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. **Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. **Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. **Indemnification for Expenses of a Witness.** To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. **Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "***to the fullest extent permitted by applicable law***" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

7. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d) or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

8. **Advances of Expenses.** The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 90 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

9. **Procedures for Notification and Defense of Claim.**

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the Company is not financially or legally able to perform its indemnification obligations or (iv) the Company shall not have retained, or shall not continue to retain, counsel to defend such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(f) The Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any penalty or liability on Indemnitee without Indemnitee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

10. **Procedures upon Application for Indemnification.**

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel.

11. **Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12. **Remedies of Indemnitee.**

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration with respect to his or her entitlement to such indemnification or advancement of Expenses, to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); *provided, however,* that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 90 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. **Non-exclusivity.** The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15. [**Primary Responsibility.** The Company acknowledges that Indemnitee has certain rights to indemnification and advancement of expenses provided by [*insert name of fund*] [and certain affiliates thereof] ([collectively,] the "***Secondary Indemnitor*[*s*]"). The Company agrees that, as between the Company and the Secondary Indemnitor[s], the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitor[s] to provide indemnification or advancement for the same amounts is secondary to those Company obligations. [[To the extent not in contravention of any insurance policy or policies providing liability [or other] insurance for [the Company or] any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the][The] Company waives any right of contribution or subrogation against the Secondary Indemnitor[s] with respect to the liabilities for which the Company is primarily responsible under this Section 15.] In the event of any payment by the Secondary Indemnitor[s] of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitor[s] shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement [or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid]; *provided, however,* that the foregoing sentence will be deemed void if and to the extent that it would violate any applicable insurance policy. The Secondary Indemnitor[s] [are][is an] express third-party [beneficiaries][beneficiary] of the terms of this Section 15.]

16. **No Duplication of Payments.** The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

17. **Insurance.** To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. **Subrogation.** In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

19. **Services to the Company.** Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. **Duration.** This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

21. **Successors.** This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

23. **Enforcement.** The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided, however*, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

25. **Modification and Waiver.** No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the General Counsel of the Company at 2950 S. Delaware Street, Suite 300, San Mateo, California 94403, or at such other current address as the Company shall have furnished to Indemnitee, with a copy by electronic mail to notice@upstart.com and with a copy (which shall not constitute notice) to Jeffrey Saper, Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, CA 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

27. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801, as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

29. **Captions.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

(*signature page follows*)

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

UPSTART HOLDINGS, INC.

(*Signature*)

(*Print name*)

(*Title*)

[***INSERT INDEMNITEE NAME***]

(*Signature*)

(*Print name*)

(*Street address*)

(*City, State and ZIP*)

Exhibit 10.2

UPSTART HOLDINGS, INC.

2020 EQUITY INCENTIVE PLAN

(Adopted on October 23, 2020; amended and restated on November 12, 2020; effective as of one business day immediately prior to the Registration Date)

1. Purposes of the Plan; Award Types.

(a) Purposes of the Plan. The purposes of this Plan are to attract and retain personnel for positions with the Company Group, to provide additional incentive to Employees, Directors, and Consultants (collectively, "Service Providers"), and to promote the success of the Company's business.

(b) Award Types. The Plan permits the grant of Incentive Stock Options to any ISO Employee and the grant of Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and Performance Awards to any Service Provider.

2. Definitions. The following definitions are used in this Plan:

(a) "Administrator" means Administrator as defined in Section 4(a).

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards, including but not limited to the related issuance of Shares under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and, only to the extent applicable with respect to an Award or Awards, the tax, securities, exchange control, and other laws of any jurisdictions other than the United States where Awards are, or will be, granted under the Plan. Reference to a section of an Applicable Law or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(c) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, or Performance Awards.

(d) "Award Agreement" means the written or electronic agreement setting forth the terms applicable to an Award granted under the Plan. The Award Agreement is subject to the terms of the Plan.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control and provided, further, that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board also will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event shall not be considered a Change in Control under this Section 2(f)(i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the appointment or election. For purposes of this Section 2(f)(ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, that for this Section 2(f)(iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets:

(1) a transfer to an entity controlled by the Company's stockholders immediately after the transfer, or

(2) a transfer of assets by the Company to:

(A) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock,

(B) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company,

(C) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or

(D) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in Section 2(f)(iii)(2)(A) to Section 2(f)(iii)(2)(C).

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. For the avoidance of doubt, wholly-owned subsidiaries of the Company shall not be considered "Persons" for purposes of this Section 2(f).

For purposes of this Section 2(f), persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. For the avoidance of doubt, wholly-owned subsidiaries of the Company shall not be considered "Persons" for purposes of this Section 2(f).

(iv) A transaction will not be a Change in Control:

(1) unless the transaction qualifies as a change in control event within the meaning of Code Section 409A; or

(2) if its primary purpose is to (1) change the jurisdiction of the Company's incorporation, or (2) create a holding company owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(g) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a section of the Code or regulation related to that section shall include such section or regulation, any valid regulation issued or other official applicable guidance of general or direct applicability promulgated under such section or regulation, and any comparable provision of any future legislation, regulation or official guidance of general or direct applicability amending, supplementing or superseding such section or regulation.

(h) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board.

(i) "Common Stock" means the common stock of the Company.

(j) "Company" means Upstart Holdings, Inc., a Delaware corporation, or any of its successors.

(k) "Company Group" means the Company, any Parent or Subsidiary, and any entity that, from time to time and at the time of any determination, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

(l) "Consultant" means any natural person engaged by a member of the Company Group to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities. A Consultant must be a person to whom the issuance of Shares registered on Form S-8 under the Securities Act is permitted.

(m) "Director" means a member of the Board.

(n) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "Employee" means any person, including Officers and Directors, providing services as an employee to the Company or any member of the Company Group. However, with respect to Incentive Stock Options, an Employee must be employed by the Company or any Parent or Subsidiary of the Company (such an Employee, an "ISO Employee"). Notwithstanding, Options awarded to individuals not providing services to the Company or a Subsidiary of the Company should be carefully structured to comply with the payment timing rule of Code Section 409A. Neither service as a Director nor payment of a director's fee by the Company will constitute "employment" by the Company.

(p) "Exchange Act" means the U.S. Securities Exchange Act of 1934.

(q) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower Exercise Prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the Exercise Price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(r) "Exercise Price" means the price payable per share to exercise an Award.

(s) "Expiration Date" means the last possible day on which an Option or Stock Appreciation Right may be exercised. Any exercise must be completed before midnight U.S. Pacific Time between the Expiration Date and the following date; provided, however, that any broker-assisted cashless exercise of an Option granted hereunder must be completed by the close of market trading on the Expiration Date.

(t) "Fair Market Value" means, as of any date, the value of a Share, determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, the Fair Market Value will be the closing sales price for a Share (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported by such source as the Administrator determines to be reliable. If the determination date for the Fair Market Value occurs on a non-Trading Day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding Trading Day, unless otherwise determined by the Administrator;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date on the last Trading Day such bids and asks were reported), as reported by such source as the Administrator determines to be reliable;

(iii) For any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public set forth in the final prospectus included within the registration statement on Form S-1 filed with the United States Securities and Exchange Commission for the initial public offering of the Common Stock; or

(iv) Absent an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

Notwithstanding the foregoing, if the determination date for the Fair Market Value occurs on a weekend, holiday or other day other than a Trading Day, the Fair Market Value will be the price as determined under subsections (t)(i) or (t)(ii) above on the immediately preceding Trading Day, unless otherwise determined by the Administrator. In addition, for purposes of determining the fair market value of shares for any reason other than the determination of the Exercise Price of Options or Stock Appreciation Rights, fair market value will be determined by the Administrator in a manner compliant with Applicable Laws and applied consistently for such purpose. Note that the determination of fair market value for purposes of tax withholding may be made in the Administrator's sole discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(u) "Fiscal Year" means a fiscal year of the Company.

(v) "Grant Date" means Grant Date as defined in Section 4(c).

(w) "Incentive Stock Option" means an Option that is intended to qualify and does qualify as an incentive stock option within the meaning of Code Section 422.

(x) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(y) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(z) "Option" means a stock option to acquire Shares granted under Section 6.

(aa) "Outside Director" means a Director who is not an Employee.

(bb) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(cc) "Participant" means the holder of an outstanding Award.

(dd) "Performance Awards" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be cash- or stock-denominated and may be settled for cash, Shares or other securities or a combination of the foregoing under Section 10.

(ee) "Performance Period" means Performance Period as defined in Section 10(a)

(ff) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(gg) "Plan" means this 2020 Equity Incentive Plan.

(hh) "Registration Date" means the effective date of the first Registration Statement.

(ii) "Registration Statement" means a registration statement filed by the Company and declared effective under Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(jj) "Restricted Stock" means Shares issued under an Award granted under Section 8 or issued as a result of the early exercise of an Option.

(kk) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value, granted under Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ll) "Securities Act" means U.S. Securities Act of 1933.

(mm) "Service Provider" means an Employee, Director or Consultant.

(nn) "Share" means a share of the Common Stock as adjusted in accordance with Section 13 of the Plan.

(oo) "Stock Appreciation Right" means an Award granted under Section 7.

(pp) "Subsidiary" means a "subsidiary corporation" as defined in Code Section 424(f), in relation to the Company.

(qq) "Tax Withholdings" means tax, social insurance and social security liability or premium obligations in connection with the Awards, including, without limitation, (i) all federal, state, and local income, employment and any other taxes (including the Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or a member of the Company Group, (ii) the Participant's and, to the extent required by the Company, the fringe benefit tax liability of the Company or a member of the Company Group, if any, associated with the grant, vesting, or exercise of an Award or sale of Shares issued under the Award, and (iii) any other taxes or social insurance or social security liabilities or premium the responsibility for which the Participant has, or has agreed to bear, with respect to such Award, the Shares subject to, or other amounts or property payable under, an Award, or otherwise associated with or related to participation in the Plan and with respect to which the Company or the applicable member of the Company Group has either agreed to withhold or has an obligation to withhold.

(rr) "Ten Percent Owner" means Ten Percent Owner as defined in Section 6(b)(i).

(ss) "Trading Day" means a day on which the primary stock exchange or national market system (or other trading platform, as applicable) on which the Common Stock trades is open for trading.

(tt) "Transaction" means Transaction as defined in Section 14(a).

3. Shares Subject to the Plan.

(a) Allocation of Shares to Plan. The maximum aggregate number of Shares that may be issued under the Plan is:

(i) 5,520,000 Shares, plus

(ii) any Shares subject to awards granted under the Company's 2012 Stock Plan (the "Existing Plan") that, on or after the Registration Date, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by the Company due to failure to vest, with the maximum number of Shares to be added to the Plan under this clause (ii) equal to 23,000,000 Shares, plus

(iii) any additional Shares that become available for issuance under the Plan under Sections 3(b) and 3(c).

The Shares may be authorized but unissued Common Stock or Common Stock issued and then reacquired by the Company.

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2021 Fiscal Year, in an amount equal to the least of:

(i) 15,000,000 Shares,

(ii) 5% of the total number of shares of all classes of common stock of the Company outstanding on the last day of the immediately preceding Fiscal Year, and

(iii) a lesser number of Shares determined by the Administrator.

(c) Share Reserve Return.

(i) Options and Stock Appreciation Rights. If an Option or Stock Appreciation Right expires or becomes unexercisable without having been exercised in full or is surrendered under an Exchange Program, the unissued Shares subject to the Option or Stock Appreciation Right will become available for future issuance under the Plan.

(ii) Stock Appreciation Rights. Only Shares actually issued pursuant to a Stock Appreciation Right (i.e., the net Shares issued) will cease to be available under the Plan; all remaining Shares originally subject to the Stock Appreciation Right will remain available for future issuance under the Plan.

(iii) Full-Value Awards. Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, or stock-settled Performance Awards that are reacquired by the Company due to failure to vest or are forfeited to the Company will become available for future issuance under the Plan.

(iv) Withheld Shares. Shares used to pay the Exercise Price of an Award or to satisfy Tax Withholdings related to an Award will become available for future issuance under the Plan.

(v) Cash-Settled Awards. If any portion of an Award under the Plan is paid to a Participant in cash rather than Shares, that cash payment will not reduce the number of Shares available for issuance under the Plan.

(d) Incentive Stock Options. The maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal 200% of the aggregate Share number stated in Section 3(a) plus, to the extent allowable under Code Section 422, any Shares that become available for issuance under the Plan under Sections 3(b) and 3(c).

(e) Adjustment. The numbers provided in Sections 3(a), 3(b), and 3(d) will be adjusted as a result of changes in capitalization and any other adjustments under Section 13.

(f) Substitute Awards. If the Committee grants Awards in substitution for equity compensation awards outstanding under a plan maintained by an entity acquired by or becomes a part of any member of the Company group, the grant of those substitute Awards will not decrease the number of Shares available for issuance under the Plan.

(g) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) The Plan will be administered by the Board or a Committee (the "Administrator"). Different Administrators may administer the Plan with respect to different groups of Service Providers. The Board may retain the authority to concurrently administer the Plan with a Committee and may revoke the delegation of some or all authority previously delegated.

(ii) To the extent permitted by Applicable Laws, the Board or a Committee may delegate to one or more subcommittees of the Board or a Committee or officers the authority to grant Awards to Employees of the Company or any of its Subsidiaries, provided that the delegation must comply with any limitations on the authority required by Applicable Laws, including the total number of Shares that may be subject to the Awards granted by such officer(s). This delegation may be revoked at any time by the Board or Committee.

(b) Powers of the Administrator. Subject to the terms of the Plan, any limitations on delegations specified by the Board, and any requirements imposed by Applicable Laws, the Administrator will have the authority, in its sole discretion, to make any determinations and perform any actions deemed necessary or advisable to administer the Plan including:

(i) to determine the Fair Market Value;

(ii) to approve forms of Award Agreements for use under the Plan;

(iii) to select the Service Providers to whom Awards may be granted and grant Awards to such Service Providers;

(iv) to determine the number of Shares to be covered by each Award granted;

(v) to determine the terms and conditions, consistent with the Plan, of any Award granted. Such terms and conditions may include, but are not limited to, the Exercise Price, the time(s) when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating to an Award;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to construe interpret the Plan and make any decisions necessary to administer the Plan, including but not limited to determining whether and when a Change in Control has occurred;

(viii) to establish, amend and rescind rules and regulations and adopt sub-plans relating to the Plan, including rules, regulations and sub-plans for the purposes of facilitating compliance with foreign laws, easing the administration of the Plan and/or obtaining tax-favorable treatment for Awards granted to Service Providers located outside the U.S., in each case as the Administrator may deem necessary or advisable;

(ix) to interpret, modify or amend each Award (subject to Section 18), including extending the Expiration Date and the post-termination exercisability period of such modified or amended Awards;

(x) to allow Participants to satisfy tax withholding obligations in any manner permitted by Section 15;

(xi) to delegate ministerial duties to any of the Company's employees;

(xii) to authorize any person to take any steps and execute, on behalf of the Company, any documents required for an Award previously granted by the Administrator to be effective;

(xiii) to temporarily suspend the exercisability of an Award if the Administrator deems such suspension to be necessary or appropriate for administrative purposes, provided that, unless prohibited by Applicable Laws, such suspension shall be lifted in all cases not less than 10 Trading Days before the last date that the Award may be exercised;

(xiv) to allow Participants to defer the receipt of the payment of cash or the delivery of Shares otherwise due to any such Participants under an Award; and

(xv) to make any determinations necessary or appropriate under Section 13

(c) Grant Date. The grant date of an Award ("Grant Date") will be the date that the Administrator makes the determination granting such Award or may be a later date if such later date is designated by the Administrator on the date of the determination or under an automatic grant policy. Notice of the determination will be provided to each Participant within a reasonable time after the Grant Date.

(d) Waiver. The Administrator may waive any terms, conditions or restrictions.

(e) Fractional Shares. Except as otherwise provided by the Administrator, any fractional Shares that result from the adjustment of Awards will be canceled. Any fractional Shares that result from vesting percentages will be accumulated and vested on the date that an accumulated full Share is vested.

(f) Electronic Delivery. The Company may deliver by e-mail or other electronic means (including posting on a website maintained by the Company or by a third party under contract with the Company or another member of the Company Group) all documents relating to the Plan or any Award and all other documents that the Company is required to deliver to its security holders (including prospectuses, annual reports and proxy statements).

(g) Choice of Law; Choice of Forum. The Plan, all Awards and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an Award is his or her consent to the jurisdiction of the State of Delaware, and agreement that any such litigation will be conducted in Delaware Court of Chancery, or the federal courts for the United States for the District of Delaware, and no other courts, regardless of where a Participant's services are performed.

(h) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Performance Awards may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Stock Option Award Agreement. Each Option will be evidenced by an Award Agreement that will specify the number of Shares subject to the Option, per share Exercise Price, its Expiration Date, and such other terms and conditions as the Administrator determines. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. An Option not designated as an Incentive Stock Option is a Nonstatutory Stock Option.

(b) Exercise Price. The Exercise Price for the Shares to be issued upon exercise of an Option will be determined by the Administrator and stated in the Award Agreement, subject to the following:

(i) In the case of an Incentive Stock Option:

(1) granted to an ISO Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary (a "Ten Percent Owner"), the Exercise Price for the Shares to be issued will be no less than 110% of the Fair Market Value per Share on the date of grant; and

(2) granted to any ISO Employee other than a Ten Percent Owner, the Exercise Price for the Shares to be issued will be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option, the Exercise Price for the Shares to be issued will be no less than 100% of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Options may be granted with an Exercise Price of less than 100% of the Fair Market Value per Share on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code or (ii) to a Service Provider that is not a U.S. taxpayer.

(c) Form of Consideration. The Administrator will determine the acceptable form(s) of consideration for exercising an Option. Unless the Administrator determines otherwise, the consideration may consist of any one or more or combination of the following, to the extent permitted by Applicable Laws:

(i) cash;

(ii) check or wire transfer;

(iii) promissory note, if and to the extent approved by the Company;

(iv) other Shares that have a fair market value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which such Option will be exercised. To the extent not prohibited by the Administrator, this shall include the ability to tender Shares to exercise the Option and then use the Shares received on exercise to exercise the Option with respect to additional Shares;

(v) consideration received by the Company under a cashless exercise arrangement (whether through a broker or otherwise) implemented by the Company for the exercise of Options that has been approved by the Administrator, if and to the extent permitted by the Company with respect to a particular Award;

(vi) consideration received by the Company under a net exercise program under which Shares are withheld from otherwise deliverable Shares that has been approved by the Administrator, if and to the extent permitted by the Company with respect to a particular Award; and

(vii) any other consideration or method of payment to issue Shares (provided that other forms of considerations may only be approved by the Administrator).

The Administrator has the power to remove or limit any of the above forms of consideration for exercising an Option except for the payment of cash at any time in its sole discretion.

(d) Term of Option. The term of each Option will be determined by the Administrator and stated in the Award Agreement, provided that, in the case of an Incentive Stock Option: (a) granted to a Ten Percent Owner, the Option may not be exercisable after the expiration of 5 years from the date such Option is granted, or such shorter term as may be provided in the Award Agreement; and (b) granted to an ISO Employee other than a Ten Percent Owner, the Option may not be exercisable after the expiration of 10 years from the date such Option is granted term, or such shorter term as may be provided in the Award Agreement.

(e) Incentive Stock Option Limitations.

(i) To the extent that the aggregate fair market value of the shares with respect to which incentive stock options under Code Section 422(b) are exercisable for the first time by a Participant during any calendar year (under all plans and agreements of the Company Group) exceeds $100,000, the incentive stock options whose value exceeds $100,000 will be treated as nonstatutory stock options. Incentive stock options will be considered in the order in which they were granted. For this purpose, the fair market value of the shares subject to an option will be determined as of the grant date of each option.

(ii) If an Option is designated in the Administrator action that granted it as an Incentive Stock Option but the terms of the Option do not comply with Sections 6(b) and 6(d), then the Option will not qualify as an Incentive Stock Option.

(f) Exercise of Option. An Option is exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholdings). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, despite the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. An Option may not be exercised for a fraction of a Share. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan (except as provided in Section 3(c) and for purchase under the Option, by the number of Shares as to which the Option is exercised.

(i) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within thirty (30) days of termination, or such longer period of time as is specified in the Award Agreement or in writing by the Administrator (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(ii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within six (6) months of termination, or such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent the Option is vested on the date of termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within six (6) months following the Participant's death, or within such longer period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided the Administrator has permitted the designation of a beneficiary and provided such beneficiary has been designated prior to the Participant's death in a form (if any) acceptable to the Administrator. If the Administrator has not permitted the designation of the beneficiary or if no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. If the Option is exercised pursuant to this Section 6(f)(iii), Participant's designated beneficiary or personal representative shall be subject to the terms of this Plan and the Award Agreement, including but not limited to the restrictions on transferability and forfeitability applicable to the Service Provider. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(g) Expiration of Options. Subject to Section 6(d), an Option's Expiration Date will be set forth in the Award Agreement. An Option may expire before its expiration date under the Plan (including pursuant to Sections 6(f), 13, 14, or 16(d)) or under the Award Agreement.

(h) Tolling of Expiration. If exercising an Option prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Option will remain exercisable until 30 days after the first date on which exercise no longer would be prevented by such provisions; provided, however, that this tolling of expiration shall not apply if and to the extent the holder of such Option is a United States taxpayer and the tolling would result in a violation of Section 409A such that the Option would be subject to additional taxation or interest under Section 409A. If this would result in the Option remaining exercisable past its Expiration Date, then unless earlier terminated pursuant to Section 14, the Option will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 19(a) and (y) its Expiration Date.

7. Stock Appreciation Rights.

(a) Stock Appreciation Right Award Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the number of Shares subject to the Stock Appreciation Right, its per share Exercise Price, its Expiration Date, and such other terms and conditions as the Administrator determines.

(b) Exercise Price. The Exercise Price of a Stock Appreciation Right will be determined by the Administrator, provided that in the case of a Stock Appreciation Right granted to a U.S. taxpayer, the Exercise Price will be no less than 100% of the Fair Market Value of a Share on the date of grant.

(c) Payment of Stock Appreciation Right Amount. Payment upon Stock Appreciation Right exercise may be made in cash, in Shares (which, on the date of exercise, have an aggregate Fair Market Value equal to the amount of payment to be made under the Award), or any combination of cash and Shares, with the determination of form of payment made by the Administrator. When a Participant exercises a Stock Appreciation Right, he or she will be entitled to receive a payment from the Company equal to:

(i) the excess, if any, between the fair market value on the date of exercise over the Exercise Price multiplied by

(ii) the number of Shares with respect to which the Stock Appreciation Right is exercised.

(d) Exercise of Stock Appreciation Right. A Stock Appreciation Right is exercised when the Company receives a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Stock Appreciation Right. Shares issued upon exercise of a Stock Appreciation Right will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to a Stock Appreciation Right, despite the exercise of the Stock Appreciation Right. The Company will issue (or cause to be issued) such Shares promptly after the Stock Appreciation Right is exercised. A Stock Appreciation Right may not be exercised for a fraction of a Share. Exercising a Stock Appreciation Right in any manner will decrease (x) the number of Shares thereafter available under the Stock Appreciation Right by the number of Shares as to which the Stock Appreciation Right is exercised and (y) the number of Shares thereafter available under the Plan by the number of Shares issued upon such exercise.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right's Expiration Date will be set forth in the Award Agreement. A Stock Appreciation Right may expire before its expiration date under the Plan (including pursuant to Sections 13, 14, or 16(c)) or under the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Tolling of Expiration. If exercising a Stock Appreciation Right prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Stock Appreciation Right will remain exercisable until 30 days after the first date on which exercise no longer would be prevented by such provisions; provided, however, that this tolling of expiration shall not apply if and to the extent the holder of such Stock Appreciation Right is a United States taxpayer and the tolling would result in a violation of Section 409A such that the Stock Appreciation Right would be subject to additional taxation or interest under Section 409A. If this would result in the Stock Appreciation Right remaining exercisable past its Expiration Date, then unless earlier terminated pursuant to Section 14, the Stock Appreciation Right will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 19(a) and (y) its Expiration Date.

8. Restricted Stock.

(a) Restricted Stock Award Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the number of Shares subject to the Award of Restricted Stock and such other terms and conditions as the Administrator determines. For the avoidance of doubt, Restricted Stock may be granted without any Period of Restriction (e.g., vested stock bonuses). Unless the Administrator determines otherwise, Shares of Restricted Stock will be held in escrow while unvested.

(b) Restrictions.

(i) Except as provided in this Section 8(b) or the Award Agreement, while unvested, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated.

(ii) While unvested, Service Providers holding Shares of Restricted Stock may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(iii) Service Providers holding a Share covered by an Award of Restricted Stock will not be entitled to receive dividends and other distributions paid with respect to such Shares while such Shares are unvested, unless the Administrator provides otherwise. If the Administrator provides that dividends and distributions will be received and any such dividends or distributions are paid in cash they will be subject to the same provisions regarding forfeitability as the Shares with respect to which they were paid and if such dividend or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares with respect to which they were paid and, unless the Administrator determines otherwise, the Company will hold such dividends until the restrictions on the Shares with respect to which they were paid have lapsed.

(iv) Except as otherwise provided in this Section 8(b) or an Award Agreement, a Share covered by each Award of Restricted Stock made under the Plan will be released from escrow when practicable after the last day of the applicable Period of Restriction.

(v) The Administrator may impose, prior to grant, or remove any restrictions on Shares covered by an Award of Restricted Stock.

9. Restricted Stock Units.

(a) Restricted Stock Unit Award Agreement. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the number of Restricted Stock Units subject to the Award of Restricted Stock Units and such other terms and conditions as the Administrator determines.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria, if any, that, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (that may include continued employment or service) or any other basis determined by the Administrator in its sole discretion.

(c) Earning Restricted Stock Units. Upon meeting any applicable vesting criteria, the Participant will have earned the Restricted Stock Units and will be paid as determined in Section 9(d). The Administrator may reduce or waive any criteria that must be met to earn the Restricted Stock Units.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made at the time(s) set forth in the Award Agreement and determined by the Administrator. Unless otherwise provided in the Award Agreement, the Administrator may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

10. Performance Awards.

(a) Award Agreement. Each Performance Award will be evidenced by an Award Agreement that will specify the specify any time period during which any performance objectives or other vesting provisions, if any, will be measured ("Performance Period"), and such other terms and conditions as the Administrator determines.

(b) Objectives or Vesting Provisions and Other Terms. The Administrator will set objectives or vesting provisions that, depending on the extent to which the objectives or vesting provisions are met, will determine the value of the payout for the Performance Awards. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (that may include continued employment or service) or any other basis determined by the Administrator in its sole discretion.

(c) Form and Timing of Payment. Payment of earned Performance Awards will be made at the time(s) specified in the Award Agreement. Payment with respect to earned Performance Awards will be made in cash, in Shares of equivalent value, or any combination of cash and Shares, with the determination of form of payment made by the Administrator at the time of payment or, in the discretion of the Administrator, at the time of grant.

(d) Value of Performance Awards. Each Performance Award's threshold, target, and maximum payout values will be established by the Administrator on or before the Grant Date.

(e) Earning Performance Awards. After an applicable Performance Period has ended, the holder of a Performance Award will be entitled to receive a payout for the Performance Award earned by the Participant over the Performance Period. The Administrator may reduce or waive any performance objectives or other vesting provisions for such Performance Award.

11. Leaves of Absence/ Reduced or Part-time Work Schedule/Transfer Between Locations/Change of Status.

(a) Leaves of Absence/ Reduced or Part-time Work Schedule/Transfer Between Locations. Unless the Administrator provides otherwise or as otherwise required by Applicable Laws, vesting of Awards granted hereunder will be adjusted or suspended during any unpaid leave of absence in accordance with the Company's leave of absence policy in effect at the time of such leave. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or within the Company Group. In addition, unless the Administrator provides otherwise or as otherwise required by Applicable Laws, if, after the date of grant of a Participant's Award, the Participant commences working on a part-time or reduced work schedule basis, the vesting of such Award will be adjusted in accordance with the Company's reduced work schedule/ part-time policy then in effect. Adjustments or suspensions of vesting pursuant to this Section shall be accomplished in a manner that is exempt from or complies with the requirements of Code Section 409A and the regulations and guidance thereunder.

(b) Employment Status. A Participant will not cease to be a Service Provider in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company (or member of the Company Group) or between the Company or any member of the Company Group.

(c) Incentive Stock Options. With respect to Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by a Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, or otherwise required by Applicable Laws, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, the Award will be limited by any additional terms and conditions imposed by the Administrator. Any unauthorized transfer of an Award will be void.

13. Adjustments; Dissolution or Liquidation.

(a) Adjustments. If any extraordinary dividend or other extraordinary distribution (whether in cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Shares or other securities of the Company, other change in the corporate structure of the Company affecting the Shares, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any of its successors) affecting the Shares occurs (including a Change in Control), the Administrator, to prevent diminution or enlargement of the benefits or potential benefits intended to be provided under the Plan, will adjust the number and class of shares that may be delivered under the Plan and/or the number, class, and price of shares covered by each outstanding Award, and the numerical Share limits in Section 3. Notwithstanding the foregoing, the conversion of any convertible securities of the Company and ordinary course repurchases of Shares or other securities of the Company will not be treated as an event that will require adjustment.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant, at such time prior to the effective date of such proposed transaction as the Administrator determines. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

14. Change in Control or Merger.

(a) Administrator Discretion. If a Change in Control or a merger of the Company with or into another corporation or other entity occurs (each, a "Transaction"), each outstanding Award will be treated as the Administrator determines (subject to the provisions of this Section), without a Participant's consent, including that such Award be continued by the successor corporation or a Parent or Subsidiary of the successor corporation (or an affiliate thereof) or that the vesting of any such Awards may accelerate automatically upon consummation of a Transaction.

(b) Identical Treatment Not Required. The Administrator need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Administrator may take different actions with respect to the vested and unvested portions of an Award. The Administrator will not be required to treat all Awards similarly in the Transaction.

(c) Continuation. An Award will be considered continued if, following the Change in Control or merger:

(i) the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Transaction, the consideration (whether stock, cash, or other securities or property) received in the Transaction by holders of Shares for each Share held on the effective date of the Transaction (and if holders were offered a choice of consideration, the type of consideration received by the holders of a majority of the outstanding Shares) and the Award otherwise is continued in accordance with its terms (including vesting criteria, subject to Section 14(c)(iii) below and Section 13(a); provided that if the consideration received in the Transaction is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon exercising an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, or Performance Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Transaction; or

(ii) the Award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the Transaction. Any such cash or property may be subjected to any escrow applicable to holders of Common Stock in the Change in Control. If as of the date of the occurrence of the Transaction the Administrator determines that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment. The amount of cash or property can be subjected to vesting and paid to the Participant over the original vesting schedule of the Award.

(iii) Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Transaction corporate structure will not invalidate an otherwise valid Award assumption.

(d) Modification. The Administrator will have authority to modify Awards in connection with a Change in Control or merger:

(i) in a manner that causes the Awards to lose their tax-preferred status,

(ii) to terminate any right a Participant has to exercise an Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), so that following the closing of the Transaction the Option may only be exercised only to the extent it is vested;

(iii) to reduce the Exercise Price subject to the Award in a manner that is disproportionate to the increase in the number of Shares subject to the Award, as long as the amount that would be received upon exercise of the Award immediately before and immediately following the closing of the Transaction is equivalent and the adjustment complies with U.S. Treasury Regulation Section 1.409A-1(b)(v)(D); and

(iv) to suspend a Participant's right to exercise an Option during a limited period of time preceding and or following the closing of the Transaction without Participant consent if such suspension is administratively necessary or advisable to permit the closing of the Transaction.

(e) Non-Continuation. If the successor corporation does not continue an Award (or some portion such Award), the Participant will fully vest in (and have the right to exercise) 100% of the then-unvested Shares subject to his or her outstanding Options and Stock Appreciation Rights, all restrictions on 100% of the Participant's outstanding Restricted Stock and Restricted Stock Units will lapse, and, regarding 100% of Participant's outstanding Awards with performance-based vesting, all performance goals or other vesting criteria will be treated as achieved at 100% of target levels and all other terms and conditions met, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, as applicable. In no event will vesting of an Award accelerate as to more than 100% of the Award. Unless specifically provided otherwise under the applicable Award Agreement or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, if Options or Stock Appreciation Rights are not continued when a Change in Control or a merger of the Company with or into another corporation or other entity occurs, the Administrator will notify the Participant in writing or electronically that the Participant's vested Options or Stock Appreciation Rights (after considering the foregoing vesting acceleration, if any) will be exercisable for a period of time determined by the Administrator in its sole discretion and all of the Participant's Options or Stock Appreciation Rights will terminate upon the expiration of such period (whether vested or unvested).

(f) Outside Director Grants.

(i) With respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise outstanding Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which otherwise would not be vested or exercisable, all restrictions on other outstanding Awards will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable Award Agreement, a Company policy related to Director compensation, or other written agreement authorized by the Administrator between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, that specifically references this default rule.

(ii) No Outside Director may be paid, issued or granted, in any Fiscal Year, cash compensation and equity awards (including any Awards issued under this Plan) with an aggregate value greater than $1,000,000, increased to $2,000,000 in connection with his or her initial service (with the value of each equity award based on its grant date fair value (determined in accordance with U.S. generally accepted accounting principles)). Any cash compensation paid or Awards granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director), will not count for purposes of the limitation under this Section 14(f)(ii).

15. Tax Matters.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash under an Award (or exercise thereof) or such earlier time as any Tax Withholding are due, the Company may deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any Tax Withholding with respect to such Award or Shares subject to an Award (including upon exercise of an Award).

(b) Withholding Arrangements. The Administrator, in its sole discretion and under such procedures as it may specify from time to time, may elect to satisfy such Tax Withholding, in whole or in part (including in combination) by (without limitation) (i) requiring the Participant to pay cash, (ii) withholding otherwise deliverable cash (including cash from the sale of Shares issued to the Participant) or Shares having a fair market value equal to the amount required to be withheld or such greater amount (including up to a maximum statutory amount) as the Administrator may determine or permit if such amount does not result in unfavorable financial accounting treatment, as the Administrator determines in its sole discretion, (iii) forcing the sale of Shares issued pursuant to an Award (or exercise thereof) having a fair market value equal to the minimum statutory amount applicable in a Participant's jurisdiction or a greater amount as the Administrator may determine or permit if such greater amount would not result in unfavorable financial accounting treatment, as the Administrator determines in its sole discretion, (iv) requiring the Participant to deliver to the Company already-owned Shares having a fair market value equal to the minimum statutory amount required to be withheld or a greater amount as the Administrator may determine or permit if such greater amount would not result in unfavorable financial accounting treatment, as the Administrator determines in its sole discretion, (v) requiring the Participant to engage in a cashless exercise transaction (whether through a broker or otherwise) implemented by the Company in connection with the Plan, (vi) having the Company or a Parent or Subsidiary withhold from wages or any other cash amount due or to become due to the Participant and payable by the Company or any Parent or Subsidiary, or (vii) such other consideration and method of payment for the meeting of Tax Withholding as the Administrator may determine to the extent permitted by Applicable Laws, provided that, in all instances, the satisfaction of the Tax Withholding will not result in any adverse accounting consequence to the Company, as the Administrator may determine in its sole discretion. The fair market value of the Shares to be withheld or delivered will be determined as of the date the amount of tax to be withheld is calculated or such other date as Administrator determines is applicable or appropriate with respect to the Tax Withholding calculation.

(c) Compliance With Code Section 409A. Unless the Administrator determines that compliance with Code Section 409A is not necessary, it is intended that Awards will be designed and operated so that they are either exempt or excepted from the application of Code Section 409A or comply with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B) so that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A and the Plan and each Award Agreement will be interpreted consistent with this intent. This Section 15(c) is not a guarantee to any Participant of the consequences of his or her Awards. In no event will the Company have any responsibility, liability or obligation to reimburse, indemnify or hold harmless Participant for any taxes that may be imposed or other costs that may be incurred, as a result of Section 409A.

16. Other Terms.

(a) No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right regarding continuing the Participant's relationship as a Service Provider with the Company or member of the Company Group, nor will they interfere with the Participant's right, or the Participant's employer's right, to terminate such relationship with or without cause, to the extent permitted by Applicable Laws.

(b) Interpretation and Rules of Construction. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

(c) Plan Governs. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of any Grant Agreement, the terms and conditions of the Plan will prevail.

(d) Forfeiture Events.

(i) All Awards granted under the Plan will be subject to recoupment under any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including to a reacquisition right regarding previously acquired Shares or other cash or property. Unless this Section 16(d)(i) is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will be an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a member of the Company Group.

(ii) The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but will not be limited to, termination of such Participant's status as Service Provider for cause or any specified action or inaction by a Participant that would constitute cause for termination of such Participant's status as a Service Provider.

17. Term of Plan. Subject to Section 20, the Plan will become effective upon the business day immediately prior to the Registration Date. It will continue in effect until terminated under Section 18, but no Incentive Stock Options may be granted after ten (10) years from the date the Plan is adopted by the Board and Section 3(b) will operate only until the tenth (10^{th}) anniversary of the date the Plan is adopted by the Board.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Consent of Participants Generally Required. Subject to Section 18(d) below, no amendment, alteration, suspension or termination of the Plan or an Award under it will materially impair the rights of any Participant without a signed, written agreement authorized by the Administrator between the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it regarding Awards granted under the Plan prior to such termination.

(d) Exceptions to Consent Requirement.

(i) A Participant's rights will not be deemed to have been impaired by any amendment, alteration, suspension or termination if the Administrator, in its sole discretion, determines that the amendment, alteration, suspension or termination taken as a whole, does not materially impair the Participant's rights; and

(ii) Subject to any limitations of Applicable Laws, the Administrator may amend the terms of any one or more Awards without the affected Participant's consent even if it does materially impair the Participant's right if such amendment is done

(ii) in a manner specified by the Plan,

(iii) to maintain the qualified status of the Award as an Incentive Stock Option under Code Section 422,

(iv) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award only because it impairs the qualified status of the Award as an Incentive Stock Option under Code Section 422,

(v) to clarify the manner of exemption from Code Section 409A or compliance with any requirements necessary to avoid the imposition of additional tax or interest under Code Section 409A(a)(1)(B), or

(vi) to comply with other Applicable Laws.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. The Company will make good faith efforts to comply with all Applicable Laws related to the issuance of Shares. Shares will not be issued pursuant to an Award, including without limitation upon exercise or vesting thereof, as applicable, unless the issuance and delivery of such Shares and exercise or vesting of the Award, as applicable, will comply with Applicable Laws. If required by the Administrator, issuance will be further subject to the approval of counsel for the Company with respect to such compliance. If the Company determines it to be impossible or impractical to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any Applicable Laws, registration or other qualification of the Shares under any state, federal or foreign law or under the rules and regulations of the U.S. Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, the Company will be relieved of any liability regarding the failure to issue or sell such Shares as to which such authority, registration, qualification or rule compliance was not obtained and the Administrator reserves the authority, without the consent of a Participant, to terminate or cancel Awards with or without consideration in such a situation.

(b) Investment Representations. As a condition to the exercise or vesting of an Award, the Company may require the person exercising such Award to represent and warrant during any such exercise or vesting that the Shares are being purchased only for investment and with no present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Failure to Accept Award. If a Participant has not accepted an Award to the extent such acceptance has been requested or required by the Company or has not taken all administrative and other steps (e.g., setting up an account with a broker designated by the Company) necessary for the Company to issue Shares upon the vesting, exercise, or settlement of the Award prior to the first date the Shares subject to such Award are scheduled to vest, then the portion of the Award scheduled to vest on such date will be cancelled on such date and such Shares subject to the Award immediately will revert to the Plan for no additional consideration unless otherwise provided by the Administrator.

20. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within 12 months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

UPSTART HOLDINGS, INC.

EMPLOYEE INCENTIVE COMPENSATION PLAN

1. Purposes of the Plan. The Plan is intended to increase stockholder value and the success of the Company by motivating Employees to (a) perform to the best of their abilities and (b) achieve the Company's objectives.

2. Definitions.

2.1 "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the authority of the Administrator (as defined in Section 3) under Section 4.4.

2.2 "Administrator" has the meaning ascribed to it under Section 3.1.

2.3 "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) that, from time to time and at the time of any determination, directly or indirectly, is in control of or is controlled by the Company.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Administrator establishes the Bonus Pool for each Performance Period.

2.6 "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation or formal guidance of general or direct applicability promulgated under such section or regulation, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.7 "Committee" means a committee appointed by the Board (pursuant to Section 3) to administer the Plan.

2.8 "Company" means Upstart Holdings, Inc., a Delaware corporation, or any successor thereto.

2.9 "Company Group" means the Company and any Parents, Subsidiaries, and Affiliates.

2.10 "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Administrator from time to time.

2.11 "Employee" means any executive, officer, or other employee of the Company Group, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

2.12 “Fiscal Year” means the fiscal year of the Company.

2.13 “Parent” means a “parent corporation,” whether now or hereafter existing, as defined in Code Section 424(e).

2.14 “Participant” means as to any Performance Period, an Employee who has been selected by the Administrator for participation in the Plan for that Performance Period and who has, if so requested by the Company or the employing member of the Company Group, signed an acknowledgement form in the form provided by the Company Group.

2.15 “Performance Period” means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Administrator. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Administrator desires to measure some performance criteria over twelve (12) months and other criteria over three (3) months.

2.16 “Plan” means this Employee Incentive Compensation Plan (including any appendix attached hereto), as may be amended from time to time.

2.17 “Section 409A” means Section 409A of the Code and/or any state law equivalent as each may be amended or promulgated from time to time.

2.18 “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Code Section 424(f), in relation to the Company.

2.19 “Target Award” means the target award, at 100% of target level performance achievement, payable under the Plan to a Participant for a Performance Period, as determined by the Administrator in accordance with Section 4.2.

2.20 “Tax Withholdings” means tax, social insurance and social security liability or premium obligations in connection with the awards under the Plan, including without limitation: (a) all federal, state, and local income, employment and any other taxes (including the Participant’s U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company Group, (b) the Participant’s and, to the extent required by the Company Group, the fringe benefit tax liability of the Company Group associated with an award under the Plan, and (c) any other taxes or social insurance or social security liabilities or premium the responsibility for which the Participant has, or has agreed to bear, with respect to such award under the Plan.

2.21 “Termination of Employment” means a cessation of the employee-employer relationship between an Employee and the Company Group, including without limitation a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of a Parent, Subsidiary or Affiliate. For purposes of the Plan, transfer of employment of a Participant between any members of the Company Group (for example, between the Company and a Subsidiary) will not be deemed a Termination of Employment.

3. Administration of the Plan.

3.1 Administrator. The Plan will be administered by the Board or a Committee (the "Administrator"). The members of any Committee will be appointed from time to time in a manner that satisfies applicable laws by, and serve at the pleasure of, the Board. The Board may retain the authority to administer the Plan concurrently with a Committee and may revoke the delegation of some or all authority previously delegated. Different Administrators may administer the Plan with respect to different groups of Employees. Unless and until the Board otherwise determines, the Board's Compensation Committee will administer the Plan.

3.2 Administrator Authority. It will be the duty of the Administrator to administer the Plan in accordance with the Plan's provisions and in accordance with applicable law. The Administrator will have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees will be granted awards, (b) prescribe the terms and conditions of awards, (c) interpret the Plan and the awards, (d) adopt such procedures, appendices and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are non-U.S. nationals or employed outside of the U.S. or to qualify awards for special tax treatment under the laws of jurisdictions other than the U.S., (e) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (f) interpret, amend or revoke any such rules. Any determinations and decisions made or to be made by the Administrator pursuant to the provisions of the Plan, unless specified otherwise by the Administrator, will be in the Administrator's sole discretion.

3.3 Decisions Binding. All determinations and decisions made by the Administrator and/or any delegate of the Administrator pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

3.4 Delegation by Administrator. The Administrator, on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company. Such delegation may be revoked at any time.

3.5 Indemnification. Each person who is or will have been a member of the Administrator will be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

4. Selection of Participants and Determination of Awards.

4.1 Selection of Participants. The Administrator will select the Employees who will be Participants for any Performance Period. Participation in the Plan will be on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Performance Periods. No Employee will have the right to be selected to receive an award under this Plan or, if so selected, to be selected to receive a future award.

4.2 Determination of Target Awards. The Administrator may establish a Target Award for each Participant (which may be expressed as a percentage of a Participant's average annual base salary for the Performance Period or a fixed dollar amount or such other amount or based on such other formula or factors as the Administrator determines).

4.3 Bonus Pool. Each Performance Period, the Administrator may establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Actual Awards will be paid from the Bonus Pool, if a Bonus Pool has been established.

4.4 Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Administrator, at any time prior to payment of an Actual Award, may: (a) increase, reduce or eliminate a Participant's Actual Award, and/or (b) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Actual Award may be below, at or above the Target Award, as determined by the Administrator. The Administrator may determine the amount of any increase, reduction, or elimination based on such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

4.5 Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Administrator will determine the performance goals, if any, applicable to any Target Award (or portion thereof) which may include, without limitation, goals related to: attainment of research and development milestones; sales bookings; business divestitures and acquisitions; capital raising; cash flow; cash position; contract awards or backlog; corporate transactions; customer renewals; customer retention rates from an acquired company, subsidiary, business unit or division; earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization and net taxes); earnings per share; expenses; financial milestones; gross margin; growth in stockholder value relative to the moving average of the S&P 500 Index or another index; internal rate of return; leadership development or succession planning; license or research collaboration arrangements; market share; net income; net profit; net sales; new product or business development; new product invention or innovation; number of customers; operating cash flow; operating expenses; operating income; operating margin; overhead or other expense reduction; patents; procurement; product defect measures; product release timelines; productivity; profit; regulatory milestones or regulatory-related goals; retained earnings; return on assets; return on capital; return on equity; return on investment; return on sales; revenue; revenue growth; sales results; sales growth; savings; stock price; time to market; total stockholder return; working capital; unadjusted or adjusted actual contract value; unadjusted or adjusted total contract value; loans or loan originations; and individual objectives such as peer reviews or other subjective or objective criteria. As determined by the Administrator, the performance goals may be based on U.S. generally accepted accounting principles ("GAAP") or non-GAAP results and any actual results may be adjusted by the Administrator for one-time items or unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance goals have been met. The performance goals may be based on any factors the Administrator determines relevant, including without limitation on an individual, divisional, portfolio, project, business unit, segment or Company-wide basis. Any criteria used may be measured on such basis as the Administrator determines, including without limitation: (a) in absolute terms, (b) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (c) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (d) on a per-share basis, (e) against the performance of the Company as a whole or a segment of the Company and/or (f) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the applicable performance goals will result in a failure to earn the Target Award, except as provided in Section 4.4. The Administrator also may determine that a Target Award (or portion thereof) will not have a performance goal associated with it but instead will be granted (if at all) as determined by the Administrator.

4.6 Appendices and Sub-Plan. The Administrator may determine, at any time prior to payment of an Actual Award, that any Target Award or Actual Award (or portion thereof) are subject to any special provisions set forth in a country-specific appendix (or portion thereof) or sub-plan made available to the Participant in connection with this Award Agreement (as may be amended and/or restated from time to time) (collectively, an "Applicable Appendix"). If the Administrator determines that an Applicable Appendix applies, such terms and conditions supplement, amend and/or supersede the terms of this Plan, provided, however, that no such terms or conditions shall be effective with respect to a Participant who is a U.S. taxpayer or otherwise subject to Section 409A unless such terms and conditions would result in the terms of a Target Award or Actual Award to such Participant remaining exempt or excepted from the requirements of Section 409A pursuant to the "short-term deferral" exception or another exception or exemption under Section 409A, or otherwise complying with Section 409A, in each case such that none of this Plan or Actual Awards provided under this Plan to such Participant will be subject to the additional tax imposed under Section 409A.

5. Payment of Awards.

5.1 Right to Receive Payment. Each Actual Award will be paid solely from the general assets of the Company Group. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which the Participant may be entitled.

5.1 Timing of Payment. Payment of each Actual Award will be made as soon as practicable after the end of the Performance Period to which the Actual Award relates and after the Actual Award is approved by the Administrator, but in no event after the later of (a) the fifteenth (15th) day of the third (3rd) month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture, and (b) March 15 of the calendar year immediately following the calendar year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture. Unless otherwise determined by the Administrator, to earn an Actual Award a Participant must be employed by the Company Group on the date the Actual Award is paid, and in all cases subject to the Administrator's discretion pursuant to Section 4.4.

5.2 Form of Payment. Subject to the terms of this Plan, including Section 6.1.2, each Actual Award generally will be paid in cash (or its equivalent) in a single lump sum. The Administrator reserves the right to settle an Actual Award with a grant of an equity award with such terms and conditions, including any vesting requirements, as determined by the Administrator.

5.3 Payment in the Event of Death or Disability. If a Termination of Employment occurs due to a Participant's death or Disability prior to payment of an Actual Award that the Administrator has determined will be paid for a prior Performance Period, then the Actual Award will be paid to the Participant or the Participant's estate, as the case may be, subject to the Administrator's discretion pursuant to Section 4.4.

6. General Provisions.

6.1 Tax Matters.

6.1.1 Section 409A. It is the intent that this Plan be exempt from or comply with the requirements of Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms will be interpreted to be so exempt or so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). In no event will the Company Group have any liability, obligation, or responsibility to reimburse, indemnify or hold harmless any Participant or other Employee for any taxes, penalties or interest imposed, or other costs incurred, as a result of Section 409A.

6.1.2 Tax Withholdings. The Company Group will have the right and authority to deduct from any Actual Award all applicable Tax Withholdings. Prior to the payment of an Actual Award or such earlier time as any Tax Withholdings are due, the Company Group is permitted to deduct or withhold, or require a Participant to remit to the Company Group, an amount sufficient to satisfy any Tax Withholdings with respect to such Actual Award.

6.2 No Effect on Employment or Service. Neither the Plan nor any award under the Plan will confer upon a Participant any right regarding continuing the Participant's relationship as an Employee or other service provider to the Company Group, nor will they interfere with or limit in any way the right of the Company Group or the Participant to terminate such relationship at any time, with or without cause, to the extent permitted by applicable laws.

6.3 Forfeiture Events.

6.3.1 Clawback Policy; Applicable Laws. All awards under the Plan will be subject to reduction, cancellation, forfeiture, or recoupment in accordance with any clawback policy that the Company Group is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions with respect to an award under the Plan as the Administrator determines necessary or appropriate, including without limitation a reacquisition right in respect of previously acquired cash, stock, or other property provided with respect to an award. Unless this Section 6.3.1 is specifically mentioned and waived in a written agreement between a Participant and a member of the Company Group or other document, no recovery of compensation under a clawback policy will give the Participant the right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with a member of the Company Group.

6.3.2 Additional Forfeiture Terms. The Administrator may specify when providing for an award under the Plan that the Participant's rights, payments, and benefits with respect to the award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of the award. Such events may include, without limitation, termination of the Participant's status as an Employee for "cause" or any act by a Participant, whether before or after the Participant's status as an Employee terminates, that would constitute "cause."

6.3.3 Accounting Restatements. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, will reimburse the Company Group the amount of any payment with respect to an award earned or accrued during the twelve (12) month period following the first public issuance or filing with the U.S. Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement.

6.4 Successors. All obligations of the Company under the Plan, with respect to awards under the Plan, will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

6.5 Nontransferability of Awards. No award under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and except as provided in Section 5.3. All rights with respect to an award granted to a Participant will be available during his or her lifetime only to the Participant.

7. Amendment, Termination, and Duration.

7.1 Amendment, Suspension, or Termination. The Administrator may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan will not, without the consent of the Participant, alter or impair any rights or obligations under any Actual Award earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan. Any payments under this Plan, including the method of calculating such payments, do not create any contractual or other acquired right to participate in a similar Plan, receive any similar payments (or benefits in lieu) or have the Participant's payments calculated in a certain way in the future. The actual or anticipated value of any awards under the Plan will not be taken into account in assessing any other employment benefits or termination payments, including any payments in lieu of notice or severance, except as required by applicable law.

7.2 Duration of Plan. The Plan will commence on the date first adopted by the Board or the Compensation Committee of the Board, and subject to Section 7.1 (regarding the Administrator's right to amend or terminate the Plan), will remain in effect thereafter until terminated.

8. Legal Construction.

8.1 Gender and Number. Unless otherwise indicated by the context, any feminine term used herein also will include the masculine and any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural.

8.2 Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality, or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the invalid, illegal, or unenforceable provision had not been included.

8.3 Governing Law. The Plan and all awards and all determinations made and actions taken under the Plan will be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an award is his or her consent to the jurisdiction of the State of California resides, and agreement that any such litigation will be conducted in Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, regardless of where a Participant's services are performed. Notwithstanding the foregoing, an Applicable Appendix may provide that, with respect to the Participant, the Plan and one or more awards and determinations actions taken under the Plan will be construed in accordance with and governed by, the country where the Participant permanently resides or, to the fullest extent permitted by applicable law, such other jurisdiction as the Applicable Appendix may provide, and may provide for consent to jurisdiction, and agreement that litigation will be conducted in, the country where the Participant permanently resides or, to the fullest extent permitted by applicable law, such other jurisdiction as the Applicable Appendix may provide.

8.4 Bonus Plan. The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulations section 2510.3-2(c) and will be construed and administered in accordance with such intention.

8.5 Headings. Headings are provided herein for convenience only, and will not serve as a basis for interpretation or construction of the Plan.

8.6 Severability. In case any one or more of the provisions contained in the Plan shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Plan, but the Plan shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

9. Compliance with Applicable Laws. Awards under the Plan (including without limitation the granting of such awards) will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

* * *

PARTICIPANT ACKNOWLEDGEMENT FORM

You have been designated as a Participant who may be eligible to participate in the Employee Incentive Compensation Plan (“Plan”), subject to meeting the terms of the Plan [, the attached Applicable Appendix] and this Acknowledgment Form. You must sign and return this Acknowledgment Form to become an eligible Participant in the Plan. Relevant details in relation to your participation in the Plan are set out in the Plan.

By signing below, you acknowledge and agree that you received a copy of the Plan and have read and understand its terms. You acknowledge that you have not relied upon any representations or statements made by the Company or any of its affiliates which are not specifically set out in the Plan. You understand that the Plan, your participation in the Plan and any awards made under the Plan are discretionary and that the Company may amend, suspend, replace or terminate the Plan at any time and for any reason, in its sole discretion in accordance with the terms of the Plan to the full extent permitted under applicable law.

Name: _____

Signature: _____ Date: _____

UPSTART HOLDINGS, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a component that is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code (the "423 Component") and a component that is not intended to qualify as an "employee stock purchase plan" under Section 423 of the Code (the "Non-423 Component"). The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. An option to purchase shares of Common Stock under the Non-423 Component will be granted pursuant to rules, procedures, or sub-plans adopted by the Administrator designed to achieve tax, securities laws, or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) "Administrator" means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) "Affiliate" means any entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event shall not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12)-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase, or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final U.S. Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.

(h) "Common Stock" means the common stock of the Company.

(i) "Company" means Upstart Holdings, Inc., a Delaware corporation, or any successor thereto.

(j) "Compensation" includes an Eligible Employee's gross payments of base salary but excludes payments for incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

(k) "Contributions" means the payroll deductions and other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

(l) "Designated Company" means any Subsidiary or Affiliate of the Company that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component will not be a Designated Company under the Non-423 Component.

(m) "Director" means a member of the Board.

(n) "Eligible Employee" means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering or the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (for each Offering under the 423 Component, on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering under the 423 Component in an identical manner to all highly compensated individuals of the Employer whose Eligible Employees are participating in that Offering under the 423 Component. Each exclusion will be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii). Such exclusions may be applied with respect to an Offering under the Non- 423 Component without regard to the limitations of Treasury Regulation Section 1.423-2.

(o) "Employer" means the employer of the applicable Eligible Employee(s).

(p) "Enrollment Date" means the first Trading Day of an Offering Period.

(q) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(r) "Exercise Date" means the last Trading Day of the Purchase Period. Notwithstanding the foregoing, in the event that an Offering Period is terminated prior to its expiration pursuant to Section 20(a), the Administrator, in its sole discretion, may determine that any Purchase Period also terminating under such Offering Period will terminate without options being exercised on the Exercise Date that otherwise would have occurred on the last Trading Day of such Purchase Period.

(s) "Fair Market Value" means, as of any date, the value of a share of Common Stock determined as follows:

(i) For purposes of the Enrollment Date of the first Offering Period under the Plan, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the Registration Statement; or

(ii) For all other purposes, the Fair Market Value will be the closing sales price for Common Stock as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(t) "Fiscal Year" means a fiscal year of the Company.

(u) "New Exercise Date" means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Periods" means the periods of approximately six (6) months during which an option granted pursuant to the Plan may be exercised, commencing on the first Trading Day on or after February 15 and August 15 of each year and terminating on the last Trading Day on or before August 15 and February 15, approximately six (6) months later; provided, however, that the first Offering Period under the Plan will commence with the first Trading Day on or after the date on which the Securities and Exchange Commission declares the Company's Registration Statement effective and will end on the last Trading Day on or before August 15, 2021, and provided, further, that the second Offering Period under the Plan will commence on the first Trading Day on or after August 15, 2021. The duration and timing of Offering Periods may be changed pursuant to Sections 4, 20 and 30.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) "Participant" means an Eligible Employee that participates in the Plan.

(z) "Plan" means this Upstart Holdings, Inc. 2020 Employee Stock Purchase Plan.

(aa) "Purchase Period" means the period during an Offering Period during which shares of Common Stock may be purchased on a Participant's behalf in accordance with the terms of the Plan. Unless otherwise determined by the Administrator, Purchase Periods will coincide with Offering Periods.

(bb) "Purchase Price" means an amount equal to eighty-five percent (85%) of the Fair Market Value on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule) or pursuant to Section 20.

(cc) "Registration Date" means the effective date of the Registration Statement.

(dd) "Registration Statement" means the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock.

(ee) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ff) "Trading Day" means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

(gg) "U.S. Treasury Regulations" means the Treasury regulations of the Code. Reference to a specific Treasury Regulation will include such Treasury Regulation, the section of the Code under which such regulation was promulgated, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such Section or regulation.

3. Eligibility.

(a) First Offering Period. Any individual who is an Eligible Employee immediately prior to the first Offering Period will be automatically enrolled in the first Offering Period.

(b) Subsequent Offering Periods. Any Eligible Employee on a given Enrollment Date subsequent to the first Offering Period will be eligible to participate in the Plan, subject to the requirements of Section 5.

(c) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, Eligible Employees may be excluded from participation in the Plan or an Offering if the Administrator determines that participation of such Eligible Employees is not advisable or practicable.

(d) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars ($25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after February 15 and August 15 each year, or on such other dates as the Administrator will determine; provided, however, that the first Offering Period under the Plan will commence with the first Trading Day on or after the Registration Date and end on the last Trading Day on or before August 15, 2021, and provided, further, that the second Offering Period under the Plan will commence on the first Trading Day on or after August 15, 2021. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided, however, that no Offering Period may last more than twenty-seven (27) months.

5. Participation.

(a) First Offering Period. An Eligible Employee will be entitled to continue to participate in the first Offering Period pursuant to Section 3(a) only if such individual submits a subscription agreement authorizing Contributions in a form determined by the Administrator (which may be similar to the form attached hereto as Exhibit A) to the Company's designated plan administrator (i) no earlier than the effective date of the Form S-8 registration statement with respect to the issuance of Common Stock under this Plan and (ii) no later than ten (10) business days following the effective date of such S-8 registration statement or such date as the Administrator may determine (the "Enrollment Window"). An Eligible Employee's failure to submit the subscription agreement during the Enrollment Window will result in the automatic termination of such individual's participation in the first Offering Period.

(b) Subsequent Offering Periods. An Eligible Employee may participate in the Plan pursuant to Section 3(b) by (i) submitting to the Company's stock administration office (or its designee) a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose or (ii) following an electronic or other enrollment procedure determined by the Administrator, in either case on or before a date determined by the Administrator prior to an applicable Enrollment Date.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount not exceeding fifteen percent (15%) of the Compensation that he or she receives on the pay day. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day on or prior to the last Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof; provided, however, that for the first Offering Period, payroll deductions will commence on the first pay day on or following the end of the Enrollment Window.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and Contributions will be made in whole percentages of his or her Compensation only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided under Section 10. Unless otherwise determined by the Administrator, during a Purchase Period, a Participant may not increase the rate of his or her Contributions and may only decrease the rate of his or her Contributions one (1) time, provided that during the first Offering Period under the Plan a Participant may decrease the rate of his or her Contributions two (2) times. Any such decrease during a Purchase Period requires the Participant properly completing and submitting to the Company's stock administration office (or its designee) a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, including specifying the new rate of Contributions, provided that such subscription agreement is submitted least ten (10) business days prior to an applicable Exercise Date. If a Participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Purchase Period and future Offering Periods and Purchase Periods (unless the Participant's participation is terminated as provided in Sections 10 or 11). A Participant may also increase or decrease the rate of his or her Contributions prior to the start of a new Offering Period to which such changes relate by properly completing and submitting to the Company's stock administration office (or its designee) a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose, including specifying the new rate of Contributions, provided that such subscription agreement is submitted least ten (10) business days prior to the start of the applicable Offering Period. The Administrator may, in its sole discretion, amend the nature and/or number of Contribution rate changes that may be made by Participants during any Offering Period or Purchase Period and may establish other conditions or limitations as it deems appropriate for Plan administration. Any change in the rate of Contributions made pursuant to this Section 6(d) will be effective as of the first (1st) full payroll period following ten (10) business days after the date on which the change is made by the Participant (unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly).

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(d), a Participant's Contributions may be decreased to zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(d) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

(f) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Participants to participate in the Plan via cash contributions instead of payroll deductions if (i) payroll deductions are not permitted under applicable local law, (ii) the Administrator determines that cash contributions are permissible under Section 423 of the Code; or (iii) the Participants are participating in the Non-423 Component.

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than 2,000 shares of Common Stock (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(d) and 13. The Eligible Employee may accept the grant of such option (i) with respect to the first Offering Period by submitting a properly completed subscription agreement in accordance with the requirements of Section 5 on or before the last day of the Enrollment Window, and (ii) with respect to any subsequent Offering Period under the Plan, by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on each Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the Administrator. The Administrator may set forth a deadline of when a withdrawal must occur to be effective prior to a given Exercise Date in accordance with policies it may approve from time to time. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect on his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated. Unless otherwise provided by the Administrator, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company will not be treated as terminated under the Plan; however, if a Participant transfers from an Offering under the 423 Component to the Non-423 Component, the exercise of the option will be qualified under the 423 Component only to the extent it complies with Section 423 of the Code, unless otherwise provided by the Administrator.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 1,380,000 shares of Common Stock. The number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2021 Fiscal Year equal to the least of (i) 2,000,000 shares of Common Stock, (ii) one percent (1%) of the outstanding shares of Common Stock on the last day of the immediately preceding Fiscal Year, or (iii) an amount determined by the Administrator.

(b) Until the shares of Common Stock are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will have only the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to delegate ministerial duties to any of the Company's employees, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates of the Company as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan will govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering or in the Non-423 Component. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision, and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings or for Participants in the Non-423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party. Until shares of Common Stock are issued, Participants will have only the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation, Merger, or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period will end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Participants.

21. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Code Section 409A. The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company and any Parent, Subsidiary or Affiliate will have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 20.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Governing Law. The Plan will be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

27. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate of the Company, as applicable. Further, the Company or a Subsidiary or Affiliate of the Company may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

28. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

29. Compliance with Applicable Laws. The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

30. Automatic Transfer to Low Price Offering Period. To the extent permitted by Applicable Laws, if the Fair Market Value on any Exercise Date in an Offering Period is lower than the Fair Market Value on the Enrollment Date of such Offering Period, then all Participants in such Offering Period automatically will be withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period as of the first day thereof.

EXHIBIT A

UPSTART HOLDINGS, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

SUBSCRIPTION AGREEMENT

_____ Original Application Offering Date: _____
_____ Change in Payroll Deduction Rate

1. _____ ("Employee") hereby elects to participate in the Upstart Holdings, Inc. 2020 Employee Stock Purchase Plan (the "Plan") and subscribes to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Plan. Unless otherwise defined herein, the terms defined in the 2020 Employee Stock Purchase Plan (the "Plan") shall have the same defined meanings in this Subscription Agreement.

2. Employee hereby authorizes payroll deductions from each paycheck in the amount of ____% (from 0 to fifteen percent (15%)) of his or her Compensation on each payday during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. Employee understands that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. Employee understands that if he or she does not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise his or her option and purchase Common Stock under the Plan.

4. Employee has received a copy of the complete Plan and its accompanying prospectus. Employee understands that his or her participation in the Plan is in all respects subject to the terms of the Plan.

5. Shares of Common Stock purchased by Employee under the Plan should be issued in the name(s) of _____ (Employee or Employee and Spouse only).

6. Employee understands that if he or she disposes of any shares that he or she purchased under the Plan within two (2) years after the Enrollment Date (the first day of the Offering Period during which he or she purchased such shares) or one (1) year after the applicable Exercise Date, he or she will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased over the price paid for the shares. Employee hereby agrees to notify the Company in writing within thirty (30) days after the date of any disposition of such shares and to make adequate provision for federal, state or other tax withholding obligations, if any, that arise upon the disposition of such shares. The Company may, but will not be obligated to, withhold from Employee's compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to Employee's sale or early disposition of such shares. Employee understands that if he or she disposes of such shares at any time after the expiration of the two (2)-year and one-(1) year holding periods, he or she will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (i) the excess of the fair market value of the shares at the time of such disposition over the purchase price paid for the shares, or (ii) fifteen percent (15%) of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. Employee hereby agrees to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon Employee's eligibility to participate in the Plan.

Employee's Social Security Number: _____

Employee's Address: _____

_____

_____

EMPLOYEE UNDERSTANDS THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY EMPLOYEE.

Dated: _____ _____

Signature of Employee

EXHIBIT B

UPSTART HOLDINGS, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF WITHDRAWAL

Unless otherwise defined herein, the terms defined in the 2020 Employee Stock Purchase Plan (the "Plan") shall have the same defined meanings in this Notice of Withdrawal.

The undersigned Participant in the Offering Period of the Upstart Holdings, Inc. 2020 Employee Stock Purchase Plan that began on _____, _____ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be terminated automatically. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

_____

_____

_____

Signature:

_____

Date: _____

UPSTART HOLDINGS, INC.

EXECUTIVE CHANGE IN CONTROL AND SEVERANCE POLICY

(Adopted on October 23, 3030, effective as of the Registration Date)

This Executive Change in Control and Severance Policy (the "**Policy**") is designed to provide certain protections to a select group of key employees of Upstart Holdings, Inc. ("**Upstart**" or the "**Company**") or any of its subsidiaries if their employment is involuntarily terminated under the circumstances described in this Policy. The Policy is designed to be an "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), and this document is both the formal plan document and the required summary plan description for the Policy.

1. **Eligible Employee**: An individual is only eligible for protection under this Policy if he or she is an Eligible Employee and complies with its terms. An "**Eligible Employee**" is an employee of the Company or any subsidiary of the Company who has (i) been designated by the Compensation Committee of the Board (the "**Compensation Committee**") as eligible to participate in the Policy, whether individually or by position or category of position and (ii) executed a participation agreement in the form attached hereto as Exhibit A (a "**Participation Agreement**").

2. **Policy Benefits**: An Eligible Employee will be eligible to receive the payments and benefits under this Policy upon his or her Qualified Termination. All benefits under this Policy will be subject to the Eligible Employee's compliance with the Release Requirement and any timing modifications required to avoid adverse taxation under Section 409A.

3. **Salary Severance**. On a Qualified Termination, an Eligible Employee will be eligible to receive a lump-sum payment equal to the number of months of annualized Base Salary as set forth in the applicable Participation Agreement, payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10), less applicable withholdings; provided that, if the Eligible Employee's Qualified Termination occurs prior to the 12-month anniversary of the Eligible Employee's start date with the Company or any of its subsidiaries (the "**Start Date**"), the applicable lump-sum payment will be pro-rated by multiplying such lump-sum payment by the quotient of (x) the number of days between the Start Date and the date of the Qualified Termination and (y) 365.

4. **COBRA Benefit**. On a Qualified Termination, if an Eligible Employee makes a valid election under COBRA to continue his or her health coverage, the Company will pay the cost of such continuation coverage for the Eligible Employee and any of the Eligible Employee's eligible dependents that were covered under the Company's health care plans immediately prior to the date of his or her eligible termination until the earliest of (i) the end of the period following the Qualified Termination set forth in the applicable Participation Agreement; provided that, if the Eligible Employee's Qualified Termination occurs prior to the 12-month anniversary of the Eligible Employee's Start Date, the length of the applicable period will be pro-rated by multiplying the length of such period by the quotient of (x) the number of days between the Start Date and the date of the Qualified Termination and (y) 365, with such resulting pro-rated period rounded up to the nearest whole month, (ii) the date upon which the Eligible Employee and/or the Eligible Employee's eligible dependents become covered under similar plans or (iii) the date upon which the Eligible Employee ceases to be eligible for coverage under COBRA (such payments, the "**COBRA Premiums**"). However, if the Company determines in its sole discretion that it cannot pay the COBRA Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Eligible Employee a taxable lump-sum payment equal to the total amount of the COBRA premiums that the Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualified Termination (which amount will be based on the premium rates applicable for the first month of COBRA coverage for the Eligible Employee and any of eligible dependents of the Eligible Employee) for the period of time set forth in the applicable Participation Agreement (subject to any applicable pro-ration as provided for in subsection (i)) following the Qualified Termination (the "**COBRA Replacement Payment**"), payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10). The COBRA Replacement Payment (if any) will be made regardless of whether the Eligible Employee elects COBRA continuation coverage. For the avoidance of doubt, the COBRA Replacement Payment may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings. Notwithstanding anything to the contrary under this Policy, if at any time the Company determines in its sole discretion that it cannot provide the COBRA Premiums or the COBRA Replacement Payment without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Eligible Employee will not receive any further COBRA Premiums or the COBRA Replacement Payment.

5. **Equity Benefits**: On a Qualified Termination, acceleration of vesting as to a percentage of the then-unvested shares or rights subject to all equity awards which have been granted to the Eligible Employee, as set forth in the applicable Participation Agreement; provided that, if the Eligible Employee's Qualified Termination occurs prior to the 12-month anniversary of the Eligible Employee's Start Date, the applicable percentage will be pro-rated by multiplying such percentage by the quotient of (x) the number of days between the Start Date and the date of the Qualified Termination and (y) 365. In the case of an equity award with performance-based vesting, unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at target or as earned (determined on a pro rata basis) if greater. For the avoidance of doubt, in the event of the Eligible Employee's Non-CIC Qualified Termination, any unvested portion of the Eligible Employee's then-outstanding equity awards will remain outstanding until the earlier of (x) 3 months following the Non-CIC Qualified Termination (the "**Closing Deadline**") or (y) the occurrence of a Change in Control, solely so that any benefits due on a Qualified Termination can be provided if a Change in Control occurs within the 3-month period following the Non-CIC Qualified Termination (provided that in no event will the Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). If no Change in Control occurs within the 3-month period following a Non-CIC Qualified Termination, any unvested portion of the Eligible Employee's equity awards automatically and permanently will be forfeited on the 3-month anniversary following the date of the Non-CIC Qualified Termination without having vested.

6. **Bonus Severance**. On a Qualified Termination, an Eligible Employee will be eligible to receive a lump-sum payment equal to 100% of the Eligible Employee's target bonus as in effect for the fiscal year in which the Qualified Termination occurs, payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10), less applicable withholdings; provided that, (i) if so provided in the applicable Participation Agreement, the applicable lump-sum payment will be pro-rated by multiplying such lump-sum payment by the quotient of (x) the number of days between the start of the performance period to which the applicable target bonus relates and the date of the Qualified Termination, and (y) the number of days in such performance period, and (ii) if the Eligible Employee's Qualified Termination occurs prior to the 12-month anniversary of the Eligible Employee's Start Date, the applicable lump-sum payment will be pro-rated by multiplying such lump-sum payment by the quotient of (a) the number of days between the Start Date and the date of the Qualified Termination and (b) 365. For the avoidance of doubt, the pro-ration applied by subsections (i) and (ii) will jointly apply with respect to an applicable Eligible Employee whose Qualified Termination occurs less than 12 months following the applicable Start Date.

7. **Non-Duplication of Payment or Benefits**: If (i) an Eligible Employee's termination occurs during the 3 month period prior to a Change in Control that qualifies him or her for salary severance and COBRA benefits payable under a separate arrangement with the Company or any of its subsidiaries, and (ii) a Change in Control occurs by the Closing Deadline that qualifies him or her for the Salary Severance and COBRA Benefits payable on a Qualified Termination under this Policy, then (x) the Eligible Employee will cease receiving any further payments or benefits under such separate arrangement in connection with his or her termination and (y) the Salary Severance and COBRA Premiums (or the COBRA Replacement Payment) otherwise payable to the Eligible Employee on a Qualified Termination under this Policy will each be offset by the corresponding payments or benefits already paid to the Eligible Employee under the separate arrangement.

8. **Death of Eligible Employee**: If the Eligible Employee dies before all payments or benefits he or she is entitled to receive under this Policy have been paid, then (i) the COBRA Premiums to the Eligible Employee will immediately cease (and the COBRA Replacement Payment will not be paid to the Eligible Employee) and (ii) any such unpaid Salary Severance, Bonus Severance or Equity Benefits will be paid to his or her designated beneficiary, if living, or otherwise to his or her personal representative in a lump-sum payment as soon as possible following his or her death.

9. **Release**: The Eligible Employee's receipt of any severance payments or benefits upon his or Qualified Termination under this Policy is subject to the Eligible Employee signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage the Company, non-solicit provisions, and other standard terms and conditions) (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the 60th day following the Eligible Employee's Qualified Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Eligible Employee will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits under the Policy be paid or provided until the Release actually becomes effective and irrevocable. Notwithstanding any other payment schedule set forth in this Policy, none of the severance payments and benefits payable upon such Eligible Employee's Qualified Termination under this Policy will be paid or otherwise provided prior to the 60th day following the Eligible Employee's Qualified Termination. Except to the extent that payments are delayed under the paragraph below entitled "Section 409A," on the first regular payroll pay day following the 60th day following the Eligible Employee's Qualified Termination, the Company will pay or provide the Eligible Employee the severance payments and benefits that the Eligible Employee would otherwise have received under this Policy on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

10. **Section 409A**:

    a. For purposes of this Policy, no payment will be made to an Eligible Employee upon termination of his or her employment unless such termination constitutes a "separation from service" within the meaning of Code Section 409A and Section 1.409A-l(h) of the regulations promulgated thereunder.

b. To the extent any payments to which an Eligible Employee becomes entitled under this Policy, or any agreement or plan referenced herein, in connection with his or her separation from service from the Company constitute deferred compensation subject to Section 409A of the Code (the "**Deferred Payments**"), such payments will be paid on, or in the case of installments, will not commence, until the 60th day following the Eligible Employee's separation from service, or if later, such time as required by Section 10.c. Except as required by 10.c., any installment payments that would have been made to an Eligible Employee during the 60 day period immediately following such Eligible Employee's separation from service but for the preceding sentence will be paid to Eligible Employee on or around the 60th day following Eligible Employee's separation from service and the remaining payments will be made as provided herein.

c. If an Eligible Employee is deemed at the time of such separation from service to be a "specified employee" under Code Section 409A, then any Deferred Payment(s) shall not be made or commence until the earliest of (i) the expiration of the 6 month period measured from the date of his or her "separation from service" (as such term is at the time defined in Treasury Regulations under Code Section 409A) with the Company or (ii) the date of his or her death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to the Eligible Employee, including (without limitation) the additional 20% tax for which the Eligible Employee would otherwise be liable under Code Section 409A(a)(l)(B) in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to the Eligible Employee or his or her beneficiary in one lump sum.

d. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Code Section 409A or to otherwise avoid income recognition under Code Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment and benefit payable hereunder is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. In no event will the Company reimburse an Eligible Employee for any taxes that may be imposed on the Eligible Employee as a result of Section 409A.

11. **Parachute Payments**:

a. Reduction of Severance Benefits. Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Best Results Amount. The "Best Results Amount" will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); cancellation of accelerated vesting of stock awards; and reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Eligible Employee's equity awards.

b. Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Eligible Employee, and the Company will have no liability to the Eligible Employee for the determinations of the firm.

12. **Administration**: The Policy will be administered by the Compensation Committee or its delegate (in each case, an "**Administrator**"). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the "plan administrator" of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity.

13. **Exclusive Benefits**: This Policy is intended to be the only agreement between the Eligible Employee and the Company regarding any change in control severance payments or benefits to be paid to the Eligible Employee on account of a termination of employment that occurs during the Change in Control Period. Accordingly, by executing a Participation Agreement, an Eligible Employee hereby forfeits and waives any rights to any change in control or change in control severance benefits set forth in any employment agreement, offer letter, and/or equity award agreement, except as set forth in this Policy.

14. **Tax Obligations**: All payments and benefits under this Policy will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld therefrom and any other required payroll deductions. The Company will not pay any Eligible Employee's taxes arising from or relating to any payments or benefits under this Policy. The Eligible Employee will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments.

15. **Amendment or Termination**: The Board or the Compensation Committee may amend or terminate the Policy at any time without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment or termination on any Eligible Employee or on any other individual, except that any amendment or termination of the Policy that would reduce the benefits provided hereunder or impair an Eligible Employee's eligibility under the Policy will not be effective with respect to such Eligible Employee without such Eligible Employee's prior written consent. Any action in amending or terminating the Policy will be taken in a non-fiduciary capacity.

16. **Claims Procedure**: Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90 day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

17. **Appeal Procedure**: If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

18. **Successors**: Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) shall assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Policy, the term "Company" will include any successor to the Company's business and/or assets which becomes bound by the terms of the Policy by operation of law, or otherwise. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Policy and each Participation Agreement.

19. **Applicable Law**: The provisions of the Policy will be construed, administered, and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of California (but not its conflict of laws provisions).

20. **Definitions**: The following terms will have the following meanings for purposes of this Policy:

    a. "**Affiliate**" means the Company and any other parent or subsidiary corporation of the Company, as such terms are defined in Section 424(e) and (1) of the Code.

    b. "**Base Salary**" means the Eligible Employee's annual base salary as in effect immediately prior to his or her Qualified Termination (or if the Qualified Termination is due to Good Reason based on a material reduction in base salary under Section 20.m.(ii), then the Eligible Employee's annual base salary in effect immediately prior to such reduction).

    c. "**Board**" means the Board of Directors of the Company.

    d. "**Bonus Severance**" means the severance payments set forth in Section 6.

    e. "**Cause**" means: (i) any material breach by Eligible Employee of any material written agreement between Eligible Employee and the Company or any Affiliate, and Eligible Employee's failure to cure such breach to the Company's reasonable satisfaction within 30 days after receiving written notice thereof; (ii) any failure by Eligible Employee to comply with the Company's material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Eligible Employee's duties and Eligible Employee's failure to cure such condition within 30 days after receiving written notice thereof; (iv) Eligible Employee's repeated failure to follow reasonable and lawful instructions from the Company and Eligible Employee's failure to cure such condition within 30 days after receiving written notice thereof; (v) Eligible Employee's conviction of, or plea of guilty or nolo contendre to, a felony, any crime involving fraud, embezzlement or any other act of moral turpitude, or any crime that results in, or is reasonably expected to result in, a material adverse effect on the business or reputation of the Company; (vi) Eligible Employee's intentional material damage to the Company's business, property or reputation; (vii) Eligible Employee's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Eligible Employee owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (viii) Eligible Employee's gross misconduct.

    f. "**Change in Control**" means the occurrence of any of the following events:

        i. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company, will not be considered a Change in Control; or

ii. Any action or event occurring within a 1-year period, as a result of which less than a majority of the members of the Board are Incumbent Directors. "**Incumbent Directors**" will mean members of the Board who either (A) are members of the Board as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board); or

iii. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

g. "**Change in Control Period**" means the period beginning 3 months prior to a Change in Control and ending 12 months following a Change in Control.

h. "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

i. "**COBRA Benefit**" means the COBRA premium payments and COBRA Replacement Payments set forth in Section 4.

j. "**Code**" means the Internal Revenue Code of 1986, as amended.

k. "**Disability**" means that the Eligible Employee has been unable to perform Eligible Employee's Company duties as the result of Eligible Employee's incapacity due to physical or mental illness, and such inability, at least 26 weeks after its commencement or 180 days in any consecutive 12-month period, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Eligible Employee or Eligible Employee's legal representative (such agreement as to acceptability not to be unreasonably withheld). Termination resulting from Disability may only be effected after at least 30 days' written notice by the Company of its intention to terminate the Eligible Employee's employment. In the event that the Eligible Employee resumes the performance of substantially all of Eligible Employee's duties hereunder before the termination of Eligible Employee's employment becomes effective, the notice of intent to terminate will automatically be deemed to have been revoked.

l. "**Equity Benefits**" means the equity award acceleration benefits set forth in Section 5.

m. "**Good Reason**" means Eligible Employee's resignation within 30 days following the expiration of any Company cure period (discussed below) following the occurrence of one or more of the following, without Eligible Employee's express written consent: (i) a material reduction of Eligible Employee's duties, position or responsibilities, or the removal of Eligible Employee from such position and responsibilities, either of which results in a material diminution of Eligible Employee's authority, duties or responsibilities, unless Eligible Employee is provided with a comparable position (i.e., a position of equal or greater organizational level, duties, authority, compensation and status); (ii) a material reduction in Eligible Employee's annual base compensation; provided, however, that a reduction in Eligible Employee's annual base compensation of 10% or less in any one year will not be deemed a material reduction; (iii) a material change in the geographic location of Eligible Employee's primary work facility or location; provided, that a relocation of less than 25 miles from Eligible Employee's then present location or to Eligible Employee's home as his primary work location will not be considered a material change in geographic location; or (iv) a material breach by the Company of the terms of Eligible Employee's employment arrangement with the Company. Eligible Employee's resignation will not be deemed to be for Good Reason unless Eligible Employee has first provided the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and a reasonable cure period of not less than 30 days following the date the Company receives such notice, and such condition has not been cured during such period.

n. "**Non-CIC Qualified Termination**" means a termination of the Eligible Employee's employment that would constitute a Qualified Termination but for the fact that it occurs outside of the Change in Control Period.

o. "**Qualified Termination**" means a termination of the Eligible Employee's employment either (i) by the Company without Cause (excluding by reason of the Eligible Employee's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period.

p. "**Salary Severance**" means the severance payments set forth in Section 3.

q. "**Tier**" means the tier of severance benefits an Eligible Employee is entitled to receive under the Policy, depending on the rank of the Eligible Employee on the date the right to severance benefits under the Policy is triggered through a Qualified Termination, as set forth below.

i. "**Tier 1**" applies to the Company's Chief Executive Officer.

ii. "**Tier 2**" applies to the Company's Senior Vice Presidents and Executive Officers other than the Company's Chief Executive Officer.

iii. "**Tier 3**" applies to the Company's Vice Presidents.

21. **Additional Information**:

Plan Name:	Upstart Holdings, Inc. Executive Change in Control and Severance Policy
Plan Sponsor:	Upstart Holdings, Inc. 2950 S. Delaware Street, Suite 300 San Mateo, California 94403
Identification Numbers:	[___]
Plan Year:	Company's Fiscal Year
Plan Administrator:	Upstart Holdings, Inc. *Attention:* Administrator of the Upstart Holdings, Inc. Executive Change in Control and Severance Policy 2950 S. Delaware Street, Suite 300 San Mateo, California 94403
Agent for Service of Legal Process:	Upstart Holdings, Inc. *Attention:* General Counsel 2950 S. Delaware Street, Suite 300 San Mateo, California 94403 Service of process may also be made upon the Plan Administrator.
Type of Plan	Severance Plan/Employee Welfare Benefit Plan
Plan Costs	The cost of the Policy is paid by the Company.

22. **Statement of ERISA Rights**:

Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy's annual report (Internal Revenue Service Form 5500). These documents are available for review in the Company's Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called "fiduciaries") have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or exercising rights under ERISA. If an Eligible Employee's claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within thirty (30) days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to $110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

EXHIBIT A

Executive Change in Control and Severance Policy
Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between Dave Girouard on the one hand, and Upstart Holdings, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Company's Executive Change in Control and Severance Policy (the "**Policy**"), a copy of which is attached hereto, pursuant to which you are eligible to receive the applicable Salary Severance, COBRA Benefit, Equity Benefits and Bonus Severance in the amounts set forth below upon a Qualified Termination, subject to the terms and conditions of the Policy. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Policy.

- Salary Severance: 12 months
- COBRA Benefit: 12 months
- Equity Benefits: 100%
- Bonus Severance: 100% of applicable target bonus, provided that such Bonus Severance will not be subject to the proration set forth in Section 6(i) of the Policy.

(a) You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any change in control severance and/or change in control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

(b) This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of the Policy, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

UPSTART HOLDINGS, INC.

By: _____

Date: _____

ELIGIBLE EMPLOYEE

Signature: _____

Date: _____

Executive Change in Control and Severance Policy
Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between Sanjay Datta on the one hand, and Upstart Holdings, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Company's Executive Change in Control and Severance Policy (the "**Policy**"), a copy of which is attached hereto, pursuant to which you are eligible to receive the applicable Salary Severance, COBRA Benefit, Equity Benefits and Bonus Severance in the amounts set forth below upon a Qualified Termination, subject to the terms and conditions of the Policy. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Policy.

- Salary Severance: 12 months
- COBRA Benefit: 12 months
- Equity Benefits: 100%
- Bonus Severance: 100% of applicable target bonus, provided that such Bonus Severance will be subject to the proration set forth in Section 6(i) of the Policy.

(c) You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any change in control severance and/or change in control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

(d) This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of the Policy, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

UPSTART HOLDINGS, INC.	**ELIGIBLE EMPLOYEE**
By: _____	Signature: _____
Date: _____	Date: _____

Executive Change in Control and Severance Policy
Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between Paul Gu on the one hand, and Upstart Holdings, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Company's Executive Change in Control and Severance Policy (the "**Policy**"), a copy of which is attached hereto, pursuant to which you are eligible to receive the applicable Salary Severance, COBRA Benefit, Equity Benefits and Bonus Severance in the amounts set forth below upon a Qualified Termination, subject to the terms and conditions of the Policy. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Policy.

- Salary Severance: 12 months
- COBRA Benefit: 12 months
- Equity Benefits: 100%
- Bonus Severance: 100% of applicable target bonus, provided that such Bonus Severance will be subject to the proration set forth in Section 6(i) of the Policy.

(e) You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any change in control severance and/or change in control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

(f) This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of the Policy, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

UPSTART HOLDINGS, INC.	**ELIGIBLE EMPLOYEE**
By: _____	Signature: _____
Date: _____	Date: _____

UPSTART HOLDINGS, INC.

OUTSIDE DIRECTOR COMPENSATION POLICY

(Adopted and approved October 23, 2020, amended and restated on November 12, 2020 and effective as of the Effective Date)

Upstart Holdings, Inc. (the "Company") believes that providing cash and equity compensation to members of its Board of Directors (the "Board," and members of the Board, the "Directors") represents an effective tool to attract, retain and reward Directors who are not employees of the Company (the "Outside Directors"). This Outside Director Compensation Policy (the "Policy") is intended to formalize the Company's policy regarding cash compensation and grants of equity awards to its Outside Directors. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given such term in the Company's 2020 Equity Incentive Plan, as amended from time to time (or if such plan no longer is in use at the time of the grant of an equity award, the meaning given such term or any similar term in the equity plan then in place under which such equity award is granted) (such applicable plan, the "Plan"). Each Outside Director will be solely responsible for any tax obligations incurred by such Outside Director as a result of the equity awards and cash and other compensation such Outside Director receives under this Policy.

Subject to Section 9 of this Policy, this Policy will be effective as of the date of the first sale of Shares (or other common equity securities of the Company) to the general public upon the closing of an underwritten public offering (1) pursuant to an effective registration statement filed pursuant to Section 12(b) of the U.S. Securities Exchange Act of 1934, as amended, and (2) immediately after which such securities (i.e., the Shares or other common equity securities of the Company) are registered on a national securities exchange (as defined under then-applicable United States federal securities laws and regulations) (such date, the "Effective Date").

1. CASH COMPENSATION

a. Annual Cash Retainers for Service as Outside Director. Each Outside Director will be paid a cash retainer of $30,000 per year. There are no per-meeting attendance fees for attending Board meetings or meetings of any committee of the Board.

b. Additional Annual Cash Retainers for Service as Non-Employee Chair, Lead Independent Director, Committee Chair and Committee Member. As of the Effective Date, each Outside Director who serves as the Non-Employee Chair, Lead Independent Director, or chair or a member of a committee of the Board will be eligible to earn additional annual fees as follows:

Non-Employee Chair:	$40,000
Lead Independent Director:	$25,000
Audit Committee Chair:	$20,000
Member of Audit Committee:	$10,000
Compensation Committee Chair:	$14,000
Member of Compensation Committee:	$ 7,000
Nominating and Governance Committee Chair:	$ 8,000
Member of Nominating and Governance Committee:	$ 4,000

For clarity, each Outside Director who serves as the chair of a committee will receive only the additional annual fee as the chair of the committee and not the additional annual fee as a member of such committee while serving as such chair, provided that the Outside Director who serves as the Non-Employee Chair or the Lead Independent Director will receive the annual fee as an Outside Director and the additional annual fee as the Non-Employee Chair or the Lead Independent Director.

c. Payments. Each annual cash retainer under this Policy will be paid annually in arrears on a prorated basis to each Outside Director who has served in the relevant capacity at any point during the immediately preceding calendar year, and such payment will be made no later than 30 days following the end of such immediately preceding calendar year. For purposes of clarity, an Outside Director who has served as an Outside Director, as a member of an applicable committee (or chair thereof) during only a portion of the relevant calendar year will receive a prorated payment of the annual payment of the applicable annual cash retainer(s), calculated based on the number of days during such calendar year such Outside Director has served in the relevant capacities. For purposes of clarity, an Outside Director who has served as an Outside Director, as a member of an applicable committee (or chair thereof), as applicable, from the Effective Date through the end of the calendar year containing the Effective Date (the "Initial Period") will receive a prorated payment of the annual payment of the applicable annual cash retainer(s), calculated based on the number of days during the Initial Period that such Outside Director has served in the relevant capacities.

2. ELECTIONS TO RECEIVE RESTRICTED STOCK UNITS IN LIEU OF ANNUAL CASH RETAINER PAYMENTS

a. Retainer Awards. Each Outside Director may elect to convert all or a portion of his or her annual cash retainer payments into a number of Restricted Stock Units ("Retainer RSUs", and an Award of such Retainer RSUs, a "Retainer Award") with a Value on the date of grant equal to the amount of the applicable annual cash retainer payment to which the Retainer Award relates, provided that any resulting fraction shall be rounded down to the nearest whole Share (such election, a "Retainer RSU Election"). Retainer Awards shall be subject to certain terms and conditions as provided for in Section 3, below.

b. Retainer RSU Election Mechanics. Each Retainer RSU Election must be submitted to Stock Administration in the form and manner specified by the Board or Compensation Committee. An individual who fails to make a timely Retainer RSU Election shall not receive a Retainer Award and instead shall receive the applicable annual cash retainer payments. Retainer RSU Elections must comply with the following timing requirements:

i. Initial Election. Each individual who first becomes an Outside Director may make a Retainer RSU Election with respect to annual cash retainer payments scheduled to be paid in the same calendar year as such individual first becomes an Outside Director (the "Initial Election"). The Initial Election must be submitted to Stock Administration on or prior to the date that the individual first becomes an Outside Director (the "Initial Election Deadline"), and the Initial Election shall become irrevocable effective as of the Initial Election Deadline.

ii. Annual Election. Subject to the last sentence of this paragraph, by no later than December 31 of each calendar year, or such earlier deadline as may be established by the Board or the Compensation Committee, in its discretion (the "Annual Election Deadline"), each individual who is an Outside Director as of immediately prior to the Annual Election Deadline may make a Retainer RSU Election with respect to annual cash retainer payments relating to services to be performed in the following calendar year and otherwise scheduled to be paid following the completion of those services (the "Annual Election"). The Annual Election must be submitted to Stock Administration on or prior to the applicable Annual Election Deadline and shall become irrevocable effective as of the Annual Election Deadline. For avoidance of doubt, the Annual Election Deadline hereunder for annual cash retainer payments earned for service in 2021 shall be December 31, 2020.

c. Termination Prior to Date of Grant of Retainer Award. If an Outside Director who has made a valid Retainer RSU Election ceases to be an Outside Director prior to the applicable grant date of the Retainer Award to which the Retainer RSU Election relates, as specified in Section 3 of this Policy, the Retainer RSU Election will be treated as cancelled, and the Outside Director will be eligible to receive a prorated payment of the annual payment of the Outside Director's applicable annual cash retainer(s), calculated based on the number of days during the applicable calendar year the Outside Director served in the relevant capacities, in accordance with Section 1(c) of this Policy.

3. EQUITY COMPENSATION

Outside Directors will be eligible to receive all types of Awards (except Incentive Stock Options) under the Plan, including discretionary Awards not covered under this Policy. All grants of Awards to Outside Directors pursuant to Section 3 of this Policy will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

a. No Discretion. No person will have any discretion to select which Outside Directors will be granted any Awards under this Policy or to determine the number of Shares to be covered by such Awards, except as provided in Sections 3(e)(iii) and 10 below.

b. Initial Awards. Each individual who first becomes an Outside Director following the Effective Date will be granted an award of Restricted Stock Units (an "Initial Award") covering a number of Shares having a Value (as defined below) of $165,000, with any resulting fraction rounded down to the nearest whole Share. The Initial Award will be granted automatically on the first Trading Day on or after the date on which such individual first becomes an Outside Director (the first date as an Outside Director, the "Initial Start Date"), whether through election by the Company's stockholders or appointment by the Board to fill a vacancy. If an individual was a member of the Board and also an employee, becoming an Outside Director due to termination of employment will not entitle the Outside Director to an Initial Award. Each Initial Award will be scheduled to vest as follows: 100% of the Shares subject to the Initial Award will be scheduled to vest on the 1-year anniversary of the Outside Director's Initial Start Date, subject to the Outside Director continuing to be an Outside Director through the applicable vesting date.

c. Annual Award. On the first Trading Day immediately following each Annual Meeting of the Company's stockholders (an "Annual Meeting") that occurs after the Effective Date, each Outside Director automatically will be granted an award of Restricted Stock Units (an "Annual Award") covering a number of Shares having a Value of $165,000; provided that the first Annual Award granted to an individual who first becomes an Outside Director following the Effective Date will have a Value equal to the product of (A) $165,000 multiplied by (B) a fraction, (i) the numerator of which is the number of fully completed days between the applicable Initial Start Date and the date of the first Annual Meeting to occur after such individual first becomes an Outside Director, and (ii) the denominator of which is 365; and provided further that any resulting fraction shall be rounded down to the nearest whole Share. Each Annual Award will be scheduled to vest on the earlier of (x) the 1-year anniversary of the Annual Award's grant date, or (y) the day immediately before the date of the next Annual Meeting following the Annual Award's grant date, in each case, subject to the Outside Director continuing to be an Outside Director through the applicable vesting date.

d. Retainer Awards. Subject to Section 2(c) of this Policy, Retainer Awards will be granted on January 10 immediately following the end of the calendar year for which the corresponding annual cash retainer payment was earned, except that if such date is not a trading day, the associated grant of the applicable Retainer Award shall occur on the next trading day following such date. Each Retainer Award will be fully vested on the date of grant.

e. Additional Terms of Initial Awards, Annual Awards and Retainer Awards. The terms and conditions of each Initial Award, Annual Award and Retainer Award will be as follows:

i. Each Initial Award, Annual Award and Retainer Award will be granted under and subject to the terms and conditions of the Plan and the applicable form of Award Agreement previously approved by the Board or its Compensation Committee, as applicable, for use thereunder.

ii. For purposes of this Policy, "Value" means the grant date fair value as determined in accordance with U.S. generally accepted accounting principles, or such other methodology the Board or any committee of the Board designed by the Board with appropriate authority (the "Designated Committee"), as applicable, may determine prior to the grant of the applicable Award becoming effective; provided that, with respect to Initial Awards, Annual Awards and Retainer Awards, the grant date fair value per Share will equal the average closing price of a Share for the 30 trading days immediately prior to the applicable date of grant.

iii. Revisions. The Board or the Designated Committee, as applicable and in its discretion, may change and otherwise revise the terms of Initial Awards, Annual Awards and Retainer Awards granted under this Policy, including, without limitation, the number of Shares subject thereto and type of Award.

4. OTHER COMPENSATION AND BENEFITS

Outside Directors also may be eligible to receive other compensation and benefits, as may be determined by the Board or its Designated Committee, as applicable, from time to time.

5. CHANGE IN CONTROL

In the event of a Change in Control, each Outside Director will fully vest in his or her outstanding Company equity awards as of immediately prior to a Change in Control, including any Initial Awards and Annual Awards, provided that the Outside Director continues to be an Outside Director through the date of the Change in Control.

6. ANNUAL COMPENSATION LIMIT

No Outside Director may be granted Awards with Values, and be provided any other compensation (including without limitation any cash retainers or fees) with amounts that, in any Company fiscal year ("Fiscal Year"), in the aggregate, exceed $1,000,000, provided that, in the Fiscal Year containing an Outside Director's Initial Start Date, such limit will be increased to $2,000,000. Any Awards or other compensation provided to an individual (a) for his or her services as an Employee, or for his or her services as a Consultant other than as an Outside Director, or (b) prior to the Effective Date, will be excluded for purposes of the foregoing limit.

7. TRAVEL EXPENSES

Each Outside Director's reasonable, customary, and properly documented, out-of-pocket travel expenses to meetings of the Board and any of its committees, as applicable, will be reimbursed by the Company.

8. CODE SECTION 409A

In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (a) the fifteenth (15th) day of the third (3rd) month following the end of the Company's taxable year in which the compensation is earned or expenses are incurred, as applicable, or (b) the fifteenth (15th) day of the third (3rd) month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Code Section 409A. It is the intent of this Policy that this Policy and all payments hereunder be exempt or excepted from or otherwise comply with the requirements of Code Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Code Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company Group have any responsibility, liability or obligation to reimburse, indemnify, or hold harmless an Outside Director or any other person for any taxes imposed, or other costs incurred, as a result of Code Section 409A.

9. STOCKHOLDER APPROVAL

The initial adoption of this Policy will be subject to approval by the Company's stockholders prior to the Effective Date. Unless otherwise required by applicable law, following such approval, the Policy will not be subject to approval by the Company's stockholders, including, for the avoidance of doubt, as a result of or in connection with an action taken with respect to this Policy as contemplated in Section 10.

10. REVISIONS

The Board may amend, alter, suspend or terminate this Policy at any time and for any reason. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of an Outside Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed in writing between the Outside Director and the Company. Termination of this Policy will not affect the Board's or the Designated Committee's ability to exercise the powers granted to it with respect to Awards granted pursuant to this Policy prior to the date of such termination, including without limitation such applicable powers set forth in the Plan.

* * *

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of September 5, 2018 (the "**Effective Date**") among **SILICON VALLEY BANK**, a California corporation ("**Bank**"), **UPSTART HOLDINGS, INC.**, a Delaware corporation ("**Upstart Holdings**"), and **UPSTART NETWORK, INC.**, a Delaware corporation ("**Upstart Network**", together with Upstart Holdings, each a "**Co-Borrower**" and collectively, "**Co-Borrowers**"), provides the terms on which Bank shall lend to Co-Borrowers, and Co-Borrowers shall repay Bank and amends and supersedes, in its entirety, that certain Loan and Security Agreement by and between Bank and Co-Borrowers dated as of February 1, 2016 (as amended from time to time, the "**Original Agreement**"). The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Co-Borrowers hereby unconditionally promise to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Revolving Line.

(a) Availability. Subject to the terms and conditions of this Agreement and to deduction of Reserves, Bank shall make Advances not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.1.2 Growth Capital Advance.

(a) Availability. Pursuant to the terms of the Original Agreement, Bank has made a single growth capital advance to Co-Borrowers in the aggregate principal amount of Five Million Five Hundred Thousand Dollars ($5,500,000) (the "**Growth Capital Advance**"). As of the Effective Date, the outstanding principal amount of the Growth Capital Advance is Four Million Nine Hundred Fifty Thousand Dollars and One Cent ($4,950,000.01).

(b) Repayment. Co-Borrowers shall continue to repay the Growth Capital Advance in (i) thirty (30) equal monthly installments of principal, plus (ii) monthly payments of accrued interest at the rate set forth in Section 2.3(a)(ii). All outstanding principal and accrued and unpaid interest under the Growth Capital Advance, and all other outstanding Obligations with respect to the Growth Capital Advance, are due and payable in full on the Growth Capital Maturity Date.

(c) Permitted Prepayment. A Co-Borrower shall have the option to prepay the Growth Capital Advance in whole or in part, provided such Co-Borrower (i) delivers written notice to Bank of its election to prepay the Growth Capital Advance at least five (5) days prior to such prepayment, and (ii) pays, on the date of such prepayment (A) the outstanding principal plus accrued and unpaid interest with respect to the Growth Capital Advance, and (B) all other sums, including Bank Expenses, if any, that shall have become due and payable with respect to the Growth Capital Advance, including interest at the Default Rate with respect to any past due amounts.

(d) Mandatory Prepayment Upon an Acceleration. If the Growth Capital Advance is accelerated by Bank following the occurrence and during the continuance of an Event of Default, Co-Borrowers shall immediately pay to Bank an amount equal to the sum of (i) all outstanding principal plus accrued and unpaid interest with respect to the Growth Capital Advance, and (ii) all other sums, including Bank Expenses, if any, that shall have become due and payable with respect to the Growth Capital Advance, including interest at the Default Rate with respect to any past due amounts.

2.2 Overadvances. If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Revolving Line or the Borrowing Base, Co-Borrowers shall immediately pay to Bank in cash the amount of such excess (such excess, the "**Overadvance**"). Without limiting Co-Borrowers' obligation to repay Bank any Overadvance, Co-Borrowers agree to pay Bank interest on the outstanding amount of any Overadvance, on demand, at a per annum rate equal to the rate that is otherwise applicable to Advances plus five percent (5.0%).

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rates.

(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to one percentage point (1.00%) above the Prime Rate, which interest shall be payable monthly in accordance with Section 2.3(e) below.

(ii) Growth Capital Advance. Subject to Section 2.3(b), the principal amount outstanding for the Growth Capital Advance shall accrue interest at a floating per annum rate equal to one and three-quarters percentage points (1.75%) above the Prime Rate, which shall be payable monthly.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is three percent (3.00%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Co-Borrowers pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Minimum Interest. In the event the aggregate amount of interest earned by Bank under the Revolving Line in any month (such period, the "**Minimum Interest Period**," which period shall begin on the Effective Date and continue with each month thereafter until the earlier of the Revolving Line Maturity Date or the date this Agreement is terminated) is less than the Minimum Interest Amount (inclusive of any collateral monitoring fees and float charges but exclusive of any unused line fees or any other fees and charges hereunder) ("**Minimum Interest**"), Co-Borrowers shall pay to Bank, upon demand by Bank, an amount equal to (i) the Minimum Interest Amount minus (ii) the aggregate amount of all interest earned by Bank under the Revolving Line (inclusive of any collateral monitoring fees and float charges but exclusive of any unused line fees or any other fees and charges hereunder) in such Minimum Interest Period. The amount of Minimum Interest charged shall be prorated for any partial Minimum Interest Period. Co-Borrowers shall not be entitled to any credit, rebate, or repayment of any Minimum Interest pursuant to this Section 2.3(d) notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Co-Borrowers under this Section 2.3(d) pursuant to the terms of Section 2.5(c). Bank shall provide Co-Borrowers written notice of deductions made from the Designated Deposit Account pursuant to the terms of this Section 2.3(d).

(e) Payment; Interest Computation. Unless otherwise specified, interest is payable monthly on the Payment Date of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension.

2.4 Fees and Expenses. Co-Borrowers shall pay to Bank:

(a) Revolving Line Commitment Fee. A fully earned, non-refundable commitment fee of Forty Five Thousand Dollars ($45,000), on the Effective Date;

(b) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, within ten (10) days after written demand by Bank).

(c) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Co-Borrowers shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Co-Borrowers under the clauses of this Section 2.4 pursuant to the terms of Section 2.5(c). Bank shall provide Co-Borrowers written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.4.

2.5 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Co-Borrowers under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) On and after the occurrence of an Event of Default that continues, Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. On and after the occurrence of an Event of Default that continues, Co-Borrowers shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Co-Borrowers to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement. Prior to the occurrence of an Event of Default that continues, Co-Borrowers have the exclusive right to determine the order and manner in which all prepayments with respect to the Obligations may be applied.

(c) Bank may debit any of Co-Borrowers' deposit accounts, as long as it first debits the Designated Deposit Account, for principal and interest payments or any other amounts Co-Borrowers owe Bank when due. These debits shall not constitute a set-off. With respect to amounts other than principal and interest payments, Bank shall endeavor to promptly notify Co-Borrowers of any such debits to Co-Borrowers' deposit accounts, but any failure to so notify Co-Borrowers shall not be a breach by Bank hereunder.

2.6 Withholding.

(a) Defined Terms. For purposes of this Section 2.6, the term "applicable law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of Co-Borrowers under any Loan Document shall be made without deduction or withholding for any Taxes, except as

required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then Co-Borrowers (or 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 Co-Borrowers 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 2.6(b)), Bank receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Co-Borrowers. Co-Borrowers shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of Bank timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Co-Borrowers. Co-Borrowers shall indemnify Bank 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 2.6(d)) payable or paid by Bank or required to be withheld or deducted from a payment to Bank 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 Co-Borrowers by Bank, shall be conclusive absent manifest error.

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by Co-Borrowers to a Governmental Authority pursuant to this Section 2.6, Co-Borrowers shall deliver to Bank 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 Bank.

(f) Status of Lenders.

(i) Bank, and any other Person holding a beneficial interest in the right to make Credit Extensions, if entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, shall deliver to Co-Borrowers, at the time or times reasonably requested by Co-Borrowers, such properly completed and executed documentation reasonably requested by Co-Borrowers as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Bank and any other Person holding a beneficial interest in the right to make Credit Extensions, if reasonably requested by Co-Borrowers, shall deliver such other documentation prescribed by applicable law or reasonably requested by Co-Borrowers as will enable Co-Borrowers to determine whether or not Bank or such other Person 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 below in subparagraphs (ii)(A), (ii)(B) and (ii)(D) of this Section 2.6(f)) shall not be required if in the reasonable judgment of Bank or any other Person holding a beneficial interest in the right to make Credit Extensions such completion, execution or submission would subject Bank or such other Person to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Bank or of such other Person.

(ii) Without limiting the generality of the foregoing,

(1) if requested by Co-Borrowers, Bank or any such other Person holding a beneficial interest in the right to make Credit Extensions that is a US Person shall deliver to Co-Borrowers on or prior to the date on which such other Person acquires a beneficial interest in the right to make Credit Extensions (and from time to time thereafter upon the reasonable request of Co-Borrowers), executed copies of IRS Form W-9 certifying that Bank or such other Person is exempt from U.S. federal backup withholding tax;

(2) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Co-Borrowers (in such number of copies as shall be requested by Co-Borrowers) on or prior to the date on which such Foreign Lender acquires a beneficial interest in the right to make Credit Extensions (and from time to time thereafter upon the reasonable request of Co-Borrowers), executed copies of the applicable IRS Form W-8, duly completed, together with such supplementary documentation as may be prescribed by applicable law (or reasonably requested by Co-Borrowers, including a customary “non-bank” certificate) to permit Co-Borrowers to determine the withholding or deduction required to be made;

(3) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Co-Borrowers (in such number of copies as shall be requested by the Recipient) on or prior to the date on which such Foreign Lender acquires a beneficial interest in the right to make Credit Extensions (and from time to time thereafter upon the reasonable request of Co-Borrowers), executed copies 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 Co-Borrowers to determine the withholding or deduction required to be made; and

(4) if a payment made to Bank or any other Person holding a beneficial interest in the right to make Credit Extensions would be subject to U.S. federal withholding Tax imposed by FATCA if Bank or such other Person were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), Bank or such other Person shall deliver to Co-Borrowers at the time or times prescribed by law and at such time or times reasonably requested by Co-Borrowers such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Co-Borrowers as may be necessary for Co-Borrowers to comply with its obligations under FATCA and to determine that Bank or such other Person has complied with the obligations imposed by FATCA on Bank or such other Person 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 Effective Date.

(5) Bank and any such other Person holding a beneficial interest in the right to make Credit Extensions agree 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 Co-Borrowers in writing of its legal inability to do so.

(g) Refunds. 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 2.6 (including by the payment of additional amounts pursuant to this Section 2.6), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.6 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 paragraph (g) (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 paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) 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, withheld or otherwise imposed and the indemnification payments or 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.

(h) Survival. Each party's obligations under this Section 2.6 shall survive the termination of this Agreement and the Loan Documents.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed original signatures to the Loan Documents;

(b) each Co-Borrower's Operating Documents and long-form good standing certificates of each Co-Borrower certified by the Secretary of State (or equivalent agency) of such Co-Borrower's jurisdiction of organization or formation and each jurisdiction in which such Co-Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) a secretary's certificate of each Co-Borrower with respect to such Co-Borrower's Operating Documents, incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(d) duly executed original signatures to the IP Agreements;

(e) duly executed original signatures to the completed Borrowing Resolutions for each Co-Borrower;

(f) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(g) the Perfection Certificate of each Co-Borrower, together with the duly executed original signatures thereto;

(h) evidence, satisfactory to Bank in its sole discretion confirming that Upstart Holdings, Inc. is in good standing with the Secretary of State and the Franchise Tax Board in the state of California; and

(i) payment of the fees and Bank Expenses then due as specified in Section 2.4 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of the Credit Extension request and any materials and documents required by Section 3.4;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the proposed Credit Extension and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is each Co-Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) Bank has received satisfactory evidence in its good faith judgment that it is the clear intention of Co-Borrowers' investors to not continue to fund Co-Borrowers in the amounts and timeframe to the extent necessary to enable Co-Borrowers to satisfy the Obligations as they become due and payable and that there is not a material impairment in the perfection or priority of Bank's security interest in the Collateral.

3.3 Covenant to Deliver.

(a) Except as set forth in Section 3.3(b) below, Co-Borrowers agree to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Co-Borrowers expressly agree that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Co-Borrowers' obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

(b) As soon as possible, but in any event not later than the date that is thirty (30) days after the Effective Date, Co-Borrowers shall deliver to Bank evidence, satisfactory to Bank in its good faith business judgment confirming that the insurance policies and endorsements required by Section 6.7 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Co-Borrowers (via an individual duly authorized by an Administrator) shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m. Pacific time on the Funding Date of the Advance. Such notice shall be made by Co-Borrowers through Bank's online banking program, provided, however, if Co-Borrowers are not utilizing Bank's online banking program, then such notice shall be in a written format acceptable to Bank that is executed by an Authorized Signer. Bank shall have received satisfactory evidence that such Authorized Signer may provide such notices and request Advances. In connection with any such notification, Co-Borrowers must promptly deliver to Bank by electronic mail or through Bank's online banking program such reports and information, including without limitation, sales journals, cash receipts journals, accounts receivable aging reports, as Bank may request in its sole discretion. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Advances are necessary to meet Obligations which have become due.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Co-Borrowers hereby grant Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Each Co-Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Co-Borrowers agree that any amounts Co-Borrowers owe Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Co-Borrowers and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Co-Borrowers, release its Liens in the Collateral and all rights therein shall revert to Co-Borrowers. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted either (i) if the Mezzanine Loan Documents are in full force and effect, immediately or (ii) of the Mezzanine Loan Documents are no longer in full force and effect, upon Co-Borrowers providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Co-Borrowers shall provide to Bank cash collateral (to the extent required pursuant to the immediately preceding sentence) in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Co-Borrowers represent, warrant, and covenant that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If any Co-Borrower shall acquire a commercial tort claim with an amount at stake greater than Fifty Thousand Dollars ($50,000), such Co-Borrower shall promptly notify Bank in a writing signed by Co-Borrower of the general details thereof and grant to Bank 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 Bank.

4.3 Authorization to File Financing Statements. Each Co-Borrower hereby authorizes Bank to file financing statements, without notice to such Co-Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder.

5 REPRESENTATIONS AND WARRANTIES

Each Co-Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Co-Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Co-Borrower's business. In connection with this Agreement, Co-Borrower has delivered to Bank a completed certificate signed by Co-Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Co-Borrower represents and warrants to Bank that (a) Co-Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Co-Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Co-Borrower's organizational identification number or accurately states that Co-Borrower has none; (d) the Perfection Certificate accurately sets forth Co-Borrower's place of business, or, if more than one, its chief executive office as well as Co-Borrower's mailing address (if different than its chief executive office); (e) except as set forth in the Perfection Certificate, Co-Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Co-Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Co-Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Co-Borrower is not now a Registered Organization but later becomes one, Co-Borrower shall promptly notify Bank of such occurrence and provide Bank with Co-Borrower's organizational identification number.

The execution, delivery and performance by Co-Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Co-Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Co-Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Co-Borrower is bound. Co-Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Co-Borrower's business.

5.2 Collateral. Co-Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Co-Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Co-Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the terms of Section 6.8(b). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral (other than Offsite Collateral) is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate or as permitted pursuant to Section 7.2. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

All Inventory is in all material respects of good and marketable quality, free from material defects.

Co-Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) licenses permitted hereunder, (b) over-the-counter software that is commercially available to the public, (c) material Intellectual Property licensed to Co-Borrower and noted on the Perfection Certificate, and (d) open source software. Each Patent which it owns or purports to own and which is material to Co-Borrower's business is valid and enforceable, and no part of the Intellectual Property which Co-Borrower owns or purports to own and which is material to Co-Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Co-Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Co-Borrower's business.

Except as noted on the Perfection Certificate or as otherwise disclosed in writing to Bank, Co-Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Reserved.

5.4 Litigation. Other than as disclosed in the Perfection Certificate or pursuant to Section 6.2 hereof, there are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Co-Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Three Hundred Fifty Thousand Dollars ($350,000).

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Co-Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Co-Borrower's consolidated financial condition and Co-Borrower's consolidated results of operations.

5.6 Solvency. The fair salable value of Co-Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Co-Borrower's liabilities; Co-Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Co-Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Co-Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Co-Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Co-Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Co-Borrower's or any of its Subsidiaries' properties or assets has been used by Co-Borrower or any Subsidiary or, to the best of Co-Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Co-Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted, except where the failure to do so could not reasonably be expected to have a material adverse effect on a Co-Borrower's business or operations or have an adverse effect on Co-Borrowers' payment or performance of the Obligations.

5.8 Subsidiaries; Investments. Co-Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Co-Borrower has timely filed, or has obtained extensions for filing (taking into account all applicable extension periods) all required tax returns and reports, and Co-Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Co-Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed One Hundred Thousand Dollars ($100,000).

To the extent Co-Borrower defers payment of any contested taxes, Co-Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Co-Borrower is unaware of any claims or adjustments proposed for any of Co-Borrower's prior tax years which could result in additional taxes becoming due and payable by Co-Borrower in excess of One Hundred Thousand Dollars ($100,000). Co-Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Co-Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Co-Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Co-Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Co-Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Co-Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Co-Borrower's knowledge or awareness, to the "best of" Co-Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6 AFFIRMATIVE COVENANTS

Co-Borrowers shall do all of the following unless Bank, in its sole discretion, otherwise provides its prior written consent:

6.1 Government Compliance.

(a) Maintain their and all of their Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on a Co-Borrower's business or operations. Each Co-Borrower shall comply, and have each Subsidiary comply, in all material respects, with all material laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Co-Borrowers of their obligations under the Loan Documents to which they are a party and the grant of a security interest to Bank in the Collateral. To the extent not already provided to Bank, Co-Borrowers shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) a Borrowing Base Report (and any schedules related thereto and including any other information requested by Bank with respect to Co-Borrowers' Accounts) (i) no later than Friday of each week when a Streamline Period is not in effect and (ii) within thirty (30) days after the end of each month when a Streamline Period is in effect;

(b) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Co-Borrowers' consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(c) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer;

(d) within forty-five (45) days after the last day of each quarter, an updated corporate structure chart reflecting Co-Borrowers' Subsidiaries and Excluded Subsidiaries;

(e) within sixty (60) days after the earlier of the end of the fiscal year of Co-Borrowers or approval by Co-Borrowers' Board of Directors, (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Co-Borrowers, and (ii) annual financial projections for the following fiscal year (on a quarterly basis), in each case as approved by the Board of Directors, together with any related business forecasts used in the preparation of such annual financial projections;

(f) as soon as available, and in any event within one hundred eighty (180) days following the end of Co-Borrowers' fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than with respect to going concern qualification solely related to Co-Borrowers' liquidity) on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank in its reasonable discretion;

(g) in the event that a Co-Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by such Co-Borrower and/or any Guarantor with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such Co-Borrower posts such documents, or provides a link thereto, on Co-Borrower's website on the internet at such Co-Borrower's website address; provided, however, such Co-Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(h) within five (5) days of delivery, copies of all statements, reports and notices made externally available to each Co-Borrower's security holders or to any holders of Subordinated Debt, in each case not in their roles as management or board member of any Co-Borrower;

(i) prompt report of any legal actions pending or threatened in writing against a Co-Borrower or any of its Subsidiaries that could result in damages or costs to such Co-Borrower or any of its Subsidiaries of, individually or in the aggregate, Three Hundred Fifty Thousand Dollars ($350,000) or more;

(j) within one (1) Business Day of the occurrence of any "Subject Action" (as such term is defined in the GS Guaranty and the DB Guaranty) or any claim that a Subject Action has occurred, a report and description of such Subject Action;

(k) prompt written notice of any changes to the beneficial ownership information set out in item 13 of the Perfection Certificate. Co-Borrowers understand and acknowledge that Bank relies on such true, accurate and up-to-date beneficial ownership information to meet Bank's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers; and

(l) promptly, from time to time, such other information regarding Co-Borrowers or compliance with the terms of any Loan Documents as reasonably requested by Bank.

6.3 Accounts Receivable.

(a) Schedules and Documents Relating to Accounts. Co-Borrowers shall deliver to Bank transaction reports and schedules of collections, as provided in Section 6.2, on Bank's standard forms; provided, however, that Co-Borrowers' failure to execute and deliver the same shall not affect or limit Bank's Lien and other rights in all of Co-Borrowers' Accounts, nor shall Bank's failure to advance or lend against a specific Account affect or limit Bank's Lien and other rights therein. If requested by Bank, Co-Borrowers shall furnish Bank with copies (or, at Bank's request, originals) of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts. In addition, Co-Borrowers shall deliver to Bank, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts having a value in excess of Fifty Thousand Dollars ($50,000), in the same form as received, with all necessary indorsements, and copies of all credit memos.

(b) Disputes. Co-Borrowers shall promptly notify Bank of all disputes or claims relating to Accounts having a value in excess of Two Hundred Thousand Dollars ($200,000). Co-Borrowers may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing so long as (i) Co-Borrowers do so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to Bank in the regular reports provided to Bank; (ii) no Event of Default has occurred and is continuing; and (iii) after taking into account all such discounts, settlements and forgiveness, the total outstanding Advances will not exceed the lesser of the Revolving Line or the Borrowing Base..

(c) Collection of Accounts. Co-Borrowers shall direct Account Debtors (and each depository institution where proceeds of Accounts are on deposit) to deliver or transmit all proceeds of Accounts into a lockbox account, or via electronic deposit capture into a "blocked account" as specified by Bank (either such account, the "**Cash Collateral Account**"). Whether or not an Event of Default has occurred and is continuing, Co-Borrowers shall immediately deliver all payments on and proceeds of Accounts to the Cash Collateral Account. Subject to Bank's right to maintain a reserve pursuant to Section 6.3(d), all amounts received in the Cash Collateral Account shall be (i) when a Streamline Period is not in effect, applied to immediately reduce the Obligations under the Revolving Line; or (ii) when a Streamline Period is in effect, transferred on a daily basis to Co-Borrowers' operating account with Bank. Co-Borrowers hereby authorize Bank to transfer to the Cash Collateral Account any amounts that Bank reasonably determines are proceeds of the Accounts (provided that Bank is under no obligation to do so and this allowance shall in no event relieve Co-Borrowers of their obligations hereunder).

(d) Reserves. Notwithstanding any terms in this Agreement to the contrary, at times when an Event of Default exists, Bank may hold any proceeds of the Accounts and any amounts in the Cash Collateral Account that are not applied to the Obligations pursuant to Section 6.3(c) above (including amounts otherwise required to be transferred to Co-Borrowers' operating account with Bank when a Streamline Period is in effect) as a reserve to be applied to any Obligations regardless of whether such Obligations are then due and payable.

(e) Reserved.

(f) Verifications; Confirmations; Credit Quality; Notifications. Bank may, from time to time, (i) if an Event of Default has occurred and is continuing and/or in connection with an audit of one or more Co-Borrower's accounts in accordance with Section 6.6 hereof, verify and confirm directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of the relevant Co-Borrower or Bank or such other name as Bank may choose, and notify any Account Debtor of Bank's security interest in such Account and/or (ii) conduct a credit check of any Account Debtor to approve any such Account Debtor's credit.

(g) No Liability. Bank shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Bank be deemed to be responsible for any of Co-Borrowers' obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve Bank from liability for its own gross negligence or willful misconduct.

6.4 Remittance of Proceeds. Except as otherwise provided in Section 6.3(c) and as permitted under Section 7.1, deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by a Co-Borrower not later than the following Business Day after receipt by such Co-Borrower, to be applied to the Obligations (a) prior to an Event of Default, pursuant to the terms of Section 6.3(c) hereof, and (b) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof. Each Co-Borrower agrees that it will not commingle proceeds of Collateral with any of Co-Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Bank in each case as required hereunder with respect to proceeds. Nothing in this Section 6.4 limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.

6.5 Taxes; Pensions. Timely file, or obtain extensions for filing (taking into account all applicable extension periods), and require each of its Subsidiaries to timely file, or obtain extensions for filing (taking into account all applicable extension periods), all required tax returns and reports and timely pay, or obtain extensions for payment (taking into account all applicable extension periods), and require each of its Subsidiaries to timely pay, or obtain extensions for payment (taking into account all applicable extension periods), all foreign, federal, state and local taxes, assessments, deposits and contributions owed by a Co-Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof or that fall below the materiality threshold set forth in Section 5.9 hereof, and shall deliver to Bank, on reasonable demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.6 Access to Collateral; Books and Records. At reasonable times, on five (5) Business Days' notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy each Co-Borrower's Books. The foregoing inspections and audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The foregoing inspections and audits shall be conducted at such Co-Borrower's expense and the charge therefor shall be One Thousand Dollars ($1,000) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event a Co-Borrower and Bank schedule an audit more than fifteen (15) days in advance, and such Co-Borrower cancels or seeks to or reschedules the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies) Co-Borrowers shall pay Bank a fee of Two Thousand Dollars ($2,000) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.7 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Co-Borrowers' industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Co-Borrowers, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral. Bank acknowledges that insurance maintained by Co-Borrowers as of the Effective Date is acceptable to Bank as of the Effective Date.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations.

(c) At Bank's request, Co-Borrowers shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.7 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Co-Borrowers fail to obtain insurance as required under this Section 6.7 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.7, and take any action under the policies Bank deems prudent.

6.8 Accounts.

(a) Maintain their and all of their Subsidiaries' (other than Excluded Subsidiaries') operating and other deposit accounts, the Cash Collateral Account and securities/investment accounts with Bank and Bank's Affiliates and shall conduct all of their investments and foreign exchange transactions at or through Bank. Co-Borrowers agree that they will cause each of the Excluded Subsidiaries to maintain its operating and other deposit accounts and securities accounts with Bank and Bank's Affiliates, but only to the extent Co-Borrowers determine that there is no adverse impact to Co-Borrowers or such Excluded Subsidiary operationally or commercially to do so after consulting in good faith with Bank. Notwithstanding the foregoing, Co-Borrowers shall be permitted to maintain (i) accounts at Cross River Bank (the "**Cross River Accounts**"), not subject to a Control Agreement, so long as such accounts at no time contain Collateral, and (ii) conduit accounts at Wells Fargo Bank (the "**Wells Fargo Accounts**"), not subject to a Control Agreement, so long as the aggregate balance in all such accounts for five (5) or more Business Days does not exceed Fifteen Million Dollars ($15,000,000 and (iii) FBO accounts in the name of Co-Borrower for the benefit of third party investors.

(b) In addition to and without limiting the restrictions in (a), Co-Borrowers shall provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Co-Borrowers at any time maintain, Co-Borrowers shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to (i) the Cross River Accounts, (ii) the Wells Fargo Accounts, or (iii) deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Co-Borrowers' employees and identified to Bank by Co-Borrowers as such.

6.9 Financial Covenants. Maintain prior to the later of (i) the Revolving Line Maturity Date or (ii) repayment in full of all Obligations with respect to the Revolving Line, and subject to periodic reporting:

(a) Loan Delinquencies/Charge Offs. As of the last day of each month, (i) Loan Delinquencies (as of the last day of the month of measurement) plus 3-Month Charge-offs (as of the last day of the month of measurement), divided by (ii) the aggregate principal amount of Co-Borrowers' Loan Portfolio measured on an average trailing three (3) month basis, shall not exceed six percent (6.00%).

(b) Net Loss. As of the last day of each quarter set forth below, Co-Borrowers' Cumulative Net Loss shall not be less than the following amounts:

Quarter Ending	Cumulative Net Loss
June 30, 2019	($9,000,000)
September 30, 2019	($12,000,000)
December 31, 2019	($15,000,000)

The required Cumulative Net Loss covenant levels for the measuring periods ending after December 31, 2019, shall be equal to the lesser of (i) one hundred twenty percent (120%) of the Cumulative Net Loss set forth in Co-Borrowers' Board of Directors approved projections delivered to Bank in accordance with Section 6.2(d) hereof, and (ii) Zero Dollars ($0); provided however, the Cumulative Net Loss covenant levels for each measuring period ending after December 31, 2019 shall not be greater than a loss of One Million Dollars ($1,000,000) per fiscal quarter.

6.10 Protection and Registration of Intellectual Property Rights.

(a) Each Co-Borrower shall (i) protect, defend and maintain the validity and enforceability of its Intellectual Property material to Borrower's business; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property material to Borrower's business; and (iii) not allow any Intellectual Property material to a Co-Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) If a Co-Borrower (i) obtains any Patent, registered Trademark, registered Copyright, registered mask work, or any pending application for any of the foregoing, whether as owner, licensee or otherwise, or (ii) applies for any Patent or the registration of any Trademark, then such Co-Borrower shall, within the later of (A) fifteen (15) days from the date of such application or (B) on the next Compliance Certificate delivered in accordance with the terms of Section 6.2 hereof, provide written notice thereof to Bank and shall execute such intellectual property security agreements and other documents and take such other actions as Bank may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank in such property. If a Co-Borrower decides to register any Copyrights or mask works in the United States Copyright Office, such Co-Borrower shall: (x) provide Bank with at least fifteen (15) days prior written notice of such Co-Borrower's intent to register such Copyrights or mask works together with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (y) execute an intellectual property security agreement and such other documents and take such other actions as Bank may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank in the Copyrights or mask works intended to be registered with the United States Copyright Office; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. Each Co-Borrower shall promptly provide to Bank copies of all applications that it files for Patents or for the registration of Trademarks, Copyrights or mask works, together with evidence of the recording of the intellectual property security agreement required for Bank to perfect and maintain a first priority perfected security interest in such property.

6.11 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, during normal business hours as long as no Event of Default has occurred and is continuing, without expense to Bank, Co-Borrowers and their officers, employees and agents and each Co-Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to a Co-Borrower.

6.12 Online Banking.

(a) Utilize Bank's online banking platform for all matters requested by Bank which shall include, without limitation (and without request by Bank for the following matters), uploading information pertaining to Accounts and Account Debtors, requesting approval for exceptions, requesting Credit Extensions, and uploading financial statements and other reports required to be delivered by this Agreement (including, without limitation, those described in Section 6.2 of this Agreement).

(b) Comply with the terms of Bank's Online Banking Agreement as in effect from time to time and ensure that all persons utilizing Bank's online banking platform are duly authorized to do so by an Administrator. Bank shall be entitled to assume the authenticity, accuracy and completeness on any information, instruction or request for a Credit Extension submitted via Bank's online banking platform and to further assume that any submissions or requests made via Bank's online banking platform have been duly authorized by an Administrator.

6.13 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that a Co-Borrower or any Guarantor form any direct or indirect Subsidiary or acquire any direct or indirect Subsidiary after the Effective Date (including, without limitation, pursuant to a Division), such Co-Borrower and such Guarantor shall (a) cause such new Subsidiary that is a Domestic Subsidiary to provide to Bank a joinder to this Agreement to cause such Subsidiary that is a Domestic Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank in its reasonable discretion (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary that is a Domestic Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary (or, in the case of a Foreign Subsidiary, sixty-five percent (65%) of the equity interests in such Subsidiary), in form and substance satisfactory to Bank in its reasonable discretion, and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.13 shall be a Loan Document.

6.14 Cash and Property held by Excluded Subsidiaries. While third-party financing obligations of the Excluded Subsidiaries remain outstanding, cash and/or Cash Equivalents in excess of Ten Thousand Dollars ($10,000) in the aggregate held for any period of more than one (1) calendar month that is available for distribution to Co-Borrowers after giving effect to contractual limitations set forth in the applicable Excluded Subsidiaries' third-party financing agreement, shall be promptly distributed to Co-Borrowers and deposited into Co-Borrowers' deposit accounts held with Bank or Bank's Affiliates. After repayment and termination of third-party financing obligations of any particular Excluded Subsidiary, any cash and other assets of such Excluded Subsidiary shall be promptly distributed to Co-Borrowers and deposited into Co-Borrowers' deposit accounts held with Bank or Bank's Affiliates.

6.15 Out of Debt Covenant. At least once during each six (6) month period, Co-Borrowers shall cause the outstanding balance of the Revolving Line to be zero ($0) for a period of not less than fourteen (14) consecutive days.

6.16 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement.

6.17 Post-Closing Condition. As soon as possible, but in any event not later than five (5) Business Days after the Effective Date, Co-Borrowers shall deliver to Bank evidence, satisfactory to Bank in its sole discretion confirming that Upstart Holdings, Inc. is in good standing with the Secretary of State and the Franchise Tax Board in the state of California.

7 <u>NEGATIVE COVENANTS</u>

Co-Borrowers shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (including, without limitation, pursuant to a Division) (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Co-Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Co-Borrower; (c) consisting of Permitted Liens, Permitted Indebtedness and Permitted Investments; (d) consisting of the sale or issuance of any stock of Co-Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Co-Borrower's use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; (f) of non-exclusive licenses for the use of the property of a Co-Borrower or its Subsidiaries in the ordinary course of business; (g) of surplus Equipment in the ordinary course of business not otherwise permitted by this Section 7.1 in an amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year; (h) of

loans originated on Co-Borrowers' platform and sold to third parties (other than Excluded Subsidiaries) in the ordinary course of business for fair market value (which may or may not reflect a discount to par value); (i) of loans originated on Co-Borrowers' platform and transferred to Excluded Subsidiaries in the ordinary course of business, such transferred loans to be financed through a combination of (1) third-party financing which constitutes Permitted Indebtedness hereunder, (2) Permitted Investments made by Co-Borrowers in such Excluded Subsidiaries and/or (3) direct equity investments by Persons commonly known as "backers" or "investors" for the sole purpose of financing such loans; and (j) dispositions of Permitted Receivables Financing Assets pursuant to Permitted Receivables Financings, in each case so long as the consideration for any such disposition is (i) in the form of cash or Retained Interests, (ii) in an amount at least equal to fair market value thereof (which may or may not reflect a discount to par value), (iii) the Retained Interest and all proceeds thereof shall constitute Collateral and all necessary steps to perfect a security interest in such Retained Interest for the benefit of Bank are taken by Co-Borrowers or the Subsidiary and (iv) no Default or Event of Default shall have occurred and be continuing at the time such disposition is made, (k) so long as no Default or Event of Default has occurred or would result therefrom, a sale of Receivables by a Co-Borrower to any Person who is not an Affiliate from time to time pursuant to the terms of any whole loan sale program entered into between such Co-Borrower and such Person providing for the sale of specific Receivables by the Co-Borrower to such Person in the ordinary course of the Co-Borrower's business; provided, in each case, that One Hundred Percent (100%) of Co-Borrowers' revenue received from such sales shall be paid promptly following such sale by depositing such revenues in the Designated Deposit Account, and (l) other Transfers in the ordinary course of business not otherwise permitted by this Section 7.1 not to exceed One Hundred Thousand Dollars ($100,000) in the aggregate in any fiscal year.

7.2 Changes in Business, Management, Control, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Co-Borrowers and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Bank of any Key Person departing from or ceasing to be employed by a Co-Borrower within five (5) days after his or her departure from such Co-Borrower; or (d) permit or suffer any Change in Control.

No Co-Borrower shall, without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Fifty Thousand Dollars ($250,000) in such Co-Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If a Co-Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000) to a landlord or bailee, and Bank and such landlord/bailee are not already parties to a landlord/bailee agreement governing both the Collateral and the location to which such Co-Borrower intends to deliver the Collateral, then such Co-Borrower will use commercially reasonable efforts to have such landlord/bailee execute and deliver a landlord/bailee agreement in form and substance reasonably satisfactory to Bank.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary or pursuant to a Division) except for Permitted Acquisitions. A Subsidiary may merge or consolidate into another Subsidiary or into a Co-Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting any Co-Borrower or any Subsidiary (other than Excluded Subsidiaries to the extent required by the third-party financing for loans transferred by Co-Borrowers to

such Excluded Subsidiaries in accordance with Section 7.1) from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of a Co-Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.8(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock provided that Co-Borrowers may (i) convert any of their convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) pay dividends solely in common stock; and (iii) repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of any such repurchase and would not exist after giving effect to any such repurchase, provided that the aggregate amount of all such repurchases does not exceed One Hundred Thousand Dollars ($100,000) per fiscal year; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of a Co-Borrower, except for (a) transactions that are in the ordinary course of a Co-Borrower's business, upon fair and reasonable terms that are no less favorable to such Co-Borrower than would be obtained in an arm's length transaction with a non-affiliated Person, (b) executive compensation arrangements approved by Co-Borrowers' board of directors, (c) Subordinated Debt and bona-fide equity investments that do not constitute a Change in Control hereunder, (d) intercompany distribution and intercompany debt arrangements that constitute Permitted Investments, and (e) Permitted Receivables Financings.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt (other than conversions into equity), except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to (a) meet the minimum funding requirements of ERISA, (b) prevent a Reportable Event or Prohibited Transaction, as defined in ERISA, from occurring, or (c) comply with the Federal Fair Labor Standards Act, the failure of any of the conditions described in clauses (a) through (c) which could reasonably be expected to have a material adverse effect on a Co-Borrower's business; or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on a Co-Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of a Co-Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. A Co-Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date or the Growth Capital Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) A Co-Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.12, 6.13, 6.14, 6.15, 6.16 or 6.17 or violates any covenant in Section 7; or

(b) A Co-Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by such Co-Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then such Co-Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this Section 8 shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 Investor Abandonment. If Bank determines in its good faith judgment that it is the clear intention of Co-Borrowers' investors to not continue to fund Co-Borrowers in the amounts and timeframe to the extent necessary to enable Co-Borrowers to satisfy the Obligations as they become due and payable, or there is a material impairment in the perfection or priority of Bank's security interest in the Collateral;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of a Co-Borrower or of any entity under the control of a Co-Borrower (including a Subsidiary) in excess of Two Hundred Fifty Thousand Dollars ($250,000), or (ii) a notice of lien or levy is filed against any of a Co-Borrower's assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of a Co-Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents a Co-Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) A Co-Borrower or any of its Subsidiaries fails to be solvent as described under Section 5.6 hereof; (b) a Co-Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against a Co-Borrower or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which a Co-Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000); or (b) a default under any agreement which either generates revenues for Co-Borrowers and/or any Guarantor, individually or in the aggregate, in excess of Five Hundred Thousand Dollars ($500,000) or pursuant to which Co-Borrowers and/or any Guarantor pays fees in an amount, individually or in the aggregate, in excess of Five Hundred Thousand Dollars ($500,000), or (c) the occurrence of, or claim of the occurrence of, any "Subject Action", "Event of Default" (as such terms are defined in the GS Guaranty and/or the DB Guaranty) or any other violation or breach under the GS Guaranty and/or the DB Guaranty which "Subject Action", "Event of Default", violation or breach does or could result in the administrative agent thereunder (or any "Lender" as defined in the GS Guaranty and/or the DB Guaranty) demanding payment of any obligations guaranteed by Upstart Holdings pursuant thereto; provided, however, that the Event of Default under this subsection 8.6(c) shall be cured or waived for purposes of this Agreement upon Bank receiving written notice from the party asserting such "Subject Action", "Event of Default", violation or breach under the GS Guaranty and/or the DB Guaranty of such party's cure or waiver thereof or other confirmation reasonably satisfactory to Bank, if at the time of such cure or waiver by such party (x) Bank has not declared an Event of Default under this Agreement and/or exercised any

rights with respect thereto (it being acknowledged and agreed to by Bank that it shall not declare any such Event of Default until the earlier of (A) ten (10) Business Days after the occurrence of such "Subject Action", "Event of Default", violation or breach under the GS Guaranty and/or the DB Guaranty or (B) the date on which a demand for payment under the GS Guaranty and/or the DB Guaranty is received by Co-Borrowers); (y) any such cure or waiver does not result in an Event of Default under any other provision of this Agreement or any Loan Document; and (z) in connection with any such cure or waiver under the GS Guaranty and/or the DB Guaranty, the terms of any agreement between Co-Borrowers and such third party are not modified or amended in any manner which could in the good faith business judgment of Bank be materially less advantageous to Co-Borrowers;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Hundred Thousand Dollars ($500,000) (not covered by independent third-party insurance as to which liability has not been rejected by such insurance carrier) shall be rendered against a Co-Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. A Co-Borrower or any Person acting for a Co-Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in material breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any applicable subordination or intercreditor agreement; or

8.10 Governmental Approvals. Any Governmental Approval material to Borrower's business shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) causes, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of a Co-Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of a Co-Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Co-Borrowers' benefit under this Agreement or under any other agreement between Co-Borrowers and Bank;

(c) demand that Co-Borrowers (i) deposit cash with Bank in an amount equal to at least (A) one hundred five percent (105.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in Dollars remaining undrawn, and (B) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in a Foreign Currency remaining undrawn (plus, in

each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Co-Borrowers shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing a Co-Borrower money of Bank's security interest in such funds. Such Co-Borrower shall collect all payments in trust for Bank and, if requested by Bank, immediately deliver the payments to Bank in the form received from the Account Debtor, with proper endorsements for deposit;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Co-Borrowers shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Co-Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of a Co-Borrower it holds, or (ii) amount held by Bank owing to or for the credit or the account of a Co-Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, each Co-Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, each Co-Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of each Co-Borrower's Books;

(k) require Co-Borrowers to (i) within one (1) Business Day cease allocating new loans to be transferred to Excluded Subsidiaries (for purposes of clarification, loans already allocated to be transferred to the Excluded Subsidiaries at the time of such request by Bank may still be transferred, but no new loans may be allocated to the Excluded Subsidiaries), and (ii) cause each Excluded Subsidiary to immediately distribute to Co-Borrowers all cash and assets not otherwise contractually required to be paid to third-party financers of such Excluded Subsidiary's loans to its borrowers; and

(l) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Each Co-Borrower hereby irrevocably appoints Bank as their lawful attorney-in-fact, exercisable following the occurrence and during the continuation of an Event of Default, to: (a) endorse Co-Borrower's name on any checks, payment instruments, or other forms of payment or security; (b) sign Co-Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) demand, collect, sue, and give releases to any Account Debtor for monies due, settle and adjust disputes and claims

about the Accounts directly with Account Debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Bank's or Co-Borrower's name, as Bank chooses); (d) make, settle, and adjust all claims under Co-Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Each Co-Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Co-Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and the Loan Documents have been terminated. Bank's foregoing appointment as each Co-Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and the Loan Documents have been terminated.

9.3 Protective Payments. If a Co-Borrower fails to obtain the insurance called for by Section 6.7 or fails to pay any premium thereon or fails to pay any other amount which such Co-Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Co-Borrowers with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. If an Event of Default has occurred and is continuing, Bank shall have the right to apply in any order any funds in its possession, whether from Co-Borrowers' account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Co-Borrowers by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Co-Borrowers shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Co-Borrowers bear all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Co-Borrowers of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Each Co-Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which such Co-Borrower is liable.

9.8 Co-Borrower Liability. Any Co-Borrower may, acting singly, request Credit Extensions hereunder. Each Co-Borrower hereby appoints each other as agent for the other for all purposes hereunder,

including with respect to requesting Credit Extensions hereunder. Each Co-Borrower hereunder shall be jointly and severally obligated to repay all Credit Extensions made hereunder, regardless of which Co-Borrower actually receives said Credit Extension, as if each Co-Borrower hereunder directly received all Credit Extensions. Each Co-Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, including, without limitation, the benefit of California Civil Code Section 2815 permitting revocation as to future transactions and the benefit of California Civil Code Sections 1432, 2809, 2810, 2819, 2839, 2845, 2847, 2848, 2849, 2850, and 2899 and 3433, and (b) any right to require Bank to: (i) proceed against any Co-Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Bank may exercise or not exercise any right or remedy it has against any Co-Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any Co-Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Co-Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating a Co-Borrower to the rights of Bank under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Co-Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by a Co-Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by a Co-Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 9.8 shall be null and void. If any payment is made to a Co-Borrower in contravention of this Section 9.8, such Co-Borrower shall hold such payment in trust for Bank and such payment shall be promptly delivered to Bank for application to the Obligations, whether matured or unmatured.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or any Co-Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Co-Borrowers: UPSTART HOLDINGS, INC.
UPSTART NETWORK, INC.
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If to Bank: SILICON VALLEY BANK
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11 CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Co-Borrowers and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Each Co-Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each Co-Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each Co-Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to such Co-Borrower

at the address set forth in, or subsequently provided by such Co-Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of such Co-Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH CO-BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure Section 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

This Section 11 shall survive the termination of this Agreement.

12 GENERAL PROVISIONS

12.1 Termination Prior to Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Co-Borrowers have satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with and to the extent required by Section 4.1 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date and the Growth Capital Maturity Date by Co-Borrowers, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Co-Borrower may assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Co-Borrowers, to sell, transfer, assign, negotiate, or grant participation in all or

any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof). Notwithstanding the foregoing, prior to the occurrence of an Event of Default that is continuing, Bank shall not assign any interest in the Loan Documents to an operating company which is a known direct competitor of Co-Borrowers or a vulture or distressed debt fund (as determined by Bank).

12.3 Indemnification. Co-Borrowers agree to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Co-Borrowers (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as Bank provides Co-Borrowers with written notice of such correction and allows Co-Borrowers at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Bank and Co-Borrowers.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Co-Borrowers. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.10 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Co-Borrowers and Bank arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Right of Setoff. Each Co-Borrower hereby grants to Bank a Lien and a right of setoff as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a subsidiary of Bank) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or Obligation of any Co-Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF ANY CO-BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.13 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.14 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.15 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.16 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.17 Effect of Amendment and Restatement. This Agreement is intended to and does completely amend, restate and supersede, without novation, the Original Agreement, which shall be terminated on the Effective Date of this Agreement. All security interests granted by Co-Borrowers under the Original Agreement are hereby confirmed and ratified and shall continue to secure all Obligations under this Agreement. Without limiting the foregoing, any warrant(s) and all other loan documents issued in connection with the Original Agreement (to the extent not yet exercised, terminated or amended and restated in connection with this Agreement) remain in full force and effect.

12.18 Waiver. Bank hereby waives the Events of Default that occurred due to (a) Borrower's failure to repay all Obligations with respect to the Revolving Line on the Revolving Line Maturity Date, (b) Borrower's entry into the DB Guaranty, (c) Borrower's maintenance of its accounts held by Wells Fargo and (d) Borrower's failure to report Restricted Licenses.

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**3-Month Charge-offs**" means, collectively, the aggregate outstanding principal amount of loans originated on Co-Borrowers' platform which have been charged-off in the three (3) full calendar months immediately preceding the date of calculation.

"**Account**" is, as to any Person, any "**account**" of such Person as "account" is defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to such Person.

"**Account Debtor**" is any "**account debtor**" as defined in the Code with such additions to such term as may hereafter be made.

"**Administrator**" is an individual that is named:

(a) as an "Administrator" in the "SVB Online Services" form completed by Co-Borrowers with the authority to determine who will be authorized to use SVB Online Services (as defined in Bank's Online Banking Agreement as in effect from time to time) on behalf of a Co-Borrower; and

(b) as an Authorized Signer of a Co-Borrower in an approval by the Board of Directors.

"**Advance**" or "**Advances**" means a revolving credit loan (or revolving credit loans) under the Revolving Line.

"**Advance Rate**" is (a) two (2) multiplied by (b) (i) one hundred percent (100%) minus (ii) (A) five (5) times the sum of Loan Delinquencies (as of the last day of the month of measurement) and 3-Month Charge-offs (as of the last day of the month of measurement), divided by (iii) the average outstanding principal amount of Co-Borrowers' Loan Portfolio for the trailing three (3) month period then ended.

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Authorized Signer**" is any individual listed in a Co-Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of such Co-Borrower.

"**Availability Amount**" is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base minus (b) the outstanding principal balance of any Advances.

"**Bank**" is defined in the preamble hereof.

"**Bank Entities**" is defined in Section 12.9.

"**Bank Expenses**" are all reasonable audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Co-Borrowers or any Guarantor. Upon request by Co-Borrowers and, provided, that no Event of Default has occurred and is continuing, Bank will endeavor to provide an invoice or notice to Co-Borrowers in respect of such Bank Expenses, provided that Bank shall not have any liability for failure to do so.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to a Co-Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto (each, a "Bank Services Agreement").

"**Bank Services Agreement**" is defined in the definition of Bank Services.

"**Board of Directors**" means the board of directors of each Co-Borrower as appropriate in each case.

"**Borrowing Base**" is, at any time, an amount equal to (a) the Advance Rate multiplied by (b) (i) during any Streamline Period, Borrower's net operating revenue, determined in accordance with GAAP *minus* (A) realized gains or losses from sale (determined in accordance with GAAP) and (B) any other non-recurring revenue, for the immediately preceding month or (ii) during any Non-Streamline Period, Borrower's net operating revenue, determined in accordance with GAAP *minus* (A) realized gains or losses from sale (determined in accordance with GAAP) and (B) any other non-recurring revenue, for the trailing thirty (30) day period then ended; provided, however, that Bank has the right to decrease the foregoing amount in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect the Collateral or its value. So long as no Event of Default has occurred and is continuing, Bank shall endeavor to consult with Co-Borrowers about any such decreases, but the failure to do so shall not be a breach by Bank hereunder.

"**Borrowing Base Report**" is that certain report of the value of certain Collateral in the form specified by Bank to Co-Borrowers from time to time, substantially in the form of Exhibit C.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's board of directors (and, if required under the terms of such Person's Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including making (and executing if applicable) any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Bank is closed.

"**Cash Collateral Account**" is defined in Section 6.3(c).

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Change in Control**" means (a) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty-nine percent (49%) or more of the ordinary voting power for the election of directors of Upstart Holdings (determined on a fully diluted basis) other than by the sale of Upstart Holdings' equity securities in a public offering or to venture capital or private equity investors so long as Co-Borrowers identify to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provide to Bank a description of the material terms of the transaction; (b) except for a change in the members of the board or other equivalent body of a Co-Borrower resulting from the sale of a Co-Borrower's equity securities in a public offering or to venture capital or private equity investors so long as such Co-Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction, during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Upstart Holdings ceases to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; (c) Upstart Network ceases to be a wholly-owned Subsidiary of Upstart Holdings; or (d) at any time, a Co-Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding capital stock of each subsidiary of such Co-Borrower (unless such Subsidiary is dissolved, merged, consolidated or liquidated into a Co-Borrower or a Guarantor) free and clear of all Liens (except Liens created by this Agreement).

"**Claims**" is defined in Section 12.3.

"**Co-Borrowers**" is defined in the preamble hereof.

"**Co-Borrowers' Books**" are all of a Co-Borrower's books and records including ledgers, federal and state tax returns, records regarding such Co-Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Co-Borrowers' Loan Portfolio**" means, collectively, the principal amount of all loans originated on Co-Borrowers' platform with outstanding principal amount greater than $0.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Co-Borrowers described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account which constitute Collateral or in which any Collateral is maintained.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which a Co-Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which a Co-Borrower maintains a Securities Account or a Commodity Account, such Co-Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Advance, any Overadvance, Letter of Credit, FX Contract, amount utilized for cash management services, Growth Capital Advance, or any other extension of credit by Bank for Co-Borrowers' benefit.

"**Cumulative Net Loss**" means, as of any date, the cumulative net loss of Co-Borrowers for the period commencing on January 1 of the fiscal year in which such date occurs and ending on such date, determined in accordance with GAAP minus any non-cash stock based compensation, any fair value adjustment of Co-Borrowers' preferred stock warrants and/or service fee liabilities, and any other non-cash deductions approved in Bank's reasonable business discretion.

"**DB Guaranty**" means that certain Limited Guaranty and Indemnity Agreement dated as of May 23, 2018 by Upstart Holdings in favor of Deutsche Bank AG, New York Branch, as administrative agent on behalf of the Lenders (as defined therein), as amended from time to time.

"**Default Rate**" is defined in Section 2.3(b).

"**Deposit Account**" is any "**deposit account**" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is the multicurrency account, denominated in Dollars, account number *** maintained by a Co-Borrower with Bank.

"**Division**" means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

"**Dollars**," "**dollars**" or use of the sign "$" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**Domestic Subsidiary**" means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"**Effective Date**" is defined in the preamble hereof.

"**Equipment**" is all "**equipment**" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**Excluded Subsidiary**" is a Subsidiary of either Co-Borrower (or another Person formed for the purposes of engaging in a Permitted Receivables Financing in which either Co-Borrower or any of its Subsidiaries makes an Investment and to which such Co-Borrower or any of its Subsidiaries transfers Permitted Receivables Financing Assets) that engages in no material activities other than in connection with Permitted Receivables Financings, and any business or activities incidental or related to such business, and which is designated by such Co-Borrower (as provided below) as an Excluded Subsidiary and (a) no portion of the Indebtedness (contingent or otherwise) of which (i) is guaranteed by either Co-Borrower, other than another Excluded Subsidiary or pursuant to Standard Securitization Undertakings, or (ii) is recourse to or obligates either Co-Borrower or any of its Subsidiaries, other than another Excluded Subsidiary, in any way other than pursuant to Standard Securitization Undertakings, and (b) to which none of either Co-Borrower or any of their Subsidiaries, other than another Excluded Subsidiary, has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to Recipient or required to be withheld or deducted from a payment to 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 Recipient being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Recipient with respect to an applicable interest in a Credit Extension pursuant to a law in effect on the date on which (i) Recipient acquires such interest in a Credit Extension or (ii) Recipient changes its lending office, except in each case to the extent that, pursuant to Section 2.6, amounts with respect to such Taxes were payable either to such Recipient's assignor immediately before such Recipient became a party hereto or to such Recipient immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.6(f), and (d) any U.S. federal withholding Taxes imposed under FATCA.

"**Foreign Currency**" means lawful money of a country other than the United States.

"**Foreign Subsidiary**" means any Subsidiary which is not a Domestic Subsidiary.

"**Funding Date**" is any date on which a Credit Extension is made to or for the account of Co-Borrowers which shall be a Business Day.

"**FX Contract**" is any foreign exchange contract by and between a Co-Borrower and Bank under which such Co-Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Growth Capital Advance**" is defined in Section 2.1.2(a) of this Agreement.

"**Growth Capital Maturity Date**" is December 1, 2020.

"**GS Guaranty**" means that certain Limited Guaranty and Indemnity Agreement dated as of November 20, 2015 by Upstart Holdings in favor of Goldman Sachs Bank USA, as administrative agent on behalf of the Lenders (as defined therein), as amended from time to time.

"**Guarantor**" is any Person providing a Guaranty in favor of Bank.

"**Guaranty**" is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.3.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Co-Borrowers under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Person, all of such Person's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how and operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, 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; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Inventory**" is all "**inventory**" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of a Co-Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**IP Agreements**" are those certain Intellectual Property Security Agreements executed and delivered by each Co-Borrower to Bank dated as of the Effective Date, as may be amended, modified or restated from time to time.

"**Key Person**" is Co-Borrower's (i) Chief Executive Officer, who is Dave Girouard as of the Effective Date and (ii) Head of Product, who is Paul Gu as of the Effective Date.

"**Letter of Credit**" is a standby or commercial letter of credit issued by Bank upon request of a Co-Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Liquidity**" is, at any time, the sum of (a) the aggregate amount of unrestricted cash and Cash Equivalents held at such time by Co-Borrowers in Collateral Accounts maintained with Bank or its Affiliates in which Bank has a perfected first priority Lien.

"**Loan Delinquencies**" means the aggregate principal amount of loans in Co-Borrowers' Loan Portfolio that are aged more than sixteen (16) days past the due date for such loans and which have not been charged off.

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrant, any Bank Services Agreement, any subordination agreement, any note, or notes or guaranties executed by a Co-Borrower or any Guarantor, and any other present or future agreement by a Co-Borrower and/or any Guarantor with or for the benefit of Bank, all as amended, restated, or otherwise modified.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Co-Borrowers; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Mezzanine Loan Agreement**" means that certain Mezzanine Loan and Security Agreement by and among Co-Borrowers and Bank dated as of October 22, 2018.

"**Mezzanine Loan Documents**" means all of the "Loan Documents" as such term is defined in the Mezzanine Loan Agreement.

"**Minimum Interest**" is defined in Section 2.3(d).

"**Minimum Interest Amount**" is, for any month, an amount equal to Ten Thousand Five Hundred Fifty Dollars ($10,550).

"**Minimum Interest Period**" is defined in Section 2.3(d).

"**Monthly Financial Statements**" is defined in Section 6.2(b).

"**Net Cash**" means an amount equal to (a) Co-Borrowers' unrestricted cash and Cash Equivalents held at Bank or Bank's Affiliates (subject to a Control Agreement) *minus* (b) the outstanding Obligations owing to Bank (other than any Obligations that are cash secured or owing to Bank under the Mezzanine Loan Documents).

"**Obligations**" are Co-Borrowers' obligations to pay when due any debts, principal, interest, fees, Bank Expenses, and other amounts Co-Borrowers owe Bank now or later, whether under this Agreement, the other Loan Documents (other than the Warrant or any other equity interest in a Co-Borrower), or otherwise, including, without limitation, all obligations relating to Bank Services and interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Co-Borrowers assigned to Bank, and to perform Co-Borrowers' duties under the Loan Documents (other than the Warrant or any other equity interest in a Co-Borrower).

"**Offsite Collateral**" means laptops, mobile phones and other similar portable equipment in the possession of employees in the ordinary course of business.

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Other Connection Taxes**" means, 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 Credit Extension or Loan Document).

"**Other Taxes**" means 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.

"**Overadvance**" is defined in Section 2.2.

"**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.

"**Payment Date**" is (a) with respect to Growth Capital Advance, the first (1st) calendar day of each month and (b) with respect to Advances, the last calendar day of each month.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Acquisition**" means any acquisition by Co-Borrowers (whether by merger, equity purchase, or otherwise) of all or substantially all of the assets of, the equity interests of, or a business line or unit or division of, any Person (the "**Target**"), consisting of a single transaction or a series of related transactions (an "**Acquisition**"), provided that: (i) Target is a company or companies organized under the laws of the United States or any state or territory thereof or the District of Columbia; (ii) Target is engaged in a similar line of business as Co-Borrowers both prior to and after giving effect to such Acquisition; (iii) [reserved]; (iv) such Acquisition is non-hostile in nature and has been approved by Target's board of directors; (v) no Indebtedness, other than Permitted Indebtedness, shall be assumed or incurred by Co-Borrowers in connection with such Acquisition; (vi) no Event of Default has occurred and is continuing or would exist after giving effect to such Acquisition; (vii) the total consideration for all such Acquisitions, including cash and the value of any non-cash consideration, does not in the aggregate exceed Five Million Dollars ($5,000,000) during the term of this Agreement; (ix) Co-Borrowers have provided Bank with pro forma financial projections for the twelve (12) month period following such Acquisition demonstrating compliance with this Agreement and the covenants contained herein during such period; (x) the Liquidity of Co-Borrowers immediately following such Acquisition shall be no less than an amount equal to the then-outstanding Obligations; (xi) Co-Borrowers are the surviving legal entity/entities; and (xii) if the Target is not merged with and into a Co-Borrower then, within thirty (30) days after such Acquisition, the Target must become a "Co-Borrower" under this Agreement and the other Loan Documents and become subject to all rights and obligations of this Agreement and the other Loan Documents, and must execute and deliver to Bank an assumption agreement acceptable to Bank as well as such other documents and agreements as required by Bank in connection with the target becoming a Co-Borrower and granting a lien in favor of Bank on the Collateral.

"**Permitted Indebtedness**" is:

(a) Co-Borrowers' Indebtedness to Bank under this Agreement, the other Loan Documents and the Mezzanine Loan Documents;

(b) Indebtedness existing on the Effective Date which is shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness in an aggregate principal amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) secured by Permitted Liens;

(g) [reserved];

(h) earnouts incurred in connection with Permitted Acquisitions so long as (i) the total consideration for such Permitted Acquisitions, including such earnouts, does not exceed the limitations set forth in in the definition of Permitted Acquisitions, and (ii) such earnouts are subject to subordination agreements in form and substance satisfactory to Bank;

(i) Indebtedness of Excluded Subsidiaries to third-party financial institutions for the financing of loans originated on Co-Borrowers' platform and transferred to such Excluded Subsidiaries in accordance with Section 7.1;

(j) Indebtedness incurred pursuant to Standard Securitization Undertakings as of the Effective Date;

(k) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (h) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon a Co-Borrower or its Subsidiary, as the case may be; and

(l) obligations incurred by an Excluded Subsidiary in a Permitted Receivables Financing that is not recourse to either Co-Borrower or any Subsidiary (other than an Excluded Subsidiary).

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date which are shown on the Perfection Certificate;

(b) Investments consisting of Cash Equivalents;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of a Co-Borrower;

(d) Investments consisting of deposit accounts in which Bank has a perfected security interest;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments consisting of the creation of a Subsidiary for the purpose of consummating a merger transaction permitted by Section 7.3 of this Agreement, which is otherwise a Permitted Investment;

(g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of a Co-Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by the Board of Directors;

(h) 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;

(i) Investments in (i) the beneficial interests in Excluded Subsidiaries (including all certificates representing such interests), (ii) loans originated through the Co-Borrowers' platform in the ordinary course of business, (iii) capital contributions in the Excluded Subsidiaries not exceeding an amount equal to (1) the aggregate principal amount of loans originated on Co-Borrowers' platform and transferred to the Excluded Subsidiaries by Co-Borrowers in accordance with Section 7.1, minus (2) the aggregate loan proceeds received by the Excluded Subsidiaries from the third-party financing of such transferred loans, and (iv) other capital contributions in the Excluded Subsidiaries not to exceed One Hundred Thousand Dollars ($100,000) in the aggregate in any fiscal year;

(j) 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 paragraph (k) shall not apply to Investments of Co-Borrowers in any Subsidiary;

(k) Investments in an Excluded Subsidiary or any Investment by an Excluded Subsidiary in any other Person in connection with a Permitted Receivables Financing; and

(l) Permitted Acquisitions.

"**Permitted Liens**" are:

(a) Liens shown on the Perfection Certificate existing on the Effective Date or arising under this Agreement, the other Loan Documents or the Mezzanine Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which a Co-Borrower maintains adequate reserves on such Co-Borrower's Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens (i) on Equipment acquired or held by a Co-Borrower incurred for financing the acquisition of the Equipment securing no more than Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of a Co-Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of a Co-Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;

(h) non-exclusive licenses of Intellectual Property granted to third parties in the ordinary course of business;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7;

(j) Liens in the assets of Excluded Subsidiaries granted by such Excluded Subsidiaries to third-party financial institutions in connection with the financing of loans originated on Co-Borrowers' platform and transferred to such Excluded Subsidiaries in accordance with Section 7.1 and Liens on Permitted Receivables Financing Assets securing any Permitted Receivables Financing; and

(k) Liens in favor of other financial institutions arising in connection with Co-Borrowers' deposit and/or securities accounts held at such institutions as permitted by Section 6.8(a) hereof, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts to the extent required hereunder.

"**Permitted Receivables Financing**" is any transaction or series of transactions that may be entered into by any Co-Borrower or any Subsidiary thereof pursuant to which any Co-Borrower or Subsidiary may sell, convey or otherwise transfer to (a) an Excluded Subsidiary (in the case of a transfer by either Co-Borrower or Subsidiary) or (b) any Special Purpose Vehicle (in the case of a transfer by an Excluded Subsidiary), or an Excluded Subsidiary may grant a security interest in, any Permitted Receivables Financing Assets provided, that, the terms of which (including financing terms, covenants, termination events and other provisions) (i) have been negotiated at arm's length and (ii) are, in the good faith determination of either Co-Borrower, which determination shall be conclusive, in the aggregate economically fair and reasonable to such Co-Borrower.

"**Permitted Receivables Financing Assets**" are (a) Receivables which are described as being transferred by a Co-Borrower or Subsidiary pursuant to a Permitted Receivables Financing, (b) all Receivables Related Assets in respect of Receivables described in clause (a), and (c) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prime Rate**" is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the "Prime Rate" shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**Receivables**" are all rights of the Co-Borrowers or any Subsidiaries (other than an Excluded Subsidiary) to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment of any interest or finance charges), which rights are identified in the accounting records of the Co-Borrower or such Subsidiary as accounts receivable.

"**Receivables Related Assets**" are (a) any rights arising under the documentation governing or relating to Receivables (including rights in respect of Liens securing such Receivables and other credit support in respect of such Receivables); (b) any proceeds of such Receivables and any lockboxes or accounts in which such proceeds are deposited; (c) spread accounts and other similar accounts (and any amounts on deposit therein) established in connection with a Permitted Receivables Financing; (d) any warranty, indemnity, dilution and other intercompany claim arising out of a Permitted Receivables Financing; and (e) other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"**Recipient**" means Bank or any other Person holding a beneficial interest in the right to make Credit Extensions.

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator 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.

"**Reserves**" means, as of any date of determination, such amounts as Bank may from time to time establish and revise in its good faith business judgment, reducing the amount of Advances and other financial accommodations which would otherwise be available to Co-Borrowers (a) to reflect events, conditions,

contingencies or risks which, as determined by Bank in its good faith business judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of a Co-Borrower or any Guarantor, or (iii) the security interests and other rights of Bank in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Bank's reasonable belief that any collateral report or financial information furnished by or on behalf of a Co-Borrower or any Guarantor to Bank is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Bank determines constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default. So long as no Event of Default has occurred and is continuing, Bank shall endeavor to consult with Co-Borrowers about the establishment of the Reserves amount, but the failure to do so shall not be a breach by Bank hereunder.

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of a Co-Borrower.

"**Restricted License**" is any material license or other similar agreement relating to the use of intellectual property with respect to which a Co-Borrower is the licensee (a) that prohibit or otherwise restricts such Co-Borrower from granting a security interest in such Co-Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Bank's right to sell any Collateral, but "Restricted License" shall not include (i) over the counter software and services, open source code, application programming interfaces and/or other Intellectual Property made commercially available under shrinkwrap or clickwrap licenses, online terms of service or use, or similar agreements.

"**Retained Interest**" is the debt or equity interests held by a Co-Borrower or any Subsidiary (other than an Excluded Subsidiary) in an Excluded Subsidiary to which Permitted Receivables Financing Assets have been transferred, including any such debt or equity received as consideration for or as a portion of the purchase price for the Permitted Receivables Financing Assets transferred, or any other instrument through which a Co-Borrower or such Subsidiary has rights to or receives distributions in respect of any residual or excess interest in the Permitted Receivables Financing Assets.

"**Revolving Line**" is an aggregate principal amount equal to Five Million Five Hundred Thousand Dollars ($5,500,000).

"**Revolving Line Maturity Date**" is June 1, 2020.

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Securities Account**" is any "**securities account**" as defined in the Code with such additions to such term as may hereafter be made.

"**Special Purpose Vehicle**" is a trust, partnership or other special purpose Person established by a Co- Borrower and/or any of its Subsidiaries to implement a Permitted Receivables Financing.

"**Standard Securitization Undertakings**" are representations, warranties, covenants and indemnities (including repurchase obligations in the event of a breach of representation and warranty) made or provided, and limited recourse guarantees (including, without limitation, by way of example only, the GS Guaranty and the DB Guaranty), performance guarantees and servicing obligations undertaken, by any Co-Borrower or any Subsidiary in connection with a Permitted Receivables Financing of a character appropriate for the assets being securitized and which, in the good faith judgment of the board of directors of the appropriate company are reasonably customary in an accounts receivable transaction and which have been negotiated at arm's length with an unaffiliated third party.

"**Streamline Period**" is, on and after the Effective Date, provided no Event of Default has occurred and is continuing, the period (a) commencing on the first day of the month following the day that a Co-Borrower provides to Bank a written report that such Co-Borrower has, for each consecutive day in the immediately preceding month maintained Net Cash, as determined by Bank in its discretion, in an amount at all times greater than or equal to One

Dollar ($1.00) (the "**Streamline Trigger**"); and (b) terminating on the earlier to occur of (i) the occurrence of an Event of Default, and (ii) the first day thereafter in which such Co-Borrower fails to maintain the Streamline Trigger, as determined by Bank in its discretion. Upon the termination of a Streamline Period, Co-Borrower must maintain the Streamline Trigger each consecutive day for one (1) calendar month as determined by Bank in its discretion, prior to entering into a subsequent Streamline Period. Co-Borrower shall give Bank prior written notice of such Co-Borrower's election to enter into any such Streamline Period, and each such Streamline Period shall commence on the first day of the monthly period following the date Bank determines, in its reasonable discretion, that the Streamline Trigger has been achieved.

"**Streamline Trigger**" is defined in the definition of Streamline Period.

"**Subordinated Debt**" is indebtedness incurred by a Co-Borrower subordinated to all of such Co-Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank in its reasonable business discretion.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of a Co-Borrower or Guarantor. Notwithstanding anything to the contrary herein, "Subsidiary" shall not include any Excluded Subsidiary.

"**Tax**" and "**Taxes**" means 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.

"**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 a Co-Borrower connected with and symbolized by such trademarks.

"**Transfer**" is defined in Section 7.1.

"**Upstart Holdings**" is defined in the preamble hereof.

"**Upstart Network**" is defined in the preamble hereof.

"**Warrant**" is, collectively, (i) that certain Warrant to Purchase Stock dated as of March 19, 2015 executed by Co-Borrowers in favor of Bank, (ii) that certain Warrant to Purchase Stock dated as of February 1, 2016 executed by Co-Borrowers in favor of Bank, and (iii) that certain Warrant to Purchase Stock dated as of July 26, 2017 executed by Co-Borrowers in favor of Bank.

"**Wells Fargo Accounts**" is defined in Section 6.8(a).

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

CO-BORROWERS:

UPSTART HOLDINGS, INC.

By /s/Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

UPSTART NETWORK, INC.

By /s/Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

BANK:

SILICON VALLEY BANK

By /s/Lane Bruno
Name: Lane Bruno
Title: Director

FIRST AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **FIRST AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Amendment") is entered into as of October 22, 2018, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), **UPSTART HOLDINGS, INC.**, a Delaware corporation and **UPSTART NETWORK, INC.**, a Delaware corporation (each a "Co-Borrower" and collectively, "Co-Borrowers").

RECITALS

A. Bank and Co-Borrowers have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 5, 2018 (as the same may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Co-Borrowers for the purposes permitted in the Loan Agreement.

C. Co-Borrowers have requested that Bank amend the Loan Agreement to (i) permit Co-Borrowers to incur certain mezzanine debt to Bank, and (ii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 4.1 (Grant of Security Interest). The third paragraph of Section 4.1 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Co-Borrowers, release its Liens in the Collateral and all rights therein shall revert to Co-Borrowers. In the event (x) all Obligations (other than inchoate indemnity

obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein either (i) if the Mezzanine Loan Documents are in full force and effect, immediately or (ii) of the Mezzanine Loan Documents are no longer in full force and effect, upon Co-Borrowers providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Co-Borrowers shall provide to Bank cash collateral (to the extent required pursuant to the immediately preceding sentence) in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit."

2.2 Section 12.1 (Termination Prior to Maturity Date; Survival). Section 12.1 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**12.1 Termination Prior to Maturity Date; Survival**. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Co-Borrowers have satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with and to the extent required by Section 4.1 of this Agreement), this Agreement may be terminated prior to the Revolving Line Maturity Date and the Growth Capital Maturity Date by Co-Borrowers, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination."

2.3 Section 13 (Definitions). The following terms and their respective definitions hereby are added or amended and restated in their entirety, in Section 13.1 of the Loan Agreement, as appropriate, as follows:

"**Mezzanine Loan Agreement**" means that certain Mezzanine Loan and Security Agreement by and among Co-Borrowers and Bank dated as of October 22, 2018.

"**Mezzanine Loan Documents**" means all of the "Loan Documents" as such term is defined in the Mezzanine Loan Agreement.

"**Net Cash**" means an amount equal to (a) Co-Borrowers' unrestricted cash and Cash Equivalents held at Bank or Bank's Affiliates (subject to a Control Agreement) *minus* (b) the outstanding Obligations owing to Bank (other than any Obligations that are cash secured or owing to Bank under the Mezzanine Loan Documents).

2.4 Section 13 (Definitions). Subsection (a) of the defined term "Permitted Indebtedness" set forth in Section 13.1 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"(a) Co-Borrowers' Indebtedness to Bank under this Agreement, the other Loan Documents and the Mezzanine Loan Documents;"

2.5 Section 13 (Definitions). Subsection (a) of the defined term "Permitted Liens" set forth in Section 13.1 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"(a) Liens shown on the Perfection Certificate existing on the Effective Date or arising under this Agreement, the other Loan Documents or the Mezzanine Loan Documents;"

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, each Co-Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except (i) that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, and (ii) to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Co-Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Co-Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting each Co-Borrower, (b) any contractual restriction with a Person binding on Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Co-Borrower, or (d) the organizational documents of Co-Borrower;

4.6 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on each Co-Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Co-Borrower and is the binding obligation of Co-Borrower, enforceable against Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Ratification of Intellectual Property Security Agreement. Each Co-Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of September 5, 2018 between such Co-Borrower and Bank, and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral (as defined therein) and (b) shall remain in full force and effect.

6. Ratification of Perfection Certificate. Each Co-Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated as of September 5, 2018 and acknowledges, confirms and agrees that the disclosures and information such Co-Borrower provided to Bank in such Perfection Certificate have not changed, as of the date hereof.

7. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

8. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of (i) this Amendment by each party hereto and (ii) the Mezzanine Loan Documents, and (b) Co-Borrowers' payment of all Bank Expenses incurred through the date hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Lane Bruno
Name: Lane Bruno
Title: Director

CO-BORROWERS

UPSTART HOLDINGS, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: CFO

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: CFO

DEFAULT WAIVER AND SECOND AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **DEFAULT WAIVER AND SECOND AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Amendment") is entered into as of August 14, 2019, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), **UPSTART HOLDINGS, INC.**, a Delaware corporation and **UPSTART NETWORK, INC.**, a Delaware corporation (each a "Co-Borrower" and collectively, "Co-Borrowers").

RECITALS

A. Bank and Co-Borrowers have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 5, 2018 (as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of October 22, 2018 and as the same may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Co-Borrowers for the purposes permitted in the Loan Agreement.

C. Co-Borrowers have requested that Bank amend the Loan Agreement to (i) revise the financial covenants, and (ii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. In addition, Co-Borrowers acknowledge they are currently in default of the Loan Agreement for failing to comply with the covenant set forth in Section 6.9(b) of the Loan Agreement for the quarterly measuring period ending March 31, 2019 (the "Waived Default").

E. Co-Borrowers have requested that Bank waive its rights and remedies against Co-Borrowers, limited specifically to the Waived Default. Although Bank is under no obligation to do so, Bank is willing to not exercise its rights and remedies against Co-Borrowers related to the specific Waived Default on the terms and conditions set forth in this Agreement, so long as Co-Borrowers comply with the terms, covenants and conditions set forth in this Agreement.

F. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Waiver of Default. Bank hereby waives filing any legal action or instituting or enforcing any rights and remedies it may have against Co-Borrowers with respect to the Waived Default. Bank's waiver of Co-Borrowers' compliance with Section 6.9(b) of the Loan Agreement shall apply only with respect to Co-Borrowers' failure to do so as of March 31, 2019. Accordingly, hereinafter, Co-Borrowers shall be in compliance with such section. Bank's agreement to waive the Waived Default (a) in no way shall be deemed an agreement by Bank to waive Co-Borrowers' compliance with the above-referenced section as of all other dates, and (b) shall not limit or impair the Bank's right to demand strict performance of such section as of all other dates.

3. Amendments to Loan Agreement.

3.1 Section 6.9 (Financial Covenants). Section 6.9(b) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"(b) Net Loss. As of the last day of each quarter set forth below, Co-Borrowers' Cumulative Net Loss shall not be less than the following amounts:

Quarter Ending	Cumulative Net Loss
June 30, 2019	($9,000,000)
September 30, 2019	($12,000,000)
December 31, 2019	($15,000,000)

The required Cumulative Net Loss covenant levels for the measuring periods ending after December 31, 2019, shall be equal to the lesser of (i) one hundred twenty percent (120%) of the Cumulative Net Loss set forth in Co-Borrowers' Board of Directors approved projections delivered to Bank in accordance with Section 6.2(d) hereof, and (ii) Zero Dollars ($0); provided however, the Cumulative Net Loss covenant levels for each measuring period ending after December 31, 2019 shall not be greater than a loss of One Million Dollars ($1,000,000) per fiscal quarter."

3.1 Section 6.13 (Formation or Acquisition of Subsidiaries). Section 6.13 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**6.13 Formation or Acquisition of Subsidiaries.** Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that a Co-Borrower or any Guarantor form any direct or indirect Subsidiary or acquire any direct or indirect Subsidiary after the Effective Date (including, without limitation, pursuant to a Division), such Co-Borrower and such Guarantor shall (a) cause such new Subsidiary that is a Domestic Subsidiary to provide to Bank a joinder to this Agreement to cause such Subsidiary that is a Domestic Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank in its reasonable discretion (including being

sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary that is a Domestic Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary (or, in the case of a Foreign Subsidiary, sixty-five percent (65%) of the equity interests in such Subsidiary), in form and substance satisfactory to Bank in its reasonable discretion, and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above. Any document, agreement, or instrument executed or issued pursuant to this Section 6.13 shall be a Loan Document."

3.2 Section 7.1 (Dispositions). Section 7.1 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**7.1 Dispositions**. Convey, sell, lease, transfer, assign, or otherwise dispose of (including, without limitation, pursuant to a Division) (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Co-Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Co-Borrower; (c) consisting of Permitted Liens, Permitted Indebtedness and Permitted Investments; (d) consisting of the sale or issuance of any stock of Co-Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Co-Borrower's use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; (f) of non-exclusive licenses for the use of the property of a Co-Borrower or its Subsidiaries in the ordinary course of business; (g) of surplus Equipment in the ordinary course of business not otherwise permitted by this Section 7.1 in an amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year; (h) of loans originated on Co-Borrowers' platform and sold to third parties (other than Excluded Subsidiaries) in the ordinary course of business for fair market value (which may or may not reflect a discount to par value); (i) of loans originated on Co-Borrowers' platform and transferred to Excluded Subsidiaries in the ordinary course of business, such transferred loans to be financed through a combination of (1) third-party financing which constitutes Permitted Indebtedness hereunder, (2) Permitted Investments made by Co-Borrowers in such Excluded Subsidiaries and/or (3) direct equity investments by Persons commonly known as "backers" or "investors" for the sole purpose of financing such loans; and (j) dispositions of Permitted Receivables Financing Assets pursuant to Permitted Receivables Financings, in each case so long as the consideration for any such disposition is (i) in the form of cash or Retained Interests, (ii) in an amount at least equal to fair market value thereof (which may or may not reflect a discount to par value), (iii) the Retained Interest and all proceeds thereof shall constitute Collateral and all necessary steps to perfect a security interest in such Retained Interest for the benefit of Bank are taken by Co-Borrowers or the Subsidiary and (iv) no Default

or Event of Default shall have occurred and be continuing at the time such disposition is made, (k) so long as no Default or Event of Default has occurred or would result therefrom, a sale of Receivables by a Co-Borrower to any Person who is not an Affiliate from time to time pursuant to the terms of any whole loan sale program entered into between such Co-Borrower and such Person providing for the sale of specific Receivables by the Co-Borrower to such Person in the ordinary course of the Co-Borrower's business; provided, in each case, that One Hundred Percent (100%) of Co-Borrowers' revenue received from such sales shall be paid promptly following such sale by depositing such revenues in the Designated Deposit Account, and (l) other Transfers in the ordinary course of business not otherwise permitted by this Section 7.1 not to exceed One Hundred Thousand Dollars ($100,000) in the aggregate in any fiscal year."

3.3 Section 7.3 (Mergers or Acquisitions). Section 7.3 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**7.3 Mergers or Acquisitions**. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary or pursuant to a Division) except for Permitted Acquisitions. A Subsidiary may merge or consolidate into another Subsidiary or into a Co-Borrower."

3.4 Section 13 (Definitions). The following term and its respective definition hereby is added to Section 13.1 of the Loan Agreement to read as follows:

"**Division**" means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

3.5 Exhibit B. to the Loan Agreement is hereby replaced with Exhibit B attached hereto.

4. Limitation of Amendments.

4.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

4.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

5. Representations and Warranties. To induce Bank to enter into this Amendment, each Co-Borrower hereby represents and warrants to Bank as follows:

5.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except (i) that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, and (ii) to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

5.2 Co-Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

5.3 The organizational documents of Co-Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

5.5 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting each Co-Borrower, (b) any contractual restriction with a Person binding on Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Co-Borrower, or (d) the organizational documents of Co-Borrower;

5.6 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on each Co-Borrower, except as already has been obtained or made; and

5.7 This Amendment has been duly executed and delivered by Co-Borrower and is the binding obligation of Co-Borrower, enforceable against Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. Ratification of Intellectual Property Security Agreement. Each Co-Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of September 5, 2018 between such Co-Borrower and Bank, and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral (as defined therein) and (b) shall remain in full force and effect.

7. Ratification of Perfection Certificate. Each Co-Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated as of September 5, 2018 and acknowledges, confirms and agrees that the disclosures and information such Co-Borrower provided to Bank in such Perfection Certificate have not changed, as of the date hereof.

8. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

9. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) Co-Borrowers' payment of (i) a waiver fee in the amount of Fifteen Thousand Dollars ($15,000) and (ii) all Bank Expenses incurred through the date hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Chris Vind
Name: Chris Vind
Title: Vice President

CO-BORROWERS

UPSTART HOLDINGS, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: _____
FROM: UPSTART HOLDINGS, INC. and UPSTART NETWORK, INC.

The undersigned authorized officers of UPSTART HOLDINGS, INC. and UPSTART NETWORK, INC. certify solely in their capacities as officers of the company and not in their individual capacities, that under the terms and conditions of the Amended and Restated Loan and Security Agreement between Co-Borrowers and Bank (the "Agreement"): (1) Co-Borrowers are in complete compliance for the period ending _____ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Co-Borrowers, and each of their Subsidiaries, has timely filed all required tax returns and reports, and Co-Borrowers have timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Co-Borrowers except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Co-Borrowers or any of their Subsidiaries, if any, relating to unpaid employee payroll or benefits of which Co-Borrowers have not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Co-Borrowers are not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	**Required**	**Complies**
Monthly consolidated financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Updated structure chart	Quarterly within 45 days	Yes No
Annual financial statements (CPA Audited)	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
Borrowing Base Reports	(i) Friday of each week when Streamline Period is not in effect and (ii) monthly within 30 days when a Streamline Period is in effect	Yes No
Board-approved projections	Within 60 days of the earlier of (i) FYE or (ii) approval by the Board of Directors	Yes No
The following Intellectual Property was registered after the Effective Date (if no registrations, state "None") _____ _____ _____		

Financial Covenants	Required	Actual	Complies
Maintain on a Monthly Basis:			
Loan Delinquencies and 3-Month Charge-offs divided by Co-Borrowers' Loan Portfolio (Trailing 3-Month average)	£ 6.00%	_____%	Yes No
Maintain on a Quarterly Basis:			
Maximum Cumulative Net Loss:			
Quarter ending 6/30/19	($9,000,000)	$_____	Yes No
Quarter ending 9/30/19	($12,000,000)	$_____	Yes No
Quarter ending 12/31/19	($15,000,000)	$_____	Yes No
Quarter ending 3/31/20 and thereafter	To be reset, but in any event the cumulative Net Loss shall not be greater than ($1,000,000) per fiscal quarter	$_____	Yes No

Streamline	Required	Actual	Complies
Net Cash	At least $1.00	$_____	Yes No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

UPSTART HOLDINGS, INC.

By: _____
Name: _____
Title: _____

UPSTART NETWORK, INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER
Date: _____

Verified: _____
AUTHORIZED SIGNER
Date: _____

Compliance Status: Yes No

THIRD AMENDMENT
TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **THIRD AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Amendment") is entered into as of June 30, 2020, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), **UPSTART HOLDINGS, INC.**, a Delaware corporation and **UPSTART NETWORK, INC.**, a Delaware corporation (each a "Co-Borrower" and collectively, "Co-Borrowers").

RECITALS

A. Bank and Co-Borrowers have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 5, 2018 (as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of October 22, 2018, that certain Default Waiver and Second Amendment dated as of August 14, 2019, and as the same may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Co-Borrowers for the purposes permitted in the Loan Agreement.

C. Co-Borrowers are currently in violation of Section 8.2(a) of the Loan Agreement due to Co-Borrowers' repurchase of stock from Eaglewood SPV I LP ("Eaglewood") in November 2019 in accordance with the terms of that certain Stock Repurchase Agreement by and between Upstart Holdings, Inc. and Eaglewood dated as of November 14, 2019, in excess of the annual repurchase limit set forth in section 7.7(a)(iii) of the Loan Agreement (the "Existing Default").

D. Co-Borrowers have requested that Bank waive its rights and remedies against Co-Borrowers, limited specifically to the Existing Default. Although Bank is under no obligation to do so, Bank is willing to not exercise its rights and remedies against Co-Borrowers related to the specific Existing Default on the terms and conditions set forth in this Amendment, so long as Co-Borrowers comply with the terms, covenants and conditions set forth in this Amendment.

E. Co-Borrowers have further requested that Bank amend the Loan Agreement to (i) extend the maturity date, (ii) revise the financial covenants, and (iii) make certain other revisions to the Loan Agreement as more fully set forth herein.

F. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. **Amendments to Loan Agreement.**

2.1 Section 2.3 (Payment of Interest on the Credit Extensions). Section 2.3(a)(i) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to the greater of (A) one percentage point (1.00%) above the Prime Rate, and (B) four and one quarter percent (4.25%), which interest shall be payable monthly in accordance with Section 2.3(e) below."

2.2 Section 6.2 (Financial Statements, Reports, Certificates). Section 6.2 of the Loan Agreement hereby is amended and restated in in its entirety to read as follows:

"**6.2 Financial Statements, Reports, Certificates**. Provide Bank with the following:

(a) a Borrowing Base Report (and any schedules related thereto and including any other information requested by Bank with respect to Co-Borrowers' Accounts) within thirty (30) days after the last day of each month;

(b) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated balance sheet and income statement covering Co-Borrowers' consolidated operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(c) as soon as available, but no later than forty-five (45) days after the last day of each fiscal quarter, a company prepared consolidated and consolidating balance sheet and income statement covering Co-Borrowers' consolidated and consolidating operations for such quarter certified by a Responsible Officer and in a form acceptable to Bank;

(d) within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer;

(e) within forty-five (45) days after the last day of each quarter, an updated corporate structure chart reflecting Co-Borrowers' Subsidiaries and Excluded Subsidiaries;

(f) within sixty (60) days after the earlier of the end of the fiscal year of Co-Borrowers or approval by Co-Borrowers' Board of Directors, (i) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Co-Borrowers, and (ii) annual financial projections for the following fiscal year (on a quarterly basis), in each case as approved by the Board of Directors, together with any related business forecasts used in the preparation of such annual financial projections;

(g) as soon as available, and in any event within one hundred eighty (180) days following the end of Co-Borrowers' fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (other than with respect to going concern qualification solely related to Co-Borrowers' liquidity) on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank in its reasonable discretion;

(h) in the event that a Co-Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by such Co-Borrower and/or any Guarantor with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such Co-Borrower posts such documents, or provides a link thereto, on Co-Borrower's website on the internet at such Co-Borrower's website address; provided, however, such Co-Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(i) within five (5) days of delivery, copies of all statements, reports and notices made externally available to each Co-Borrower's security holders or to any holders of Subordinated Debt, in each case not in their roles as management or board member of any Co-Borrower;

(j) prompt report of any legal actions pending or threatened in writing against a Co-Borrower or any of its Subsidiaries that could result in damages or costs to such Co-Borrower or any of its Subsidiaries of, individually or in the aggregate, Three Hundred Fifty Thousand Dollars ($350,000) or more;

(k) within one (1) Business Day of the occurrence of any "Subject Action" (as such term is defined in the GS Guaranty and the DB Guaranty) or any claim that a Subject Action has occurred, a report and description of such Subject Action;

(l) prompt written notice of any changes to the beneficial ownership information set out in item 13 of the Perfection Certificate. Co-Borrowers understand and acknowledge that Bank relies on such true, accurate and up-to-date beneficial ownership information to meet Bank's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers; and

(m) promptly, from time to time, such other information regarding Co-Borrowers or compliance with the terms of any Loan Documents as reasonably requested by Bank."

2.3 Section 6.3 (Accounts Receivable). Sections 6.3(c) and 6.3(d) of the Loan Agreement hereby are amended and restated in their entirety to read as follows:

"(c) Collection of Accounts. Co-Borrowers shall deliver or transmit, and cause each depository institution where proceeds of Accounts or other assets constituting Collateral are on deposit (including but not limited to Wells Fargo Bank, N.A.), to deliver or transmit, all proceeds of Accounts or other assets constituting Collateral (and for the avoidance of doubt, not assets belonging to third-party investors which, shall remain in FBO accounts or other accounts permitted to be maintained by Co-Borrowers in accordance with the terms hereof, if applicable) into a lockbox account, or via electronic deposit capture into a "blocked account" as specified by Bank (either such account, the "**Cash Collateral Account**"). Whether or not an Event of Default has occurred and is continuing, Co-Borrowers shall immediately deliver all payments on and proceeds of Accounts constituting Collateral to the Cash Collateral Account. Subject to Bank's right to maintain a reserve pursuant to Section 6.3(d), so long as no Event of Default has occurred and is continuing, all amounts received in the Cash Collateral Account shall be transferred on a daily basis to Co-Borrowers' operating account with Bank. Co-Borrowers hereby authorize Bank to transfer to the Cash Collateral Account any amounts that Bank reasonably determines are proceeds of the Accounts (provided that Bank is under no obligation to do so and this allowance shall in no event relieve Co-Borrowers of their obligations hereunder).

(a) Reserves. Notwithstanding any terms in this Agreement to the contrary, at times when an Event of Default exists, Bank may hold any proceeds of the Accounts and any amounts in the Cash Collateral Account that are not applied to the Obligations pursuant to Section 6.3(c) above as a reserve to be applied to any Obligations regardless of whether such Obligations are then due and payable."

2.4 Section 6.8 (Accounts). Section 6.8 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**6.8 Accounts**.

(a) Maintain their and all of their Subsidiaries' (other than Excluded Subsidiaries') operating and other deposit accounts, the Cash Collateral Account and securities/investment accounts with Bank and Bank's Affiliates and shall conduct all of their investments and foreign exchange transactions at or through Bank. Co-Borrowers agree that they will cause each of the Excluded Subsidiaries to maintain its operating and other deposit accounts and securities accounts with Bank and Bank's Affiliates, but only to the extent Co-Borrowers determine that there is no adverse impact to Co-Borrowers or such Excluded Subsidiary operationally or commercially to do so after consulting in good faith with Bank. Notwithstanding the foregoing, Co-Borrowers shall be permitted to maintain (i) accounts at Cross River Bank (the "Cross River Accounts") and accounts at Finwise Bank (the "Finwise Accounts"), not subject to a Control Agreement, so long as such accounts at no time contain Collateral, and (ii) conduit accounts at Wells Fargo Bank (the "Wells Fargo Accounts"), not subject to a Control Agreement, so long as the aggregate balance in all such accounts does not exceed Fifteen Million Dollars ($15,000,000), (which

such aggregate balances does not include, for the avoidance of doubt, assets belonging to third-party investors which shall remain in FBO accounts or other accounts permitted to be maintained by Co-Borrowers in accordance with the terms hereof) for more than five (5) consecutive Business Days each calendar month, and (iii) FBO accounts in the name of Co-Borrower for the benefit of third party investors.

(b) In addition to and without limiting the restrictions in (a), Co-Borrowers shall provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Co-Borrowers at any time maintain, Co-Borrowers shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to (i) the Cross River Accounts, (ii) the Finwise Accounts, (iii) the Wells Fargo Accounts, or (iv) deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Co-Borrowers' employees and identified to Bank by Co-Borrowers as such."

2.5 Section 6.9 (Financial Covenants). Section 6.9(b) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"(b) Minimum Liquidity. Co-Borrowers shall at all times, maintain Net Liquidity of not less than Twelve Million Dollars ($12,000,000)."

2.6 Section 6.18 (PPP Loan). New Section 6.18 hereby is added to the Loan Agreement to read in its entirety as follows:

"**6.18 PPP Loan**. Co-Borrower shall or shall cause each of the applicable Subsidiaries to maintain the records required to be submitted by the CARES Act in order for the PPP Loan to be forgiven in full in accordance with the terms of the CARES Act. Each Co-Borrower agrees that such Co-Borrower shall not use the proceeds of any Credit Extension provided under this Agreement for any purpose permitted under Section 7(a) of the Small Business Act prior to the application, in full, of all proceeds from the PPP Loan (unless otherwise agreed to in writing by Bank). Each Co-Borrower agrees that Co-Borrower shall not amend, modify or waive any rights relating to, or any agreement relating to, the PPP Loan and the documents evidencing the PPP Loan, in a manner that is adverse to Bank's interests."

2.7 Section 8.2 (Covenant Default). Section 8.2(a) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

(a) "A Co-Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17 or 6.18 or violates any covenant in Section 7; or"

2.8 Section 13 (Definitions). The following terms and their respective definitions hereby are added to Section 13.1 of the Loan Agreement to read as follows:

"**CARES Act**" has the meaning given to it in subsection (m) of the definition of "Permitted Indebtedness."

"**Net Liquidity**" means (a) Co-Borrowers' unrestricted cash and Cash Equivalents held at Bank or Bank's Affiliates (in the case of Bank's Affiliates, subject to a Control Agreement), minus (b) the outstanding balance of the PPP Loan; provided, that upon receipt by Bank of evidence reasonably satisfactory to Bank that the PPP Loan has been forgiven in full pursuant to, and in accordance with, the CARES Act, then this clause (b) shall be deemed to be $0.

"**PPP Loan**" has the meaning given to it in subsection (m) of the definition of "Permitted Indebtedness.

"**Third Amendment Effective Date**" is June 30, 2020.

"**Small Business Act**" means the Small Business Act (15 U.S.C. 636(a)) after giving effect to the implementation of the CARES Act, as in effect on the Third Amendment Effective Date (or any amended or successor version that is substantively comparable and not materially more adverse to Bank's interest) and any current or future regulations or official interpretations thereof.

2.9 Section 13 (Definitions). The defined term "Permitted Indebtedness" in Section 13 of the Loan Agreement, hereby is amended by adding new subsection (m) to read in its entirety as follows:

"(m) Indebtedness, not to exceed Five Million Two Hundred Eighty-Seven Thousand Eight Hundred and Ten Dollars ($5,287,810) in the aggregate, incurred by Upstart Network, Inc. in favor of Cross River Bank under the Paycheck Protection Program (a "**PPP Loan**") established pursuant to the Coronavirus Aid, Relief and Economic Security Act (as amended, and the related rules and regulations, the "**CARES Act**"); provided that (i) such Indebtedness is unsecured and shall not include any rights of set-off, counterclaim, or deduction of any kind in favor of the lender with respect to such Indebtedness, (ii) Co-Borrowers are in compliance with all applicable U.S. Small Business Administration ("**SBA**") regulations and loan eligibility requirements, (iii) the maturity date of such Indebtedness shall not occur prior to the date that is 24 months from disbursement, and (iv) the proceeds of such Indebtedness are used in a manner that is permitted by the CARES Act."

2.10 Section 13 (Definitions). The following defined terms in Section 13 of the Loan Agreement, hereby are amended and restated to read in their entirety as follows:

"**Borrowing Base**" is, at any time, an amount equal to (a) the Advance Rate multiplied by (b) Borrower's net operating revenue, determined in accordance with GAAP *minus* (A) realized gains or losses from sale (determined in accordance with GAAP) and (B) any other non-recurring revenue, for the trailing thirty (30) day period then ended;

provided, however, that Bank has the right to decrease the foregoing amount in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect the Collateral or its value. So long as no Event of Default has occurred and is continuing, Bank shall endeavor to consult with Co-Borrowers about any such decreases, but the failure to do so shall not be a breach by Bank hereunder.

"Revolving Line Maturity Date" is December 1, 2020.

2.11 Section 13 (Definitions). The defined terms "**Cumulative Net Loss**", "**Streamline Period**" and "**Streamline Trigger**" in Section 13 of the Loan Agreement, hereby are deleted in their entirety.

2.12 Section 13 (Definitions). Clause (b) of the defined term "Permitted Indebtedness" is hereby amended and restated as follows:

"(b) Indebtedness existing on the Third Amendment Effective Date which is shown on the Perfection Certificate;"

2.13 Exhibit A to the Loan Agreement is hereby replaced with Exhibit A attached hereto.

2.14 Exhibit B to the Loan Agreement is hereby replaced with Exhibit B attached hereto.

3. Extension/Waiver.

3.1 Bank hereby waives filing any legal action or instituting or enforcing any rights and remedies it may have against Co-Borrowers with respect to the Existing Default. Bank's waiver of Co-Borrowers' compliance with Section 7.7(a)(iii) of the Loan Agreement shall apply only with respect to Co-Borrowers' failure to do so as of June 30, 2020. Accordingly, hereinafter, Co-Borrower shall be in compliance with such section. Bank's agreement to waive the Existing Default (a) in no way shall be deemed an agreement by Bank to waive Co-Borrowers' compliance with the above-referenced section as of all other dates, and (b) shall not limit or impair the Bank's right to demand strict performance of such section as of all other dates.

3.2 In addition, Bank hereby acknowledges that effective as of the date on which the conditions precedent set forth in Section 11 of this Amendment have been satisfied, Bank is extending the Revolving Line Maturity Date from June 1, 2020 to December 1, 2020 and, for the avoidance of doubt, to the extent that there were any Advances outstanding between the existing Revolving Line Maturity Date and the effective date of this Amendment that would have resulted in a payment default under the Loan Agreement as in effect prior to the date hereof, any such default is hereby deemed waived by Bank.

4. Limitation of Amendments.

4.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

4.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

5. Representations and Warranties. To induce Bank to enter into this Amendment, each Co-Borrower hereby represents and warrants to Bank as follows:

5.1 Immediately after giving effect to this Amendment and the incurrence of the PPP Loan (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except (i) that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, and (ii) to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

5.2 Co-Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

5.3 The organizational documents of Co-Borrower delivered to Bank on or prior to the Third Amendment Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

5.5 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting each Co-Borrower, (b) any contractual restriction with a Person binding on Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Co-Borrower, or (d) the organizational documents of Co-Borrower;

5.6 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on each Co-Borrower, except as already has been obtained or made;

5.7 The Co-Borrower has duly executed and delivered applications and documents related to PPP Loans and the disclosures contained in such documents are true, correct and complete, in all material respects. Co-Borrower has made its own independent investigation

and appraisal of Co-Borrowers' financial condition and affairs, has conducted its own evaluation of Co-Borrower's eligibility for PPP Loans under the CARES Act, and Co-Borrowers' compliance with the terms of the CARES Act, independently and without reliance upon Bank, and will continue to do so; and

5.8 This Amendment has been duly executed and delivered by Co-Borrower and is the binding obligation of Co-Borrower, enforceable against Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. Release by Co-Borrower.

6.1 FOR GOOD AND VALUABLE CONSIDERATION, each Co-Borrower hereby forever relieves, releases, and discharges Bank and its present or former employees, officers, directors, agents, representatives, attorneys, and each of them, from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses, actions and causes of action, of every type, kind, nature, description or character whatsoever, whether known or unknown, suspected or unsuspected, absolute or contingent, arising out of or in any manner whatsoever connected with or related to facts, circumstances, issues, controversies or claims existing or arising from the date of the Loan Agreement through and including the date of execution of this Agreement (collectively "**Released Claims**"). Without limiting the foregoing, the Released Claims shall include any and all liabilities or claims arising out of or in any manner whatsoever connected with or related to the Loan Documents, the Recitals hereto, any instruments, agreements or documents executed in connection with any of the foregoing or the origination, negotiation, administration, servicing and/or enforcement of any of the foregoing.

6.2 In furtherance of this release, each Co-Borrower expressly acknowledges and waives any and all rights under Section 1542 of the California Civil Code, which provides as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." (Emphasis added.)

6.3 By entering into this release, each Co-Borrower recognizes that no facts or representations are ever absolutely certain and it may hereafter discover facts in addition to or different from those which it presently knows or believes to be true, but that it is the intention of Co-Borrower hereby to fully, finally and forever settle and release all matters, disputes and differences, known or unknown, suspected or unsuspected; accordingly, if Co-Borrower should subsequently discover that any fact that it relied upon in entering into this release was untrue, or that any understanding of the facts was incorrect, Co-Borrower shall not be entitled to set aside this release by reason thereof, regardless of any claim of mistake of fact or law or any other circumstances whatsoever. Each Co-Borrower acknowledges that it is not relying upon and has not relied upon any representation or statement made by Bank with respect to the facts underlying this release or with regard to any of such party's rights or asserted rights.

6.4 This release may be pleaded as a full and complete defense and/or as a cross- complaint or counterclaim against any action, suit, or other proceeding that may be instituted, prosecuted or attempted in breach of this release. Each Co-Borrower acknowledges that the release contained herein constitutes a material inducement to Bank to enter into this Agreement, and that Bank would not have done so but for Bank's expectation that such release is valid and enforceable in all events.

6.5 Each Co-Borrower hereby represents and warrants to Bank, and Bank is relying thereon, as follows:

(a) Except as expressly stated in this Amendment, neither Bank nor any agent, employee or representative of Bank has made any statement or representation to Co-Borrower regarding any fact relied upon by Co-Borrower in entering into this Agreement.

(b) Co-Borrower has made such investigation of the facts pertaining to this Agreement and all of the matters appertaining thereto, as it deems necessary.

(c) The terms of this Agreement are contractual and not a mere recital.

(d) This Agreement has been carefully read by Co-Borrower, the contents hereof are known and understood by Co-Borrower, and this Agreement is signed freely, and without duress, by Co-Borrower.

(e) Co-Borrower represents and warrants that it is the sole and lawful owner of all right, title and interest in and to every claim and every other matter which it releases herein, and that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm or entity any claims or other matters herein released. Co-Borrower shall indemnify Bank in accordance with Section 12.3 of the Loan Agreement.

7. Prior Agreement. The Loan Documents are hereby ratified and reaffirmed and shall remain in full force and effect (as amended by this Amendment). This Amendment is not a novation and the terms and conditions of this Amendment shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. 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 such document shall not otherwise be affected or the rights therein impaired.

8. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

9. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

11. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of (i) this Amendment by each party hereto, (ii) an updated Perfection Certificate from each Co-Borrower, and (iii) updated schedules to each Co-Borrower's Intellectual Property Security Agreement, and (b) Co-Borrowers' payments to Bank of (i) an amendment fee in the amount of Thirteen Thousand Seven Hundred and Fifty Dollars ($13,750) and (ii) all Bank Expenses incurred through the date hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Chris Vind
Name: Christopher Vind
Title: Director

CO-BORROWERS

UPSTART HOLDINGS, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

[*Signature Page to Third Amendment to Amended and Restated Loan and Security Agreement*]

EXHIBIT A—COLLATERAL DESCRIPTION

The Collateral consists of all of Co-Borrowers' right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles, Intellectual Property, commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all of each Co-Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include:

1. All Trust Assets (as such is defined herein). All funding agreements, loan agreements, promissory notes, and other agreements and instruments evidencing, or relating to, loans made to, advances made to, financing provided to, or funds provided to persons (including, without limitation, persons known as "upstarts") by or on behalf of Co-Borrowers, or by a third party and acquired by Co-Borrowers, all amounts owing from such persons, all rights to be paid by such persons, all other rights, benefits and property attributable to the foregoing, all proceeds of the foregoing and all deposit accounts in which monies or cash proceeds of the foregoing are deposited or held, including without limitation all promissory notes, accounts, general intangibles, payment intangibles, chattel paper, deposit accounts, investment property and proceeds that constitute any of the foregoing as such terms are defined in the UCC and all files, books and records, related to any of the foregoing; provided however, that the Collateral shall include all of the foregoing property with respect to any such loan (a) which has not been sold by Co-Borrowers within two (2) Business Days following the date of such loan is acquired by Co-Borrowers, or (b) which has been repurchased by Co-Borrowers after sale of such loan;

2. All agreements with persons (including, without limitation, persons commonly known as "backers" or "investors") who have provided funds to Co-Borrowers directly or indirectly (including, without limitation, through the purchase of securities) for the purpose of making loans or advances to, or providing financing or funding to, persons described in clause (1), all funds or other property received or receivable by Co-Borrowers from any person described in this clause (including, without limitation, all such funds or property that are provided to or deposited with third parties for the purpose of making loans or advances to, or providing financing or funding to, persons described in clause (1), or purchasing any such advance, loan, financing, or funding), all amounts owing from such persons described in this clause, all rights to be paid by such persons, all funds or other property held on behalf or for the benefit of such persons or otherwise due or owing to such persons, and all proceeds of the foregoing.

3. the Cross River Accounts, the Finwise Accounts and the Wells Fargo Accounts that Co-Borrowers are permitted to maintain under the terms of the Agreement;

4. All loans described in clause (1) above that are sold by Upstart Network, Inc. in compliance with the terms of the Agreement, except for any such loans (a) which have not been sold by Co-Borrowers within two (2) Business Days following the date of such loan is acquired by Co-Borrowers, or (b) which have been repurchased by Co-Borrowers after sale thereof; and

5. All beneficial interests of Co-Borrowers in Excluded Subsidiaries (including all certificates representing such interests).

6. Permitted Receivables Financing Assets sold, conveyed or otherwise transferred to an Excluded Subsidiary or other Person;

7. Capital Stock in captive insurance Subsidiaries, not-for-profit Subsidiaries, Designated Entities, and any other special purpose entities in connection with Permitted Receivables Financing.

Notwithstanding anything to the contrary contained herein, the Collateral SHALL include all of Co-Borrowers' right, title and interest in and to all servicing fees and similar fees in respect of the loans originated on Co-Borrowers' platform or otherwise acquired by Co-Borrowers (whether or not such loans have been sold or repurchased), and all rights to receive proceeds of loans sold to Excluded Subsidiaries after the obligations owed by the Excluded Subsidiaries to the applicable third-party financial institutions providing debt financing for such loans have been repaid.

As used herein "Trust Assets" means all funding agreements, loan agreements, promissory notes, and other agreements and instruments delivered to the Excluded Subsidiaries from time to time subject to the terms of the Loan and Security Agreement among Co-Borrowers and Bank (as amended) ("Funding Agreements"), all amounts owing under Funding Agreements, all rights to be paid under Funding Agreements, all collections and other funds received in respect of Funding Agreements, the documentation and other records relating to Funding Agreements, all other rights, benefits and property attributable to the foregoing, all deposit accounts in which monies or cash proceeds of the foregoing are deposited or held, and all proceeds of the foregoing; provided that the term "Trust Assets" shall not include any of the foregoing property which has been repurchased by Co-Borrowers after sale of the applicable loan.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: _____
FROM: UPSTART HOLDINGS, INC. and UPSTART NETWORK, INC.

The undersigned authorized officers of UPSTART HOLDINGS, INC. and UPSTART NETWORK, INC. certify solely in their capacities as officers of the company and not in their individual capacities, that under the terms and conditions of the Amended and Restated Loan and Security Agreement between Co-Borrowers and Bank (the "Agreement"): (1) Co-Borrowers are in complete compliance for the period ending _____ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Co-Borrowers, and each of their Subsidiaries, has timely filed all required tax returns and reports, and Co-Borrowers have timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Co-Borrowers except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Co-Borrowers or any of their Subsidiaries, if any, relating to unpaid employee payroll or benefits of which Co-Borrowers have not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Co-Borrowers are not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	**Required**	**Complies**
Monthly consolidated financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Quarterly financial statements	Quarterly within 45 days	Yes No
Updated structure chart	Quarterly within 45 days	Yes No
Annual financial statements (CPA Audited)	FYE within 180 days	Yes No
10-Q, 10-K and 8-K	Within 5 days after filing with SEC	Yes No
Borrowing Base Reports	Monthly within 30 days	Yes No
Board-approved projections	Within 60 days of the earlier of (i) FYE or (ii) approval by the Board of Directors	Yes No
The following Intellectual Property was registered after the Effective Date (if no registrations, state "None")		

Financial Covenants	Required	Actual	Complies
Maintain on a Monthly Basis:			
Loan Delinquencies and 3-Month Charge-offs divided by Co-Borrowers' Loan Portfolio (Trailing 3-Month average)	£ 6.00%	_____%	Yes No
Maintain at all times:			
Minimum Net Liquidity	$12,000,000	$ _____	Yes No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

_____

UPSTART HOLDINGS, INC.

By: _____
Name: _____
Title: _____

BANK USE ONLY

Received by: _____
AUTHORIZED SIGNER
Date: _____

Verified: _____
AUTHORIZED SIGNER
Date: _____

UPSTART NETWORK, INC.

By: _____
Name: _____
Title: _____

Compliance Status: Yes No

FOURTH AMENDMENT TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **FOURTH AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Amendment") is entered into as of October 1, 2020, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), **UPSTART HOLDINGS, INC.**, a Delaware corporation and **UPSTART NETWORK, INC.**, a Delaware corporation (each a "Co-Borrower" and collectively, "Co-Borrowers").

RECITALS

A. Bank and Co-Borrowers have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 5, 2018 (as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of October 22, 2018, that certain Default Waiver and Second Amendment to Amended and Restated Loan and Security Agreement dated as of August 14, 2019, and that certain Third Amendment to Amended and Restated Loan and Security Agreement dated as of June 30, 2020, and as the same may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement"). Bank has extended credit to Co-Borrowers for the purposes permitted in the Loan Agreement.

B. Co-Borrowers have informed Bank that Parent desires to open the Wells Collateral Account (as defined herein) at Wells Fargo Bank, N.A. ("**Wells**") and grant of a lien in favor of Wells on certain cash Collateral contained herein. In accordance with the requirements set forth in Sections 6.8 and 7.5 of the Loan Agreement, Co-Borrowers have requested Bank's consent to the opening of the Wells Collateral Account and grant to Wells of a security interest in the cash Collateral contained therein. Bank has agreed to consent to such actions, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 6.8 (Accounts). Section 6.8 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**6.8 Accounts**.

(a) Maintain their and all of their Subsidiaries' (other than Excluded Subsidiaries') operating and other deposit accounts, the Cash Collateral Account and securities/investment accounts with Bank and Bank's Affiliates and shall conduct all of their investments and foreign exchange transactions at or through Bank. Co-Borrowers agree that they will cause each of the Excluded Subsidiaries to maintain its operating and other deposit accounts and securities accounts with Bank and Bank's Affiliates, but only to the extent Co-Borrowers determine that there is no adverse impact to Co-Borrowers or

such Excluded Subsidiary operationally or commercially to do so after consulting in good faith with Bank. Notwithstanding the foregoing, Co-Borrowers shall be permitted to maintain (i) accounts at Cross River Bank (the "Cross River Accounts") and accounts at Finwise Bank (the "**Finwise Accounts**"), not subject to a Control Agreement, so long as such accounts at no time contain Collateral, (ii) conduit accounts at Wells Fargo Bank (the "**Wells Fargo Accounts**"), not subject to a Control Agreement, so long as the aggregate balance in all such accounts does not exceed Fifteen Million Dollars ($15,000,000), (which such aggregate balances does not include, for the avoidance of doubt, assets belonging to third-party investors which shall remain in FBO accounts or other accounts permitted to be maintained by Co-Borrowers in accordance with the terms hereof) for more than five (5) consecutive Business Days each calendar month, (iii) a Collateral Account at Wells Fargo Bank (the "**Wells Collateral Account**") to cover returns on Co-Borrowers' ACH volume so long as so long as the aggregate balance in such account does not exceed Four Hundred Thousand Dollars ($400,000) at any time, and (iv) FBO accounts in the name of Co-Borrower for the benefit of third party investors.

(b) In addition to and without limiting the restrictions in (a), Co-Borrowers shall provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Co-Borrowers at any time maintain, Co-Borrowers shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to (i) the Cross River Accounts, (ii) the Finwise Accounts, (iii) the Wells Fargo Accounts, (iv) the Wells Collateral Account, or (v) deposit accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Co-Borrowers' employees and identified to Bank by Co-Borrowers as such."

2.2 Section 13.1 (Definitions). The defined term "Permitted Liens" set forth in Section 13.1 of the Loan Agreement hereby is amended by (i) deleting the "and" at the end of subsection (j) and replacing it with a semicolon, (ii) amending and restating subsection (k) to read in its entirety as follows, and (iii) adding new subsection (l) to read in its entirety as follows:

"(k) Liens in favor of Wells Fargo Bank on up to Four Hundred Thousand Dollars ($400,000) of Co-Borrowers' cash contained in the Wells Collateral Account to secure certain obligations of Co-Borrowers to Wells Fargo Bank, N.A. which may be owing in connection with Co-Borrowers' asset backed securitization programs; and

(l) Liens in favor of other financial institutions arising in connection with Co-Borrowers' deposit and/or securities accounts held at such institutions as permitted by Section 6.8(a) hereof, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts to the extent required hereunder."

3. Consent. Subject to the terms of Section 11 below and compliance with Section 6.8 of the Loan Agreement (as amended hereby), Bank hereby consents to Parent's opening of the Wells Collateral Account together with the grant to Wells of a lien in all cash Collateral contained therein.

4. Limitation of Amendments.

4.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

4.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

5. Representations and Warranties. To induce Bank to enter into this Amendment, each Co-Borrower hereby represents and warrants to Bank as follows:

5.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except (i) that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, and (ii) to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

5.2 Co-Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

5.3 The organizational documents of Co-Borrower delivered to Bank on or prior to the Third Amendment Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

5.5 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting each Co-Borrower, (b) any contractual restriction with a Person binding on Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Co-Borrower, or (d) the organizational documents of Co-Borrower;

5.6 The execution and delivery by Co-Borrower of this Amendment and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on each Co-Borrower, except as already has been obtained or made; and

5.7 This Amendment has been duly executed and delivered by Co-Borrower and is the binding obligation of Co-Borrower, enforceable against Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. Prior Agreement. The Loan Documents are hereby ratified and reaffirmed and shall remain in full force and effect (as amended by this Amendment). This Amendment is not a novation and the terms and conditions of this Amendment shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. 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 such document shall not otherwise be affected or the rights therein impaired.

7. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

8. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

10. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) Co-Borrowers' payments to Bank of all Bank Expenses incurred through the date hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

SILICON VALLEY BANK

By: /s/ Christopher Vind
Name: Christopher Vind
Title: Director

CO-BORROWERS

UPSTART HOLDINGS, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

DEFAULT WAIVER AND FIFTH AMENDMENT TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **DEFAULT WAIVER AND FIFTH AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Agreement") is entered into as of November 3, 2020, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), **UPSTART HOLDINGS, INC.**, a Delaware corporation, and **UPSTART NETWORK, INC.**, a Delaware corporation (each a "Co-Borrower" and collectively, "Co-Borrowers").

RECITALS

A. Bank and Co-Borrowers have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 5, 2018 (as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of October 22, 2018, that certain Default Waiver and Second Amendment to Amended and Restated Loan and Security Agreement dated as of August 14, 2019, that certain Third Amendment to Amended and Restated Loan and Security Agreement dated as of June 30, 2020, and that certain Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of October 1, 2020, and as the same may be further amended, supplemented, restated, or otherwise modified from time to time, collectively, the "Loan Agreement"). Bank has extended credit to Co-Borrowers for the purposes permitted in the Loan Agreement.

B. Co-Borrowers acknowledge that they are currently in default of Sections 6.15 and 8.2(a) of the Loan Agreement for failing to cause the outstanding balance of the Revolving Line to be zero ($0) for a period of not less than fourteen (14) consecutive days during each six (6) month period beginning on the Effective Date and continuing through the date hereof as required pursuant to Section 6.15 of the Loan Agreement (the "Waived Default").

C. Co-Borrowers have requested that Bank waive its rights and remedies against Co-Borrowers, limited specifically to the Waived Default. Although Bank is under no obligation to do so, Bank is willing to not exercise its rights and remedies against Co-Borrowers related to the specific Waived Default on the terms, and conditions set forth in this Agreement, so long as Co-Borrowers comply with the terms, covenants and conditions set forth in this Agreement.

D. Co-Borrowers have further requested that Bank amend the Loan Agreement to remove the out-of-debt covenant contained in Section 6.15 of the Loan Agreement.

E. Bank has agreed to so amend such provision of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Agreement shall have the meanings given to them in the Loan Agreement.

2. Amendment to Loan Agreement.

2.1 Section 6.15 (Out of Debt Covenant). Section 6.15 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**6.15 Intentionally Omitted**."

2.2 Section 8.2 (Covenant Default). Section 8.2(a) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**8.2 Covenant Default.**

(a) A Co-Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.12, 6.13, 6.14, 6.16, 6.17 or 6.18 or violates any covenant in Section 7, or"

3. Waiver of Default. Bank hereby waives the Waived Default. Bank's waiver of Co-Borrowers' compliance with Section 6.15 of the Loan Agreement shall apply with respect to Co-Borrowers' failure to comply for all prior periods beginning September 5, 2018 to the date hereof.

4. Limitation of Default Waiver and Amendment.

4.1 This Agreement is effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

4.2 This Agreement shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

5. Representations and Warranties. To induce Bank to enter into this Agreement, each Co-Borrower hereby represents and warrants to Bank as follows:

5.1 Immediately after giving effect to this Agreement (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except (i) that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, and (ii) to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default other than the Waived Default has occurred and is continuing;

5.2 Co-Borrower has the power and authority to execute and deliver this Agreement and to perform its obligations under the Loan Agreement, as amended by this Agreement;

5.3 The organizational documents of Co-Borrower delivered to Bank on or prior to the Third Amendment Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 The execution and delivery by Co-Borrower of this Agreement and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Agreement, have been duly authorized;

5.5 The execution and delivery by Co-Borrower of this Agreement and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Agreement, do not and will not contravene (a) any law or regulation binding on or affecting each Co-Borrower, (b) any contractual restriction with a Person binding on Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Co-Borrower, or (d) the organizational documents of Co-Borrower;

5.6 The execution and delivery by Co-Borrower of this Agreement and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Agreement, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on each Co-Borrower, except as already has been obtained or made; and

5.7 This Agreement has been duly executed and delivered by Co-Borrower and is the binding obligation of Co-Borrower, enforceable against Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. Prior Agreement. The Loan Documents are hereby ratified and reaffirmed and shall remain in full force and effect (as amended by this Agreement). This Agreement is not a novation and the terms and conditions of this Agreement shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. In the event of any conflict or inconsistency between this Agreement and the terms of such documents, the terms of this Agreement shall be controlling, but such document shall not otherwise be affected or the rights therein impaired.

7. Release by Co-Borrowers.

7.1 FOR GOOD AND VALUABLE CONSIDERATION, each Co-Borrower hereby forever relieves, releases, and discharges Bank and its present or former employees, officers, directors, agents, representatives, attorneys, and each of them, from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses, actions and causes of action, of every type, kind, nature, description or character whatsoever, whether known or unknown, suspected or unsuspected, absolute or contingent, arising out of or in any manner whatsoever connected with or related to facts, circumstances, issues, controversies or claims existing or arising from the date of the Loan Agreement through and including the date of execution of this Agreement (collectively "Released Claims"). Without limiting the foregoing, the Released Claims shall include any and all liabilities or claims arising out of or in any manner whatsoever connected with or related to the Loan Documents, the Recitals hereto, any instruments, agreements or documents executed in connection with any of the foregoing or the origination, negotiation, administration, servicing and/or enforcement of any of the foregoing.

7.2 In furtherance of this release, each Co-Borrower expressly acknowledges and waives any and all rights under Section 1542 of the California Civil Code, which provides as follows:

> "**A general release** does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." (*Emphasis added*.)

7.3 By entering into this release, each Co-Borrower recognizes that no facts or representations are ever absolutely certain and it may hereafter discover facts in addition to or different from those which it presently knows or believes to be true, but that it is the intention of such Co-Borrower hereby to fully, finally and forever settle and release all matters, disputes and differences, known or unknown, suspected or unsuspected; accordingly, if such Co-Borrower should subsequently discover that any fact that it relied upon in entering into this release was untrue, or that any understanding of the facts was incorrect, such Co-Borrower shall not be entitled to set aside this release by reason thereof, regardless of any claim of mistake of fact or law or any other circumstances whatsoever. Each Co-Borrower acknowledges that it is not relying upon and has not relied upon any representation or statement made by Bank with respect to the facts underlying this release or with regard to any of such party's rights or asserted rights.

7.4 This release may be pleaded as a full and complete defense and/or as a cross-complaint or counterclaim against any action, suit, or other proceeding that may be instituted, prosecuted or attempted in breach of this release. Each Co-Borrower acknowledges that the release contained herein constitutes a material inducement to Bank to enter into this Agreement, and that Bank would not have done so but for Bank's expectation that such release is valid and enforceable in all events.

7.5 Each Co-Borrower hereby represents and warrants to Bank, and Bank is relying thereon, as follows:

(a) Except as expressly stated in this Agreement, neither Bank nor any agent, employee or representative of Bank has made any statement or representation to such Co-Borrower regarding any fact relied upon by such Co-Borrower in entering into this Agreement.

(b) Such Co-Borrower has made such investigation of the facts pertaining to this Agreement and all of the matters appertaining thereto, as it deems necessary.

(c) The terms of this Agreement are contractual and not a mere recital.

(d) This Agreement has been carefully read by such Co-Borrower, the contents hereof are known and understood by such Co-Borrower, and this Agreement is signed freely, and without duress, by such Co-Borrower.

(e) Such Co-Borrower represents and warrants that it is the sole and lawful owner of all right, title and interest in and to every claim and every other matter which it releases herein, and that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm or entity any claims or other matters herein released. Such Co-Borrower shall indemnify Bank in accordance with Section 12.3 of the Loan Agreement.

8. Ratification of Perfection Certificate. Each Co-Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated on or prior to the Effective Date and acknowledges, confirms and agrees that the disclosures and information of such Co-Borrower provided to Bank in such Perfection Certificate have not changed, as of the date hereof.

9. Integration. This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

10. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

11. Miscellaneous.

11.1 This Agreement shall constitute a Loan Document under the Loan Agreement; the failure to comply with the covenants contained herein shall constitute an Event of Default under the Loan Agreement; and all obligations included in this Agreement (including, without limitation, all obligations for the payment of principal, interest, fees, and other amounts and expenses) shall constitute obligations under the Loan Agreement and secured by the Collateral.

11.2 Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

13. Effectiveness. This Agreement shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) Co-Borrowers' payment to Bank of all Bank Expenses incurred through the date hereof.

[*Balance of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above.

BANK:

SILICON VALLEY BANK

By: /s/ Chris Vind
Name: Christopher Vind
Title: Director

CO-BORROWERS:

UPSTART HOLDINGS, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

[*Signature Page to Default Waiver and Fifth Amendment to Amended and Restated Loan and Security Agreement*]

SIXTH AMENDMENT TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **SIXTH AMENDMENT** to Amended and Restated Loan and Security Agreement (this "Agreement") is entered into as of November 25, 2020, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), **UPSTART HOLDINGS, INC.**, a Delaware corporation, and **UPSTART NETWORK, INC.**, a Delaware corporation (each a "Co-Borrower" and collectively, "Co-Borrowers").

RECITALS

A. Bank and Co-Borrowers have entered into that certain Amended and Restated Loan and Security Agreement dated as of September 5, 2018 (as amended by that certain First Amendment to Amended and Restated Loan and Security Agreement dated as of October 22, 2018, that certain Default Waiver and Second Amendment to Amended and Restated Loan and Security Agreement dated as of August 14, 2019, that certain Third Amendment to Amended and Restated Loan and Security Agreement dated as of June 30, 2020, that certain Fourth Amendment to Amended and Restated Loan and Security Agreement dated as of October 1, 2020, and that certain Default Waiver and Fifth Amendment to Amended and Restated Loan and Security Agreement dated as of November 3, 2020, and as the same may be further amended, supplemented, restated, or otherwise modified from time to time, collectively, the "Loan Agreement"). Bank has extended credit to Co-Borrowers for the purposes permitted in the Loan Agreement.

B. Co-Borrowers have requested that Bank amend the Loan Agreement to extend the Revolving Line Maturity Date.

C. Bank has agreed to so amend such provision of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Agreement shall have the meanings given to them in the Loan Agreement.

2. Amendment to Loan Agreement.

2.1 Section 13.1 (Definitions). The following defined term and its respective definition set forth in Section 13.1 of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"**Revolving Line Maturity Date**" is June 1, 2021.

3. Limitation of Amendment.

3.1 This Agreement is effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Agreement shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Agreement, each Co-Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Agreement (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except (i) that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof, and (ii) to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Co-Borrower has the power and authority to execute and deliver this Agreement and to perform its obligations under the Loan Agreement, as amended by this Agreement;

4.3 The organizational documents of Co-Borrower delivered to Bank on or prior to the Third Amendment Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Co-Borrower of this Agreement and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Agreement, have been duly authorized;

4.5 The execution and delivery by Co-Borrower of this Agreement and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Agreement, do not and will not contravene (a) any material law or regulation binding on or affecting each Co-Borrower, (b) any material contractual restriction with a Person binding on Co-Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Co-Borrower, or (d) the organizational documents of Co-Borrower;

4.6 The execution and delivery by Co-Borrower of this Agreement and the performance by Co-Borrower of its obligations under the Loan Agreement, as amended by this Agreement, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on each Co-Borrower, except as already has been obtained or made; and

4.7 This Agreement has been duly executed and delivered by Co-Borrower and is the binding obligation of Co-Borrower, enforceable against Co-Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Prior Agreement. The Loan Documents are hereby ratified and reaffirmed and shall remain in full force and effect (as amended by this Agreement). This Agreement is not a novation and the terms and conditions of this Agreement shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. In the event of any conflict or inconsistency between this Agreement and the terms of such documents, the terms of this Agreement shall be controlling, but such document shall not otherwise be affected or the rights therein impaired.

6. Ratification of Perfection Certificate. Each Co-Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated on or prior to the Effective Date and acknowledges, confirms and agrees that the disclosures and information of such Co-Borrower provided to Bank in such Perfection Certificate have not changed, as of the date hereof.

7. Integration. This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

8. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. Miscellaneous.

9.1 This Agreement shall constitute a Loan Document under the Loan Agreement; the failure to comply with the covenants contained herein shall constitute an Event of Default under the Loan Agreement; and all obligations included in this Agreement (including, without limitation, all obligations for the payment of principal, interest, fees, and other amounts and expenses) shall constitute obligations under the Loan Agreement and secured by the Collateral.

9.2 Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

10. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

11. Effectiveness. This Agreement shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) Co-Borrowers' payment to Bank of (i) an amendment fee equal to Thirteen Thousand Seven Hundred Fifty Dollars ($13,750) and (ii) all Bank Expenses incurred through the date hereof.

[*Balance of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above.

BANK:

SILICON VALLEY BANK

By: /s/ Chris Vind
Name: Christopher Vind
Title: Director

CO-BORROWERS:

UPSTART HOLDINGS, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

[*Signature Page to Sixth Amendment to Amended and Restated Loan and Security Agreement*]

Exhibit 10.13

EXECUTION VERSION

CONFIDENTIAL

THIRD AMENDED AND RESTATED

LOAN PROGRAM AGREEMENT

between

CROSS RIVER BANK

and

UPSTART NETWORK, INC.

Dated as of

January 1, 2019

*** Certain information has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

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THIRD AMENDED AND RESTATED

LOAN PROGRAM AGREEMENT

THIS THIRD AMENDED AND RESTATED LOAN PROGRAM AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "*Agreement*") is made and entered into as of this 1st day of January, 2019 (the "*Effective Date*"), by and between CROSS RIVER BANK, a New Jersey state chartered bank ("*Bank*") and UPSTART NETWORK, INC., a Delaware corporation ("*UNI*").

WHEREAS, Bank is an FDIC-insured New Jersey state-chartered bank with the authority to make consumer loans throughout the United States of America;

WHEREAS, UNI has developed and operates an online platform to deliver innovative financial services and to assist lenders in the marketing and originating of consumer loans in accordance with each lender's pre-determined credit criteria; and

WHEREAS, Bank and UNI are parties to that certain Second Amended and Restated Loan Program Agreement, dated as of November 1, 2015 (as amended, the "*Existing Program Agreement*") and wish to amend and restate the Existing Program Agreement in its entirety on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements contained herein, for good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties intending to be legally bound agree as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

Section 1.1. Definitions.

In addition to definitions provided for other terms elsewhere in this Agreement and except as otherwise specifically indicated, the following terms shall have the indicated meanings set forth in this Section 1.1.

"ACH" means automated clearing house.

"Advertising Materials" means all materials and methods used by UNI in the performance of its marketing and solicitation services under this Agreement in connection with the origination of Loans by Bank, including advertisements, direct mail pieces, brochures, website materials and any other similar materials. For the avoidance of doubt, "Advertising Materials" excludes UNI Referral Materials, the right, title and interest of which shall at all times belong to UNI, and may be used by UNI for any purpose outside of the Program provided such UNI Referral Materials do not incorporate any of the Marks of Bank.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. As used in this definition

of Affiliate, the term "control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person, whether through ownership of such Person's voting securities, by contract or otherwise, and the terms "affiliated", "controlling" and "controlled" have correlative meanings.

"Agreement" means this Third Amended and Restated Loan Program Agreement, including all schedules and exhibits hereto, as the same may be amended or supplemented from time to time.

"Annual Projections" is defined in Section 3.1(i)(B).

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to either party from time to time concerning or relating to bribery or corruption.

"Anti-Money Laundering Laws" means all laws, rules and regulations of any jurisdiction applicable to either party from time to time concerning or relating to money-laundering, including the Bank Secrecy Act 31 U.S.C. § 5311 et seq. and Regulation X promulgated thereunder and the applicable sections of the Patriot Act and implementing regulations related to know-your-customer and customer identification programs.

"Applicable Laws" means all federal, state and local laws, statutes, ordinances, regulations and orders, together with all rules and guidelines established by self-regulatory organizations, including the National Automated Clearing House Association, or government sponsored entities, applicable to a party or relating to or affecting any aspect of the Program (including the Loans), consumer credit laws, rules and regulations, and all requirements of any Regulatory Authority having jurisdiction over a party or any activity provided for in this Agreement, including all rules and any regulations or policy statements or guidance and any similar pronouncement of a Regulatory Authority, or judicial or regulatory interpretation of the foregoing, applicable to the acts of Bank, UNI or a Third Party Service Provider as they relate to the Program or a party or its performance of its obligations under this Agreement.

"Bank" has the meaning set forth in the recitals.

"Bank Rate Request" means the initial inquiry by a consumer directly to Bank, that is not through the Referral Services or a PBU Partner, via a user process flow on the UNI website for a loan offer under the Program.

"Bank Third Party Service Provider" means any contractor or service provider other than UNI retained, directly or indirectly, by Bank, who provides or renders services in connection with the Program.

"Borrower" means, with respect to any Loan, each Person who is a borrower under such Loan and each other obligor (including any co-signor or guarantor) of the payment obligation for such Loan.

"Business Day" means any day upon which New Jersey state banks are open for business, but excluding Saturdays and Sundays.

"Claim" means any claim, legal or equitable, cause of action, suit, litigation, proceeding (including a regulatory or administrative proceeding), grievance, complaint, demand, charge, investigation, audit, arbitration, mediation, or other process brought by a third party against Bank or UNI for settling disputes or disagreements, including, without limitation, any of the foregoing processes or procedures in which injunctive or equitable relief is sought.

"Compliance Guidelines" means the policies and procedures for compliance with Applicable Laws, as set forth in Exhibit C.

"Confidential Information" is defined in Section 10.4.

"Control" means with respect to any party, either (i) ownership directly or indirectly of fifty (50%) percent or more of all equity interests in such party or (ii) the possession, directly or indirectly, of the power to direct or cause the day-to-day direction of the management and policies of such party, through the ownership of voting securities, by contract or otherwise, and the terms Controlled, Controlling and Common Control shall have correlative meanings.

"Credit Policy" means the credit requirements, including requirements applicable to applications for the extension of credit, of Bank as set forth in the Program Guidelines to be used by UNI in reviewing all Loan Applications on behalf of Bank.

"Credit Model Validation Services" means UNI's services, policies and procedures related to model risk management for consumer loans originated under the Program, which shall include (i) development services, processes and procedures, (ii) testing/validation services and processes, (iii) validation frequency and (iv) monitoring of Third Party Service Providers involved with model risk management, each in accordance with FDIC Financial Institution Letter 22-2017, as such guidance may be updated from time to time.

"Credit Model Validation Documentation" means all documentation concerning the Credit Model Validation Services.

"Customer Information" means all information concerning Borrowers and Loan Applicants, including nonpublic personal information as defined under the Gramm-Leach-Bliley Act of 1999 and implementing regulations, including all nonpublic personal information of or related to customers or consumers of either party, including names, addresses, telephone numbers, account numbers, customer lists, credit scores, and account information, financial information, transaction information, consumer reports and information derived from consumer reports, that is subject to protection from publication under applicable law, including (i) any and all medical or personal information handled by UNI in connection with the Program that is required to be treated as confidential or nondisclosable pursuant to the Health Insurance Portability & Accountability Act of 1996, as amended, including the rules and regulations thereunder, and the related privacy and security provisions of the Health Information Technology for Economic and Clinical Health Act of 2009, as amended, including the rules and regulations thereunder; and (ii) any and all Borrower data in connection with the Program required to be treated as confidential or otherwise subject to the control objectives of the Payment Card Industry Data Security Standard, as amended, including the rules and regulations thereunder.

"ECOA**"** means the Equal Credit Opportunity Act (15 U.S.C. § 1691 *et seq*.) and its implementing regulations and interpretations.

"Effective Date" is defined in the preamble to this Agreement.

"Existing Program Agreement" has the meaning set forth in the recitals.

"FCRA" means the Fair Credit Reporting Act and its implementing regulations.

"FDIC" means the Federal Deposit Insurance Corporation.

"FFIEC" means the Federal Financial Institutions Examination Council.

"Funding Date" means any day on which Bank receives a Funding Statement from UNI pursuant to Section 5.1(a); provided, however, that if Bank receives any such Funding Statement (i) on a day that is not a Business Day or (ii) after 12:00 pm Eastern Time on a Business Day, Bank may delay the Funding Date to be the immediately succeeding Business Day.

"Funding Statement" is defined in Section 5.1(a).

"GAAP" means generally accepted accounting principles in the United States of America, applied on a materially consistent basis.

"Governmental Authority" means any court, board, agency, commission, office or authority of any nature whatsoever or any governmental unit (federal, state, commonwealth, county, district, municipal, city or otherwise), including the Office of the Comptroller of the Currency, the Department of Justice, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, and the New Jersey Department of Banking and Insurance whether now or hereafter in existence, including any Regulatory Authority.

"Government List" means (i) the Annex to Presidential Executive Order 13224 (Sept. 23, 2001), (ii) OFAC's most current list of "Specifically Designated National and Blocked Persons" (which list may be published from time to time in various mediums including the OFAC website, https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or any successor website or webpage) and (iii) any other list of terrorists, terrorist organizations or narcotics traffickers maintained by a Governmental Authority that Bank notifies UNI in writing is now included in "Government List".

"Indemnified Party" is defined in Section 10.1(d).

"Indemnifying Party" is defined in Section 10.1(d).

"Information Security Incident" means any actual unauthorized access to or acquisition, use, disclosure, modification or destruction of any Customer Information.

"Initial Term" is defined in Section 7.1.

"Insolvent" means, with respect to a party, if such party commences a voluntary action or other proceeding seeking reorganization, liquidation, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official or to any involuntary action or other proceeding commenced against it; or becomes subject to an involuntary action or other proceeding, whether pursuant to banking regulations or otherwise, seeking reorganization, liquidation or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property; or an order for relief shall be entered against either party under the federal bankruptcy laws as now or hereafter in effect.

"Intellectual Property Rights" means all (i) intellectual property rights of any kind, worldwide, including utility patents, design patents, utility models, and all applications for the foregoing; (ii) Marks; and (iii) published and unpublished works of authorship, registered and unregistered copyrights, and all registrations and applications for the foregoing; software, technology, and documentation; and trade secrets, technical information, business information, ideas, inventions, know-how and other confidential and proprietary information, in whatever form.

"Loan" means a consumer loan made by Bank to a Borrower under the Program.

"Loan Account Agreement" means, with respect to a Loan, the document or documents containing the terms and conditions of such Loan, including applicable disclosure statements and the loan agreement.

"Loan Applicant" means a prospective Borrower that initiates a Bank Rate Request and/or a Loan Application under the Program. For the avoidance of doubt, a "Loan Applicant" does not include a consumer that requests a loan offer via (i) a PBU Partner, or (ii) the Referral Services unless and until such consumer elects to proceed with a loan offer from Bank.

"Loan Application" means the completed paper document or electronic application submitted by a Loan Applicant when requesting a Loan from Bank, together with any exhibits and ancillary materials; an application is initiated under the Program upon a consumer's selection of a loan offer from the Bank via the Bank Rate Request flow or the Referral Services.

"Loan Documents" mean, collectively, with respect to any Loan, the Loan Account Agreement, the Note, the Loan Application, the Bank's privacy notice and any other documents provided to Borrowers in connection with such Loan.

"Loan Proceeds" means, for any Loan, the funds disbursed to a Borrower under the Program, consisting of the principal amount of such Loan less the related Bank Origination Fee.

"Losses" shall mean all out-of-pocket costs, damages, losses, fines, penalties, judgments, settlements and expenses whatsoever, including outside attorneys' fees and disbursements and court costs reasonably incurred by the Indemnified Party.

"Marks" means trademarks, trade names, service marks, logos, brands, corporate names, trade dress, domain names, social media user names, and other source identifiers or indicia of goods or services, whether registered or unregistered, and all registrations and applications for registration of the foregoing, and all issuances, extensions, and renewals of such registrations and applications, and all goodwill associated with any of the foregoing.

"Materials" is defined in Section 4.2(b).

"Material Adverse Effect" means, with respect to a party, and to any event or circumstance, (i) a material breach under this Agreement or any other agreement to which UNI and Bank are parties that remains uncured beyond any applicable cure period, or (ii) a material adverse effect on (a) the business, financial condition, operations, performance or properties of a party, (b) the ability of a party to perform substantially all of its obligations under this Agreement or any other agreement to which UNI and Bank are parties, or (c) the validity or enforceability of this Agreement or, with respect to Bank, the validity, enforceability or collectability of a material portion of the Loans.

"Model Documentation" means a description of the model underpinning the Technical Information (inclusive of any updates made from time to time).

"Note" means, with respect to each Loan, the electronic records evidencing the Borrower's obligation with regard to a Loan.

"Notification Related Costs" means a party's reasonable internal and external costs associated with investigating, addressing and responding to the Information Security Incident attributable to the other party, including: (i) preparation and mailing or other transmission of notifications or other communications to consumers, employees or others as such party deems reasonably appropriate; (ii) establishment of a call center or other communications procedures in response to such Information Security Incident (e.g., customer service FAQs, talking points and training); (iii) public relations and other similar crisis management services; (iv) legal, consulting, forensic expert and accounting fees and expenses associated with such party's investigation of and response to such incident; and (v) costs for commercially reasonable credit reporting and monitoring services that are associated with legally required notifications or are advisable under the circumstances.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of Treasury.

"Origination Assistance Fee" means, with respect to each Loan Application delivered to Bank, the fee charged to Borrower for such Loan Application by UNI if the Loan is approved and made by Bank.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

"Patriot Act Offense" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws

against terrorism; (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Patriot Act. "*Patriot Act Offense*" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

"PBU Partner" means a financial services provider that, with Bank, desires to engage UNI to provide "Powered By Upstart" platform services outside of the Program in connection with the marketing and origination of consumer loans by Bank in accordance with pre-determined credit criteria established by Bank specifically for loans to be sourced by such financial services provider.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Platform Technical Auditor" has the meaning set forth in Section 3.1(i)(D).

"Program" means UNI's program for the marketing and processing applications for Loans that Bank will originate pursuant to this Agreement and the Program Guidelines. For clarity, the Program does not include loans sourced through PBU Partners or Referral Services or any applications or loans that UNI processes for other lenders to which it offers similar services, ***provided however***, the Referral Services that UNI offers to Bank under this Agreement may lead to Loans originated by the Bank under the Program.

"Program Guidelines" means the guidelines for the administration of the Program, including the Credit Policy, the Underwriting Procedures and the Compliance Guidelines.

"Program Manager" means the respective principal contact appointed by Bank and UNI to facilitate day-to-day operations and resolve issues that may arise in the implementation of the Program.

"Program Materials" means all Loan Documents and all other documents, materials and methods used in connection with the performance of the parties' obligations under this Agreement, including the Loan Applications, and disclosures required by the Applicable Laws. For clarity, UNI shall own all right, title and interest in the Program Materials except to the extent such Program Materials incorporate any of the Marks of Bank.

"Program Terms" means the loan terms and conditions in connection with the Program and all Loans, as specified in the Program Guidelines.

"Referral Services" means the referral services provided by UNI on www.upstart.com where UNI markets loan offers from one or more lenders to consumers and generates and displays specific loan offers from Bank, and other bank partners using the "Powered By Upstart" platform services, for consumers to review and select. The Referral Services shall provide Bank with an additional channel for potentially acquiring Loan customers.

"Regulatory Authority" means the Office of the New Jersey Department of Banking and Insurance, the FDIC and any local, state or federal regulatory authority, including the Consumer Financial Protection Bureau, that currently has, or may in the future have, jurisdiction or exercising regulatory or similar oversight with respect to any of the activities contemplated by this Agreement

or to Bank, UNI or Third Party Service Providers (except that nothing herein shall be deemed to constitute an acknowledgement by Bank that any Regulatory Authority other than the New Jersey Department of Banking and Insurance and the FDIC has jurisdiction or exercises regulatory or similar oversight with respect to Bank).

"Renewal Term" is defined in Section 7.1.

"Representatives" is defined in Section 10.5.

"Sanctioned Country" means, at any time, a country or territory which is the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"Technical Information" means, with respect to the Program and UNI Platform, all software, source code, documentation, algorithms, models, developments, inventions, processes, ideas, designs, drawings, hardware configuration, and technical specifications, including computer terminal specifications and the source code developed from such specifications.

"Term" is defined in Section 7.1.

"Termination Event" is defined in Section 8.1(a).

"Third Party Service Provider" means collectively Bank Third Party Service Providers and UNI Third Party Service Providers.

"Tracking Reports" is defined in Section 3.1(i)(B).

"Underwriting Procedures" means the underwriting requirements of Bank to be used by UNI in reviewing all Loan Applications on behalf of Bank, as set forth in Exhibit B.

"UNI Information" has the meaning set forth in Section 10.5(f).

"UNI Platform" means the computer software, proprietary system information, and related technology and documentation, developed and owned by, or licensed by third parties to, UNI relating to the lending services offered and/or provided by UNI to its customers pursuant to this Agreement, including the website operated by UNI, the associated Technical Information and all Intellectual Property Rights therein owned by UNI or licensed by third parties to UNI; provided that the UNI Platform does not include any Intellectual Property Rights owned by Bank or licensed by third parties to Bank; provided, further, that the ownership of Customer Information shall be determined in accordance with the provisions set forth in Section 2.5.

"UNI Referral Materials" means all materials and methods used by UNI in connection with the Referral Services to solicit consumers to UNI referral marketing services, including advertisements, direct mail pieces, brochures, website materials, and any other similar materials.

"UNI Third Party Service Provider" means any contractor or service provider retained, directly or indirectly, by UNI, who provides or renders services in connection with the Program.

Section 1.2. Construction.

As used in this Agreement: (i) all references to the masculine gender shall include the feminine gender (and vice versa); (ii) all references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation"; (iii) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (iv) references to another agreement, instrument or other document means such agreement, instrument or other document as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof; (v) references to "dollars" or "$" shall be to United States dollars unless otherwise specified herein; (vi) unless otherwise specified, all references to days, months or years shall be deemed to be preceded by the word "calendar"; (vii) all references to "quarter" shall be deemed to mean calendar quarter; (viii) unless otherwise specified, all references to an article, section, subsection, exhibit or schedule shall be deemed to refer to, respectively, an article, section, subsection, exhibit or schedule of or to this Agreement; (ix) unless the context otherwise clearly indicates, words used in the singular include the plural and words in the plural include the singular; and (x) in connection with the computation of any time period, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

Section 1.3. Amendment and Restatement.

The parties agree that on the Effective Date, the Existing Program Agreement shall be amended and restated in its entirety by this Agreement and (a) all references to the Existing Agreement in any document other than this Agreement (including in any amendment, waiver or consent to such document) shall be deemed to refer to this Agreement as an amendment and restatement of the Existing Program Agreement in its entirety, and (b) all references to any section (or subsection) of the Existing Program Agreement in any document (but not herein) shall be amended to be references to the corresponding provisions of this Agreement. This Agreement is not intended to constitute, and does not constitute, a novation of the obligations and liabilities under the Existing Program Agreement or to evidence fulfillment of all or any portion of such obligations and liabilities. Further, on and after the Effective Date, (a) the Existing Program Agreement shall be of no further force and effect, except as amended and restated hereby, and except to evidence (i) prior transactions under the Existing Program Agreement, (ii) the representations and warranties made thereunder by the Bank and UNI prior to the Effective Date with respect to any transactions under the Existing Program Agreement only, and (iii) any action or omission performed or required to be performed pursuant to the Existing Program Agreement prior to the Effective Date (including any failure, prior to the Effective Date, to comply with the covenants contained in the Existing Program Agreement) as such action or omission relates to the Existing Program Agreement, and (b) the terms and conditions of this Agreement, including all rights and remedies hereunder, shall apply to all obligations incurred under the Existing Program Agreement. Until the Effective Date, the Existing Program Agreement shall remain in full force

and effect in accordance with its terms. Each party (1) reserves the right to request (and the other party is obligated to provide) assistance to transition any systems, processes or other existing guidelines to conform to the terms and conditions of this Agreement, and (2) acknowledges and agrees that each party shall remain obligated to pay any fees and expenses for services or other activities that were properly performed prior to this termination and such payment obligation shall survive such termination. Except as may be applicable under the immediately preceding sentence, there shall be no termination fees or charges applicable to the termination of the Existing Program Agreement.

ARTICLE II
GENERAL PROGRAM DESCRIPTION

Section 2.1. General Description.

UNI and Bank agree that, in accordance with the Program Guidelines, the Program shall consist of (i) the Bank making Loans in the states agreed upon by the parties set forth on Exhibit A (which may be updated from time to time by the UNI and Bank without amendment to this Agreement), and (ii) UNI providing marketing, origination assistance, Loan Application processing and other services on behalf of the Bank. The marketing and origination assistance services shall occur in such geographic locations set forth on Exhibit A. The specific duties of the parties in connection with the Program shall be as set forth in the terms of this Agreement.

Section 2.2. Program Terms and Program Guidelines.

UNI shall comply with the Program Terms and the Program Guidelines in connection with the administration of the Program.

Section 2.3. Program Modifications.

(a) Bank may change the Program Terms or the Program Guidelines in its reasonable discretion, upon not less than thirty (30) days' prior written notice to UNI (or such other notice period as the parties may mutually agree to in writing), *provided that* the foregoing prior notice period shall not be required in the event such modification is the result of a change in Applicable Laws or by request of a Regulatory Authority, *provided further that* Bank shall provide as much notice as is reasonably practicable and necessary under the circumstances subject to Applicable Law. Without limiting the foregoing, Bank may require UNI to revise existing policies and procedures, or, as necessary, implement new policies and procedures, relating to any function or activity integral to the Program Guidelines, the Program and Applicable Laws, provided that UNI may recommend modifications to the Program Guidelines for the improvement of the Program for Bank's approval, such approval not to be unreasonably withheld or delayed, which Bank shall in good faith adopt to the extent approved.

(b) Notwithstanding the foregoing, if (i) there is a change in Applicable Law that prohibits a party from carrying out its obligations under this Agreement, (ii) a party receives a letter or directive from any Regulatory Authority that prohibits such party from carrying out its obligations under this Agreement, or (iii) following a change in Applicable Law or a judicial decision of a court having jurisdiction over such party ("***Mandatory Judicial Authority***"), a party receives a written legal opinion from nationally recognized outside counsel reasonably acceptable

to the other party that continued performance under this Agreement based on such change in Applicable Law or Mandatory Judicial Authority would "most likely" fundamentally and adversely alter such party's ability to comply with Applicable Law or Mandatory Judicial Authority, then such party shall notify the other party that it desires a meeting pursuant to this Section 2.3(b), and the parties shall meet and consider in good faith commercially reasonable modifications, changes or additions to the Program or this Agreement that may be necessary to address any attendant risks or concerns, including by executing appropriate amendments to the Agreement or the Program to reflect commercially reasonable adjustments to each party's obligations under the Program as a result of the applicable triggering event set forth in clauses (i)-(iii) of this Section 2.3(b) (each, a "*Triggering Event*") to most closely approximate the economics contemplated hereunder consistent with Applicable Law and Mandatory Judicial Authority. Notwithstanding any other provision of this Agreement to the contrary, if, within thirty (30) Business Days after the parties initially meet pursuant to the request described in the preceding sentence, the parties are unable to reach agreement regarding such commercially reasonable modifications, changes or additions to the Program or this Agreement, which at a minimum shall take into account the measures other similarly situated market participants have taken following a Triggering Event (including whether such participants have terminated or modified arrangements similar to the Program), then either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party, *provided* that a party may terminate this Agreement in accordance with the foregoing if, and only if, such party terminates all of its agreements with third parties that are similarly impacted by such Triggering Event, *provided further,* that if the Triggering Event is specific to certain state(s) or localities, the parties shall discontinue the Program only in those states or localities affected by such Triggering Event without terminating this Agreement in its entirety for such reason. For the avoidance of doubt, any termination pursuant to this Section 2.3(b) shall not be subject to any termination fees or penalties payable from UNI to the Bank, including any minimum volume or revenue commitments as may be otherwise applicable under this Agreement or under the Program. Nothing in this Section 2.3(b) shall limit either party's respective rights to terminate this Agreement under ARTICLE VIII in accordance therewith.

Section 2.4. Non-exclusivity.

This Agreement does not prohibit UNI, or any Affiliate of UNI, from providing the UNI Platform and marketing, origination assistance and other similar services provided by UNI hereunder with other lenders under existing agreements with such lenders whereby such other lenders act in a similar capacity to Bank as set forth hereunder.

Section 2.5. Customer Information.

Customer Information shall be owned by Bank at all times prior to and during Bank's ownership of any Loan made hereunder, provided that each party (i) shall be permitted to retain copies of and use Customer Information associated with all Loans, and (ii) shall deliver copies of all Customer Information to the other party upon request, each to the extent permitted by Applicable Law.

Section 2.6. Powered by Upstart ("*PBU*") Partner Requirements.

Subject to the limitations set forth herein, PBU Partners may be added to this Agreement, subject to Bank's and UNI's approval, by execution of a tri-party Joinder Agreement mutually acceptable in form and substance to Bank, UNI and the applicable PBU Partner. For clarity, a PBU Partner joining this Agreement will assume all obligations and liabilities related to all consumer loans designated under and subject to the applicable Joinder Agreement.

ARTICLE III
DUTIES OF UNI AND BANK

Section 3.1. Duties and Responsibilities of UNI.

UNI shall perform and discharge the following duties and responsibilities in connection with the services provided to Bank:

(a) Marketing. UNI shall be responsible for the marketing of the Loans to persons through use of the Advertising Materials approved by Bank pursuant to Section 4.2 of this Agreement and Program Materials. UNI's marketing efforts may include the use of radio, television, internet and print advertising and any other form of media deemed reasonable by Bank and approved by Bank in accordance with Section 4.2. In marketing the Loans, UNI shall at all times and in all material respects comply with Applicable Laws, the terms of this Agreement, and Bank's trademark usage guidelines which may be updated from time to time.

(b) Program Controls and Monitoring Policies. UNI shall establish and maintain such controls as may be necessary or desirable to adequately control, monitor and supervise its Program obligations. UNI shall maintain policies and procedures as contemplated in the Program Guidelines for the Program and all Applicable Laws, including procedures relating to periodic training and on-going monitoring and auditing of UNI and UNI Third Party Service Providers for compliance with this Agreement, the Program Guidelines, and all Applicable Laws.

(c) Compliance. UNI shall comply with the Program Guidelines and Applicable Laws and administer the Program Guidelines in connection with its duties hereunder.

(d) Loan Origination.

(A) Application Processing. UNI, on behalf of Bank and through the UNI Platform, shall process Loan Applications from Loan Applicants using a Loan Application form that is approved by Bank. The UNI Platform shall be configured to forward all completed Loan Applications that satisfy the Program Guidelines to Bank (or its designated loan processing agent) electronically or by other appropriate means agreeable to both parties. UNI, on behalf of Bank, shall take appropriate measures to verify the identity of all Loan Applicants consistent with Applicable Laws and the Program Guidelines, and take such further steps as UNI deems reasonably necessary to prevent fraud in connection with the Program. UNI will (i) refer only Loan Applications to Bank for Loan Applicants that have had their identities verified in accordance with the Program's anti-money laundering compliance policy and procedure (collectively, the "*Bank Secrecy Act Policy*"), and (ii) respond to all inquiries from Loan Applicants regarding the Loan Application process. Without limiting the foregoing, at Bank's request, UNI shall make available, or cause its authorized vendor to make available, all "Know Your Customer" and anti-money laundering screening information obtained regarding Applicants to Bank for final

compliance determinations, including all information related to Know Your Customer, Customer Due Diligence, Enhanced Due Diligence, Politically Exposed Persons, and beneficial ownership, as well as information necessary for Bank to comply with recordkeeping and reporting requirements. UNI will use screening lists and other resources designated by Bank, which lists and resources will be updated in accordance with Bank's policies and procedures, to reject applications where applicant identities cannot be adequately validated or from applicants that appear to present compliance risks such policies are designed to eliminate.

(B) Approvals. Bank shall have the exclusive authority to approve or deny any or all Loan Applications in its sole discretion. All Loan approvals by Bank shall be based upon the information provided by Loan Applicants to Bank through UNI and such other information as obtained by UNI at the direction of Bank, and pursuant to the Program Guidelines. No Loan Application shall be approved by Bank unless it complies with the Program Guidelines and any Loan Application shall be deemed not approved to the extent it does not comply with the Program Guidelines; it being understood that UNI will provide its services to ensure compliance with the Program Guidelines. All Loan Application processing functions performed by UNI hereunder shall be supervised by Bank and Bank shall have the right to review and audit Loan Applications to determine compliance with the Program Guidelines. Any Loan Application shall be deemed not approved to the extent it does not comply with the Program Guidelines.

(C) Declines. In the event Bank declines a Loan Application, UNI shall provide notices on behalf of Bank in accordance with the FCRA and ECOA including an adverse action notice to any Loan Applicant whose Loan Application is rejected by Bank.

(e) Monitoring Communications and Complaints. UNI shall record and monitor all communications with Borrowers and Applicants in accordance with reasonable procedures established by Bank. UNI shall be responsible for receiving and responding timely to consumer complaints (solely as they pertain to the processing of Loan Applications or Loans), and promptly forwarding copies of each complaint and any response thereto to Bank, each in accordance with reasonable procedures established by Bank. UNI shall maintain complaint resolution policies and procedures reasonably acceptable to Bank, and shall further include a log of the complaints and information summarizing the complaints and responses thereto for the given time period by the 10th day of each month, along with sufficient information for Bank to analyze Program activity and potential trends relating to the Program and Loans. As part of such report, UNI shall provide Bank with any information reasonably requested by Bank for its fair lending review and analysis. UNI shall promptly deliver to Bank all correspondence related to a formal inquiry or investigation sent from, or to, any Regulatory Authority with respect to the Program or any other item that may affect UNI's ability to perform its obligations under this Agreement or any other agreement between UNI and Bank. In addition, UNI shall provide prompt notice of any lawsuit or other legal proceeding with respect to the Program which shall include the name and address of the applicable litigant, a brief summary of the complaint, and a summary of the underlying issue and the root cause thereof, and, (A) if resolved, a brief summary of how the lawsuit or similar proceeding was resolved or (B) if not resolved, an anticipated plan and timeframe for resolution. Upon Bank's request, UNI shall make commercially reasonable efforts to provide any material underlying documents related to such action or litigation, provided that UNI shall not be required to take any such action that in its counsel's reasonable determination may compromise any claim of attorney-client privilege or duty of confidentiality; provided further that UNI shall use its commercially reasonable efforts to obtain waivers to the foregoing restrictions to deliver such information to the Bank.

(f) Loan Document Submission. UNI shall be responsible for preparing and transmitting to each Loan Applicant all documents and all notices required by Bank to document the Loan, including the Loan Documents in connection with any Loan Application for the Loan. Prior to submitting any Loan to Bank, UNI shall, on behalf of Bank, (A) obtain from the Borrower the executed Loan Application, Loan Account Agreement and the executed Note; and (B) deliver a copy of Bank's Privacy Notice to the Borrower.

(g) Document Retention. UNI shall maintain and retain on behalf of Bank all original Loan Applications and copies of all adverse action notices and other documents relating to rejected Loan Applications for the period required by Applicable Laws. UNI shall further maintain originals or copies, as applicable, of all Loan Documents and any other documents provided to or received from Borrowers for the period required by Applicable Laws, all of which the parties acknowledge and agree shall be Bank property.

(h) Compliance Management. UNI shall adopt and maintain compliance management systems ("*CMS*") in accordance with Exhibit C attached hereto.

(i) Reports and Information.

(A) UNI Reporting and Compliance. UNI shall provide to Bank data submissions and reports reasonably requested by Bank on mutually agreed schedule to maintain effective enterprise risk management and internal controls to monitor UNI's and UNI Third Party Service Providers' compliance with this Agreement and with Applicable Laws. As of the Effective Date, this reporting shall include the items set forth in Schedule 3.1(i)(A), which schedule may be reasonably updated at any time by Bank upon reasonable prior notice in writing to UNI.

(B) Projections. Each December 1 during the Term, UNI, shall consult with Bank and shall provide a marketing leads report of projected origination volumes, proposed growth rates, loan types, levels of credit quality (e.g., delinquency, losses, and charge-offs) and liquidity for the upcoming year with respect to the Loans (the "*Annual Projections*"). In addition, the Annual Projections shall set forth the level of Loans UNI anticipates could be designated as subprime originations, as well as any Loans that may qualify as prime or near prime originations, but that have subprime credit characteristics. UNI shall prepare the Annual Projections in a commercially reasonable manner. In addition, and without limiting the foregoing, UNI shall provide Bank with periodic reports, not less often than monthly, in a mutually agreed format tracking the Loans against the projections contained in the Annual Projections for that year (the "*Tracking Reports*"), and in the event the Tracking Reports reveal a deviation of ten percent (10%) or more from the projections contained in the Annual Projections, the Program Managers of UNI and Bank respectively shall promptly meet to determine whether such deviation requires UNI to prepare a revision to the Annual Projection to reflect UNI's then-current projections.

(C) Systems Access. UNI shall provide Bank (i) with access to copies of all documentation authenticated by Loan Applicants and Borrowers, including the information needed for Bank to underwrite and approve Loan Applications pursuant to the Program Guidelines and (ii) such daily settlement reports, including reports noting the Loan Applications ready for

underwriting and a summary report of Loans to be funded to satisfy the commercially reasonable information requirements of Bank, Regulatory Authorities and Bank's internal and external auditors. Without limiting the foregoing, upon confirmation that Bank has successfully established an automated process to obtain relevant Loan and Program information with at least two other similarly situated counterparties, UNI shall cooperate with Bank to establish and maintain an automated accounting and loan tracking system to accurately reflect all Loan Applications, Loans and related information regarding the Program to satisfy the commercially reasonable information requirements of Bank, Regulatory Authorities and Bank's internal and external auditors

(D) Access to Business Models and Model Documentation. UNI shall provide Bank with reasonable access to the Model Documentation and Credit Model Validation Documentation, including the credit and business models underlying the Credit Model Validation Services and all pricing, credit, and underwriting assumptions thereto, provided that, in each instance, the requirements of Section 10.4(e) of this Agreement have been met. In addition, upon reasonable request, UNI shall provide Bank access to the Technical Information at UNI's offices, which shall be subject to the requirements of Section 10.4(e). Subject to the confidentiality provisions of Section 10.4 hereof, UNI shall, upon Bank's reasonable request and at UNI's expense, submit its credit and business model and all Technical Information to an auditor of UNI's choosing that is reasonably acceptable to Bank (a "*Platform Technical Auditor*") (i) for validation of compliance with the Credit Model Validation Services and the Program Guidelines, including Applicable Laws and (ii) to independently test and validate UNI's models for the Program, including UNI's loan performance models. In connection with any such testing and validation, UNI shall cooperate with the Platform Technical Auditor, including delivering any requested information and making available responsible personnel to answer questions on a timely and complete basis. Any information shared by UNI with such Platform Technical Auditor and the results of the Platform Technical Auditor's review is the Confidential Information of UNI. Such Platform Technical Auditor shall execute a confidentiality agreement with UNI containing terms that are no less permissive than to the confidentiality restrictions hereunder. UNI shall promptly deliver to Bank the work papers and results prepared by the Technical Platform Auditor, subject to confidentiality requirements set forth in Section 10.4. UNI shall promptly provide Bank with written notice of any proposed change to the credit model policy, including a full-context summary of the assumptions underlying such changes as well as the anticipated effects thereof.

(E) Audit. Subject to that certain agreement entered into by the parties with respect to Bank's ability to cause an audit of the Program, on an annual basis UNI shall cause an audit to be conducted of UNI's controls to the extent other reports including the SSAE 16 report provided to the Bank fail, in the Bank's reasonable discretion, to address specific controls relating to the control, monitoring and supervision of the operation of the Program and of UNI's and UNI Third Party Service Providers' compliance with this Agreement as set forth on Schedule 3.1(i)(E). Such audits shall be performed in accordance with Schedule 3.1(i)(E) by Bank or an independent third party firm acceptable to Bank and shall be at UNI's sole cost and expense. UNI shall cause the audit reports set forth on Schedule 3.1(i)(E) to be delivered to Bank on the dates specified in such Schedule, each in form and substance satisfactory to Bank. Bank shall have full access to the results of each audit.

(F) Non-Compliance and Remediation. UNI agrees that should an audit, investigation or review of UNI or UNI Third Party Service Providers reveal noncompliance with this Agreement, the Program Guidelines, and/or Applicable Laws, UNI shall notify Bank as soon

as reasonably possible but in any case within ten (10) calendar days of notice of the noncompliance. In addition to the indemnification provided for in Section 10.1, UNI agrees to take all necessary steps to remediate and conform UNI's or UNI Third Party Service Providers' actions with this Agreement, the Program Guidelines and/or Applicable Laws, including reporting any potential restitution to any affected Borrowers.

(j) Anti-Corruption; Sanctions. UNI shall comply and cause each of its Affiliates and UNI Third Party Service Providers to take action to enable Bank to comply in all material respects with all applicable Anti-Corruption Laws and Sanctions. UNI shall provide notice to Bank, within five (5) Business Days of UNI's receipt, of any written notice of any Anti-Corruption Law or Sanctions violation or action involving UNI or any of its Affiliates or UNI Third Party Service Providers, to the extent the giving of such notice to Bank is permitted by Applicable Laws.

(k) Governmental Proceedings. UNI, at Bank's expense, shall reasonably cooperate with Bank with respect to any proceedings before any court, board or other Governmental Authority related to this Agreement and any of the rights hereunder ("***Proceedings***"), including any Loan and, in connection therewith, permit Bank, at its election, to participate in any such Proceedings, provided that to the extent such Proceedings arise from the act or omissions of UNI and would be subject to indemnification pursuant to Section 10.1(a), then UNI shall reimburse Bank for any expense in connection therewith.

(l) Site Visits. Upon reasonable prior notice from Bank to UNI, UNI shall reasonably permit Bank to visit UNI's office and UNI shall provide Bank with an update on its business and compliance practices relating to the Program during such visit. Such visits shall occur no more frequently than once per calendar year at UNI's cost and expense (including travel and lodging), provided that Bank shall pay all costs associated with any additional visits Bank requires in its reasonable discretion. In all cases, any site visit shall be made during regular business, and shall be conducted by Bank without material disruption, provided that UNI shall make the appropriate personnel available to Bank.

(m) Disaster Recovery. Prior to the Effective Date, UNI shall establish and maintain a disaster recovery plan and business continuity plan, consisting of policies and procedures, as well as ancillary backup capabilities and facilities ("***DRP***"), that is designed to enable the performance of all UNI's duties and obligations contemplated under this Agreement and other agreements between UNI and Bank related to the Program in the event of any natural disaster or other unplanned interruption of services. At the request of Bank, UNI shall provide a current copy or summary of the DRP. UNI shall not amend the DRP in a manner that knowingly materially increases the risks of disruptions and delays of its services without the consent of the Bank. Reinstating the services contemplated under this Agreement shall receive as high a priority as reinstating the similar services provided to UNI's affiliates and other customers.

(n) UNI's Program Manager. UNI shall designate a Program Manager. On a monthly basis (or as otherwise agreed by the parties), UNI's Program Manager shall meet with Bank's Program Manager to review the processes and procedures used by UNI to ensure that all Marketing Material and customer communication comply with Applicable Law including consumer credit laws. If UNI's Program Manager and Bank's Program Manager are unable to reach agreement with respect to any processes or procedures under the Program, then the dispute will be referred to the President of Bank and the Chief Executive Officer or another authorized officer of UNI who

will work together in good faith towards a resolution. If the parties are unable to resolve the dispute, a party may, upon written notice to the other party, resolve the dispute in accordance with Section 10.3.

(o) Referral Services. UNI shall provide the Referral Services to Bank separate from the Program. UNI represents and warrants in connection with the Referral Services: (i) its activities, and all the UNI Referral Materials, shall comply with Applicable Laws; (ii) it is authorized, registered and licensed to do business each state in which the nature of its activities make such authorization, registration or licensing necessary or required; and (iii) each Bank offer displayed in connection with the Referral Services shall be in accordance with Applicable Law and the Program Guidelines. On a monthly basis UNI shall make available to Bank all new or modified UNI Referral Materials.

(p) UNI Third Party Service Providers. UNI shall not be permitted to retain or otherwise engage any new UNI Third Party Service Provider that will provide services critical to the operation of the Program, without the prior written consent of Bank.

Section 3.2. Duties and Responsibilities of Bank.

Bank shall perform and discharge the following duties and responsibilities in connection with the Program:

(a) Bank may modify the Program Guidelines from time to time in its discretion in accordance with Section 2.3(a).

(b) Bank shall establish and maintain such controls as may be reasonably necessary to adequately control, monitor and supervise the operation of the Program, including the approval of each Loan. Neither Bank's failure to establish and maintain any such controls nor the inadequacy of any Bank's controls shall relieve UNI of its separate and independent obligations to establish and maintain its own such controls or to comply with the Program Guidelines and Applicable Laws.

(c) Bank shall manage the Program in a good faith effort, employing at least the same degree of care, skill and attention that Bank devotes to the management of its other assets.

(d) Bank shall review each Loan Application submitted through the UNI Platform and fund all Loans upon Bank's approval in the manner set out in the Program Guidelines. All Loans shall be originated by Bank using UNI's services described herein. UNI acknowledges that approval of a Loan Application, making of loans and provision of funding by Bank creates a creditor-borrower relationship between Bank and Borrower which involves, among other things, the Bank's extension of credit, the disbursement of the Loan, and the right to collect the Loan payments. Bank shall have the sole and exclusive authority to approve or deny any or all Loan Applications. Bank shall provide UNI prompt notice after making a decision not to extend credit to any one or more Loan Applicants.

(e) Bank shall be responsible for approving all Loan Documents for UNI's use in connection with the Program, including: (i) the online Loan Application information requirements; and (ii) form of individual loan agreements to be used. The parties acknowledge that Bank is the creditor and the Loan Documents shall refer to Bank as the creditor for all Loans. In the event

Bank elects to change the Loan Documents, the provisions of Section 2.3 shall apply. UNI shall not be obligated to continue to promote or market the Program, nor to accept or process Loan Applications or facilitate the disbursement of funds in relation to credit through the UNI Platform, during any period when there is not agreement between UNI and the Bank concerning any Loan Documents.

(f) Bank shall enter into all arrangements with credit bureaus related to the Program and appoint UNI as agent for purposes of obtaining credit report information from any credit bureau and any other interactions with credit bureaus related to the Program.

(g) Bank shall designate a Program Manager. If Bank's Program Manager and UNI's Program Manager are unable to reach agreement, then the dispute will be referred to the President or another authorized officer of Bank and the Chief Executive Officer or another authorized officer of UNI who will work together in good faith towards a resolution. If the parties are unable to resolve the dispute, a party may, upon written notice to the other party, resolve the dispute in accordance with Section 10.3.

(h) Subject to Applicable Law and the confidentiality requirements set forth herein, Bank shall notify UNI of the occurrence of any Termination Event applicable to it as soon as reasonably practicable.

(i) Bank shall comply with Applicable Laws in connection with its duties hereunder, including as set forth in Exhibit C attached hereto.

Section 3.3. Conditions Precedent to the Obligations of Bank.

The obligations of Bank in this Agreement are subject to the satisfaction of the following conditions precedent on or prior to Bank's funding of a Loan:

(a) Each Loan shall be sourced by UNI under the Program and meet the standards set forth in the approved Program Guidelines then in effect;

(b) No Material Adverse Effect on Bank or UNI shall have occurred and be continuing at the time of or as a result of a Loan's funding;

(c) No action or proceeding shall have been instituted or threatened against UNI or Bank to prevent or restrain the consummation of the purchase or other transactions contemplated hereby and there shall be no injunction, decree, or similar restraint preventing or restraining such consummation;

(d) The representations and warranties of UNI set forth in Section 9.1 shall be true and correct in all material respects as though made on and as of such date and UNI shall be in compliance with its covenants and agreements set forth in this Agreement;

(e) The obligations of UNI set forth in this Agreement to be performed on or before each date that Loan Proceeds are advanced shall have been performed in all material respects as of such date by UNI; and

(f) Consistent with Section 3.1(i)(D), the validity of UNI's Technical Information, including any algorithm used by UNI in connection with the Program, shall be established to Bank's reasonable satisfaction, subject to the limitations regarding the disclosure of Technical Information set forth in Section 3.1(i)(D).

Section 3.4. Joint Duties of UNI and Bank.

To the extent permitted by Applicable Law, each party shall notify the other party if it becomes aware of any inquiry, investigations or proceedings (whether verbal or written, formal or informal) initiated by any state attorney general, Regulatory Authority, or governmental figure (including a state or federal legislator) related to one or more Loans, or of any customer inquiry or complaint related to one or more Loans that is directed or referred to that party by any state attorney general, Regulatory Authority, or governmental figure (including a state or federal legislator), relating to any aspect of the Program within five (5) Business Days of becoming aware of such investigation or proceeding, and each party shall provide the other party with all documentation relating thereto, subject to any legal prohibitions on disclosure of such investigation or proceeding. The parties shall cooperate in good faith and provide such assistance, at the other party's request, to permit a party to promptly resolve or address any investigation, proceeding, or complaint. The terms of this Section 3.4 shall survive the expiration or earlier termination of this Agreement for so long as any Loan originated pursuant to this Agreement remains outstanding.

ARTICLE IV
TRADE NAMES; ADVERTISING AND PROGRAM MATERIALS

Section 4.1. Trade Names and Trademarks.

UNI shall have no authority to use any Marks of Bank except as explicitly permitted in this ARTICLE IV. Bank acknowledges that approved Program Materials or Advertising Materials may contain Marks of UNI, and Bank shall have no authority to use any Marks of UNI separate and apart from their use in the Program Materials or Advertising Materials or as otherwise approved hereunder or in writing by UNI. The parties shall use Program Materials and Advertising Materials only as permitted herein for the purpose of implementing the provisions of this Agreement and shall not use Program Materials or Advertising Materials in any manner that would violate Applicable Laws, the terms of this Agreement, or any provision of the Program Guidelines.

Section 4.2. Advertising and Program Materials.

(a) UNI's services under this Agreement shall include preparation of the Advertising Materials and Program Materials to be used in connection with the Program and shall ensure that these materials (i) comply, at all times, with Applicable Laws, the terms of this Agreement, the Bank's trademark usage guidelines, and the Program Guidelines, (ii) are true and accurate and not misleading in any material respect and (iii) are approved and authorized by Bank prior to use.

(b) At least five (5) Business Days prior to the first use of any Marks of Bank, UNI Referral Materials to the extent they incorporate any of the Marks of Bank, Advertising Materials, and Program Materials (Marks of Bank, UNI Referral Material to the extent they incorporate any of the Marks of Bank, Advertising Materials and Program Materials collectively referred to herein as, the "***Materials***"), UNI shall provide to Bank samples of all Materials, in order to enable Bank

to complete an initial review and to approve or reject any such materials. Materials will be considered approved and authorized by Bank once such approval and authorization is clearly communicated by Bank in writing; provided, such Materials shall be deemed to be considered approved and authorized by Bank if Bank does not respond to UNI's submission of such Materials within five (5) Business Days. In the event Bank does not accept and authorize such Materials, UNI shall not use any such Materials. UNI hereby agrees that any approval by Bank of any Materials shall not relieve UNI of its primary responsibility for the preparation and maintenance of the Materials in accordance with this Section 4.2.

(c) Bank may at any time retract or modify any approval previously given by it with respect to any Materials if Bank reasonably determines that such action is required to remain in compliance with Applicable Laws or for the safe and sound operation of the Program, or to preserve or protect the Mark's of Bank or Bank's reputation. Notwithstanding the foregoing, in the event Bank requires any changes to the Advertising Materials or Program Materials, Bank shall notify UNI pursuant to Section 2.3(b) of this Agreement, and each party shall thereafter comply with and have the rights and obligations set forth in Section 2.3 with respect to such Bank-required changes. UNI shall not be obligated to continue to promote or market the Program, nor to accept Loan Applications, during any period when there is not agreement between the UNI and the Bank concerning the Advertising Materials or the Program Materials UNI shall not have any liability in relation to Advertising Materials that have been distributed to Loan Applicants prior to the effective date of a notice from the Bank pursuant to this Section 4.2(c).

(d) After Bank's prior written approval and subject to Bank's right to retract or modify any approval previously given as described in Section 4.2(c), UNI may use such Materials in accordance with the terms of this Agreement, and need not seek further approval for use of such materials; provided that UNI shall comply with all instructions from Bank (including any restrictions or prohibitions) as to the use of the Marks of Bank with any other Marks. In the event of a change in the Materials, UNI shall submit such Materials to Bank for review and approval in accordance with Section 4.2(b). UNI hereby agrees that any approval by Bank of any Materials shall not relieve UNI of its primary responsibility for the preparation and maintenance of the Materials in accordance with this Section 4.2.

(e) Subject to the terms and conditions of this Agreement, Bank hereby grants UNI a non-exclusive, non-assignable license without the right to sublicense, to use and reproduce Marks of Bank in the United States, as necessary to perform its obligations under this Agreement; provided, however, that (a) UNI shall obtain Bank's prior written approval for the use of Bank's Marks and such use shall at all times comply with all written instructions provided by Bank regarding the use of Bank's Marks; (b) UNI acknowledges that it shall acquire no interest in Bank's Marks; and (c) UNI shall obtain Bank's prior written approval for the release of any press release incorporating the name, Marks or likeness of Bank. Upon termination of this Agreement, UNI shall cease using Bank's Marks.

(f) UNI recognizes the value of the goodwill associated with the Bank's Marks and acknowledges that Bank exclusively owns all right, title and interest in and to the Bank's Marks and all goodwill pertaining thereto. UNI acknowledges and agrees that any and all of its use of the Bank's Marks shall be on behalf of and accrue and inure solely to the benefit of Bank.

(g) UNI shall not, anywhere in the world, use or seek to register in its own name, or that of any third party, any Marks that are the Bank's Marks, that are colorably or confusingly similar to the Bank's Marks, or that incorporate the Bank's Marks or any element colorably or confusingly similar to the Bank's Marks.

Section 4.3. Intellectual Property.

(a) UNI shall retain sole and exclusive right, title and interest to all of its Intellectual Property Rights, including its Marks, its websites, the UNI Platform, the UNI technology related thereto, and UNI's proprietary information. This Agreement does not transfer any Intellectual Property Rights from UNI to Bank.

(b) Bank shall retain sole and exclusive right, title and interest in and to all of its Intellectual Property Rights, including its Marks, websites, promotional materials, proprietary information, and technology. This Agreement does not transfer ownership of any Intellectual Property Rights from Bank to UNI. For the avoidance of doubt, Bank has no Intellectual Property Rights in respect of the UNI Platform.

ARTICLE V
LOAN ORIGINATION AND COMPENSATION

Section 5.1. Loan Origination.

(a) On each day on which UNI receives Loan Applications from Loan Applicants that satisfy the eligibility criteria set forth in the Program Guidelines and that were approved by Bank for Loans, and who agreed to their Loan terms, UNI shall provide Bank a statement (each such statement, a "*Funding Statement*") for origination of such Loans, containing, as applicable, (i) a list of all Loan Applicants who meet the eligibility criteria set forth in the Program Guidelines and was approved by Bank; (ii) the applicable Loan Proceeds to be disbursed by Bank for each Loan; (iii) all information necessary for the transfer of the Loan Proceeds to the corresponding Borrowers, including depository institution names, routing numbers and account number; and (iv) such other information as shall be reasonably requested by Bank.

(b) On each Funding Date, Bank shall originate each Loan listed on the related Funding Statement by the close of business on such day, or, if the Funding Statement is received after 12:00pm ET, or on the immediately following Business Day. Bank shall distribute via ACH transfer, wire or other electronic methods an amount equal to the Loan Proceeds for the applicable Loan to each of the Borrowers.

Section 5.2. Compensation.

Bank shall make daily payments of the Origination Assistance Fees earned and due to UNI, which shall be calculated on a schedule mutually agreed by the parties in accordance with Exhibit A. Bank may set off payments relating to Origination Assistance Fees from other fees or expenses owed by UNI to Bank under the Program. Payment of the Origination Assistance Fee shall compensate UNI for its performance of the services actually rendered and described hereunder and its costs and expenses associated with related activities, including any broker's fees or commissions incurred by UNI in connection with such services to enable Bank to originate the Loans.

ARTICLE VI
EXPENSES

Section 6.1. Expenses.

All costs and expenses not expressly the responsibility of UNI under this Agreement that are incurred by Bank in connection with the Program shall be Bank's responsibility. UNI shall pay all costs and expenses incurred by UNI in connection with providing the services set forth in this Agreement, including compliance costs related to UNI's obligations under Exhibit C, the costs of obtaining credit reports and delivering adverse action notices and such other direct expenses incurred in connection with providing services to the Bank under this Agreement. Without limiting the foregoing, UNI shall pay all actual, direct costs and expenses incurred by Bank (including legal fees) to the extent UNI requests that Bank enter into another agreement with a third party with respect to the Program.

Section 6.2. ACH and Wire Costs.

UNI shall be responsible for the costs associated with all ACH and wire transfers executed in connection with the Program.

Section 6.3. Taxes.

Each party shall be responsible for payment of any federal, state, or local taxes or assessments applicable to such party associated with the performance of its obligations under this Agreement and for compliance with all filing, registration and other requirements applicable to such party related to this Agreement.

ARTICLE VII
TERM

Section 7.1. Initial and Renewal Terms.

Unless terminated earlier in accordance with Article VIII, this Agreement shall have an initial term of four (4) years commencing upon the Effective Date (the "***Initial Term***") and shall automatically renew for two (2) successive terms of two (2) years (a "***Renewal Term***," collectively, the Initial Term and Renewal Term(s) shall be referred to as the "***Term***"), unless either party provides notice to the other party of its intent to not renew at least one hundred twenty (120) days prior to the end of the Initial Term or the first Renewal Term.

Section 7.2. Other Agreements.

This Agreement shall automatically be terminated upon the termination of any other material agreement between the parties with respect to the Program, unless otherwise mutually agreed in writing. The termination of this Agreement shall not discharge any party from any obligation incurred prior to such termination.

Section 7.3. Survival.

The terms of this Article VII shall survive the expiration or earlier termination of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.1. Termination.

(a) Either party shall have the right to terminate this Agreement immediately upon written notice to the other party in any of the following circumstances (each, a "*Termination Event*"):

(A) the other party shall materially breach this Agreement and such breach is not cured within thirty (30) days after such breaching party receives written notice thereof from the non-breaching party, provided that the parties agree that the cure period for the breaching party shall be extended to ninety (90) days so long as such party is working in good faith to cure such breach and such breach is capable of being cured within such ninety (90) day period;

(B) any representation or warranty made by the other party in this Agreement is incorrect in any material respect and is not corrected within thirty (30) days after such other party obtains actual knowledge thereof or written notice thereof has been given to such other party;

(C) the other party commences a voluntary action or other proceeding seeking reorganization, liquidation, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official or to any involuntary action or other proceeding commenced against it; or

(D) the other party becomes subject to an involuntary action or other proceeding, whether pursuant to banking regulations or otherwise, seeking reorganization, liquidation or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property; or an order for relief shall be entered against either party under the federal bankruptcy laws as now or hereafter in effect.

(b) Either party has the right to terminate this Agreement in accordance with Section 2.3(b); provided, however, that each party shall make good-faith efforts to maintain the viability of the Program by making necessary modifications where possible without terminating this Agreement in its entirety as contemplated by Section 2.3(b).

(c) Either party shall have the right to terminate this Agreement if any Governmental Authority having jurisdiction over the terminating party requests or requires in writing that such party terminate this Agreement, including if such Governmental Authority has informed Bank in writing that Bank's continued operation hereunder will materially and adversely affect the safety and soundness of Bank. In addition, Bank shall have the right to terminate this Agreement if Bank has received a written legal opinion from nationally recognized outside counsel reasonably acceptable to UNI that continued operation hereunder will "most likely" materially and adversely affect the safety and soundness of Bank.

(d) Either party shall have the right to terminate this Agreement immediately upon notice to the other party in the event of a change in Control of either party, where such Control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of a party are acquired, by any Person, or the notifying party is merged with or into another entity to form a new entity and such party is not the surviving entity; provided that in the event that either party terminates pursuant to this Section 8.1(d) in connection with its own change in Control, such party shall (i) provide a ninety (90) days' written notice to the other party, and (ii) pay a termination fee equal to [***].

(e) Either party shall have the right to terminate this Agreement if a Material Adverse Effect has occurred with respect to other party.

Section 8.2. Effect of Termination.

Upon the termination of this Agreement, (a) Bank shall cease originating any new Loans, (b) UNI shall cease marketing the Program and soliciting new Loan Applicants, (c) each party shall immediately discontinue the use of the other party's Marks, (d) all outstanding amounts due and owing hereunder shall become immediately due and payable, and (e) each party grants the other party a perpetual, non-exclusive, non-assignable, royalty-free license without the right to sublicense, to use the Customer Information (other than Customer Information for Loans that have been sold to a third party) to the extent permitted by Applicable Law and subject to the limitations set forth in Section 10.4. The parties shall cooperate in order to ensure a smooth and orderly termination of their relationship, including taking reasonable steps to complete processing of all in-flight Loan Applications and approved Loans pending at the time of termination. Notwithstanding any termination hereof, the terms and conditions of this Agreement shall remain in place and effective to govern the relationship between the parties solely for any Loans of the Bank existing on the termination date until such time as they are no longer owned by the Bank and paying any compensation or expenses incurred prior to the termination date under Articles IV and V. For the avoidance of doubt, except in connection with Section 8.1(d), a termination pursuant to this Article VIII shall not be subject to any termination fees or penalties payable by either party.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1. UNI's Representations and Warranties.

UNI makes the following warranties and representations to Bank:

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

(a) This Agreement is the valid and obligation of UNI and is enforceable in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity) and UNI has received all necessary approvals and consents for the execution, delivery and performance by it of this Agreement.

(b) UNI is duly organized, validly existing, and in good standing under the laws of the state of its organization and is authorized, registered and licensed to do business in each state in which the nature of its activities makes such authorization, registration or licensing necessary or required.

(c) UNI has the full corporate power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.

(d) The execution of this Agreement and the completion of all actions required or contemplated to be taken by UNI hereunder are within the ordinary course of UNI's business and not prohibited by Applicable Laws.

(e) The provisions of this Agreement and the performance of each of its obligations hereunder do not conflict with UNI's organizational or governing documents, or any material agreement, contract, lease, order or obligation to which UNI is a party or by which UNI is bound, including any exclusivity or other provisions of any other agreement to which UNI or any related entity is a party, and including any non-compete agreement or similar agreement limiting the right of UNI to engage in activities competitive with the business of any other party or Governmental Authority that UNI is subject to.

(f) No approval, authorization or other action by, or filing with, any Governmental Authority is required in connection with the execution, delivery and performance by it of this Agreement other than approvals and authorizations that have previously been obtained and filings which have previously been made.

(g) All information which was heretofore furnished by it or on its behalf in writing to Bank for purposes of or in connection with this Agreement, or any transaction contemplated hereby, is true and accurate in all material respects on and as of the date such information was furnished (except to the extent that such furnished information relates solely to an earlier date, in which case such information was true and accurate in all material respects on and as of such earlier date and the information as delivered reasonably indicates that it relates to an earlier date).

(h) Except as licensed or otherwise permitted, UNI has not, and will not, use the Intellectual Property Rights, trade secrets or other confidential business information of any third party in connection with the development of the Program Materials and Advertising Materials or in carrying out its obligations or exercising its rights under this Agreement.

(i) There is no action, suit, proceeding or investigation pending or, to the actual knowledge of UNI, threatened against UNI seeking a determination or ruling which, either in any one instance or in the aggregate, would reasonably be expected to result in a Material Adverse

Effect with respect to UNI or which would render this Agreement invalid, or asserting the invalidity of, or seeking to prevent the consummation of any of the transactions contemplated by, this Agreement. No proceeding has been instituted against UNI seeking to adjudicate it bankrupt or insolvent, or seeking the liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for UNI or any substantial part of its property.

(j) Neither UNI nor any principal thereof has been or is the subject of any of the following that will materially affect UNI's ability to perform under this Agreement:

(A) an enforcement agreement, memorandum of understanding, cease desist order, administrative penalty or similar agreement concerning lending matters, or participation in the affairs of a financial institution;

(B) an administrative or enforcement proceeding or investigation commenced by the Securities Exchange Commission, state securities regulatory authority, Federal Trade Commission, any banking regulator or any other state or federal Regulatory Authority, with the exception of routine communications from a Regulatory Authority concerning a consumer complaint and routine examinations of UNI conducted by a Regulatory Authority in the ordinary course of UNI's business; or

(C) a restraining order, decree, injunction or judgment in any proceeding or lawsuit alleging fraud or deceptive practices on the part of UNI or any principal thereof.

For purposes of this Section 9.1(j) the word "principal" of UNI shall include (i) any person owning or controlling ten percent (10%) or more of the voting power of UNI and (ii) any person actively participating in the control of UNI's business.

(k) Neither UNI nor, to its actual knowledge, UNI Third Party Service Providers, nor any of their respective officers, directors or members is a Person (or to UNI's knowledge, is owned or controlled by a Person) that (i) is listed on any Government Lists, (ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) is currently under investigation by any Governmental Authority for alleged felony involving a crime of moral turpitude.

(l) UNI and, to its actual knowledge, UNI Third Party Service Providers are in compliance in all material respects with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws. Without limiting the generality of the foregoing, to the extent required by the Anti-Money Laundering Laws or Anti-Corruption Laws, UNI has established an anti-money laundering compliance program that is in compliance, in all material respects, with the Anti-Money Laundering Laws and Anti-Corruption Laws.

(m) UNI agrees to maintain policies and procedures for the Program in accordance with Applicable Laws, including procedures relating to periodic training and on-going monitoring of UNI and, as warranted, UNI Third Party Service Providers.

(n) UNI has in full force and effect insurance in such amounts and with such terms, as follows:

(A) comprehensive general liability with limits not less than $1 million per occurrence and $5 million annual aggregate, with coverages to include contractual liability, personal injury and advertising injury;

(B) statutorily required worker's compensation;

(C) employer's liability of Five Million ($5,000,000.00) Dollars per employee/occurrence;

(D) crime liability of not less than Five Million ($5,000,000.00) Dollars;

(E) cybersecurity and privacy liability of not less than Five Million ($5,000,000.00) Dollars;

(F) umbrella liability with limits not less than Twenty Five Million ($25,000,000.00) Dollars per occurrence and aggregate;

(G) professional liability/errors & omissions of not less than Five Million ($5,000,000.00) Dollars.

UNI shall not decrease the above coverages without prior written consent by Bank. In addition, upon Bank's written request, UNI shall increase the amount of UNI's insurance coverage if either (a) requested in writing by a Regulatory Authority or (b) if an independent, nationally recognized third party insurance advisor selected by Bank and reasonably acceptable to UNI delivers a written opinion to UNI and Bank that such additional coverage is reasonably necessary to be consistent with standard industry practices based on the volume of Loan origination under the Program, provided that UNI shall have up to ninety (90) days to procure such additional coverage if so required pursuant to this Section 9.1(n), provided further that UNI shall not be deemed to be in breach of this Section 9.1(n) for so long as UNI is proceeding in good faith and exercising reasonable diligence, as determined by Bank, to procure such additional coverage.

Section 9.2. Bank's Representations and Warranties.

Bank makes the following warranties and representations to UNI:

(a) This Agreement constitutes a valid and binding obligation of Bank, enforceable against Bank in accordance with its terms except (i) to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(b) Bank is an FDIC-insured New Jersey state-chartered bank, duly organized, validly existing, and in good standing under the laws of the State of New Jersey.

(c) Bank has full corporate power and authority to execute, deliver and perform all of its obligations under this Agreement.

(d) The execution of this Agreement and the completion of all actions required or contemplated to be taken by Bank hereunder are within the ordinary course of Bank's business and not prohibited by Applicable Laws.

(e) The execution, delivery and performance of this Agreement have been duly authorized by Bank, and are not in conflict with and do not violate the terms of the charter or by-laws of Bank and will not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party.

(f) Bank has the authority to make Loans in accordance with the Program Terms to the Borrowers who meet the minimum Credit Policy requirements established in the Program Guidelines, as contemplated hereunder.

(g) Bank has the authority to make Loans in each state in which Loans are made under the Program.

(h) As of the date of origination, (i) to the best of Bank's actual knowledge, each Loan meets the criteria outlined in the Program Guidelines; (ii) each Loan has not been satisfied, subordinated or rescinded, and no right of rescission, set-off, counterclaim or defense exists or has been asserted with respect to such Loan; (iii) each Loan was made and each Loan Amount disbursed by Bank in accordance with Applicable Laws; and (iv) there is no action before any state or federal court, administrative or regulatory body involving the Loan in which an adverse result would have a Material Adverse Effect upon the validity or enforceability of the Loan.

(i) Neither Bank nor any principal thereof has been or is the subject of any of the following that will materially affect Bank's ability to perform under this Agreement:

(A) an enforcement agreement, memorandum of understanding, cease and desist order, administrative penalty or similar agreement concerning the Program;

(B) an administrative or enforcement proceeding or investigation commenced by the Securities Exchange Commission, state securities regulatory authority, Federal Trade Commission, any banking regulator or any other state or federal Regulatory Authority; or

(C) a restraining order, decree, injunction or judgment in any proceeding or lawsuit alleging fraud or deceptive practices on the part of Bank or any principal thereof.

For purposes of this Section 9.2(k) the word "principal" of Bank shall include (i) any person owning or controlling ten percent (10%) or more of the voting power of Bank and (ii) any person actively participating in the control of Bank's business.

(j) Neither Bank nor, to its actual knowledge, any of its respective officers, directors or members is a Person (or to Bank's knowledge, is owned or controlled by a Person) that (i) is

listed on any Government Lists, (ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) is currently under investigation by any Governmental Authority for alleged felony involving a crime of moral turpitude.

(k) Bank is in compliance in all material respects with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws. Without limiting the generality of the foregoing, to the extent required by the Anti-Money Laundering Laws or Anti-Corruption Laws, Bank has established an anti-money laundering compliance program that is in compliance, in all material respects, with the Anti-Money Laundering Laws and Anti-Corruption Laws.

(l) Bank agrees to maintain policies and procedures in accordance with Applicable Laws, including procedures relating to periodic training and on-going monitoring of Bank and, as warranted, Bank Third Party Service Providers.

(m) The provisions of this Agreement and the performance of each of its obligations hereunder do not conflict with Bank's organizational or governing documents, or any material agreement, contract, lease, order or obligation to which Bank is a party or by which Bank is bound, including any exclusivity or other provisions of any other agreement to which Bank or any related entity is a party, and including any non-compete agreement or similar agreement limiting the right of Bank to engage in activities competitive with the business of any other party or Governmental Authority that Bank is subject to.

(n) No approval, authorization or other action by, or filing with, any Governmental Authority is required in connection with the execution, delivery and performance by it of this Agreement other than approvals and authorizations that have previously been obtained and filings which have previously been made.

(o) There is no action, suit, proceeding or investigation pending or, to the actual knowledge of Bank, threatened against Bank seeking a determination or ruling which, either in any one instance or in the aggregate, would reasonably be expected to in a Material Adverse Effect with respect to Bank or would render this Agreement invalid, or asserting the invalidity of, or seeking to prevent the consummation of any of the transactions contemplated by, this Agreement. No proceeding has been instituted against Bank seeking to adjudicate it bankrupt or insolvent, or seeking the liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for Bank or any substantial part of its property.

Section 9.3. UNI's Covenants.

UNI hereby covenants and agrees as follows:

(a) Information. UNI will furnish to Bank:

(A) Annual Financial Statements. Within one hundred twenty (120) days after each of its fiscal years, copies of its annual audited financial statements certified by independent certified public accountants reasonably satisfactory to Bank and prepared on a consolidated basis in conformity with GAAP, together with a report of such firm expressing such firm's opinion thereon without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of the audit.

(B) Financial Statements. Within forty-five (45) days after each of its fiscal quarters, copies of its unaudited consolidated balance sheet and related statements of operations and stockholders' equity as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its chief financial officer, principal accounting officer, treasurer or controller as presenting fairly in all material respects its (and its consolidated Subsidiaries) financial condition and results of operations on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

(C) Auditors' Management Letters. Promptly after receipt thereof, notice that it has received any auditors' management letters from its accountants that refer in whole or in part to any inadequacy, defect, problem, qualification or other lack of fully satisfactory accounting controls utilized by it and an opportunity to discuss the contents of such letter with its management.

(D) Representations. Promptly upon having actual knowledge or notice that any representation or warranty set forth herein was incorrect at the time it was given or deemed to have been given, which failure or breach would reasonably be expected to materially and adversely affect Bank, together with a written notice setting forth in reasonable detail the nature of such facts and circumstances.

(E) Proceedings. As soon as possible and in any event within three (3) Business Days after any of its executive officers receives notice or obtains actual knowledge thereof, any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, litigation, action, suit or proceeding before any Governmental Authority which, in the case of any of the foregoing, has had or would reasonably be expected to have a Material Adverse Effect on UNI.

(F) Notice of Material Events. Promptly upon becoming aware thereof, notice of any other event or circumstances that, in its reasonable judgment has had or would reasonably be expected to have a Material Adverse Effect with respect to UNI.

(G) Other. Promptly, from time to time, such information, documents or records or reports respecting the Program or the condition or operations, financial or otherwise, of UNI as Bank may from time to time reasonably request.

(b) Notice of Termination Events. As soon as possible, after obtaining actual knowledge thereof, notify Bank of the occurrence of any Termination Event applicable to it.

(c) Conduct of Business. UNI shall perform all actions necessary to remain duly organized or incorporated, validly existing and in good standing in its jurisdiction of formation and to maintain all requisite authority to conduct its business in each jurisdiction in which it conducts business.

(d) Preservation of Corporate Existence. UNI shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its formation, and qualify and remain qualified in good standing as a foreign entity in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications has had, or could reasonably be expected to have, a Material Adverse Effect.

(e) Taxes. UNI shall file and pay any and all material taxes incurred and owed by UNI in connection with its business.

(f) Total Systems Failure. UNI shall promptly notify Bank of any systems failure and shall advise Bank of the estimated time required to remedy such total systems failure. Until a total systems failure is remedied, UNI shall furnish to Bank such periodic status reports and other information relating to such systems failure as Bank may reasonably request and (ii) promptly notify Bank if it believes that such systems failure cannot be remedied by the estimated date, which notice shall include a description of the circumstances which gave rise to such delay, the action proposed to be taken in response thereto and it shall promptly notify Bank when a total systems failure has been remedied.

(g) Replacement or Material Modification of Critical Systems. UNI agrees, as soon as practicable after the replacement or any material modification of any critical operating systems that significantly affect any calculations or reports made by UNI hereunder, to give notice of any such replacement or modification to Bank.

(h) Furnishing of Information. UNI will furnish to Bank, as soon as practicable after receiving a request therefor, such information with respect to the Program as Bank may reasonably request.

(i) USA PATRIOT Act. The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003, Section 326 of the USA PATRIOT Act requires all financial institutions to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. UNI agrees that it will provide Bank such information as it may request, from time to time, in order for Bank to satisfy the requirements of the USA PATRIOT Act, including the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

(j) Mergers, Acquisition, Sales, etc. UNI will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person without providing prior written notice of such consolidation, merger, conveyance or transfer to Bank.

Section 10.1. Indemnification.

(a) Indemnification by UNI. Except to the extent of any Losses which arise from (i) the direct acts or omissions of Bank or an Affiliate of Bank or a Bank Third Party Service Provider, including a violation of Applicable Law in respect of Bank's obligations hereunder, (ii) the fraud or misrepresentation of a Loan Applicant or Borrower that could not reasonably identified by UNI's fraud prevention and verification procedures, or (iii) UNI following the instructions of Bank or an Affiliate of Bank (at Bank's direction), UNI shall be liable to and shall indemnify and hold harmless Bank and its directors, officers, employees, agents and Affiliates and permitted assigns from and against any and all Losses arising out of any Claim in connection with (A) a failure by UNI or any UNI Third Party Service Providers to comply with any of the terms and conditions of this Agreement, (B) an inaccuracy of any representation or warranty made by UNI herein, (C) infringement or alleged infringement by UNI or by any UNI Third Party Service Providers of any Marks of Bank, or the use thereof hereunder or any infringement or misappropriation or alleged infringement or misappropriation of any Intellectual Property Rights including any third party Intellectual Property Rights arising from any use of the UNI Platform, (D) a fraudulent application submitted by a Loan Applicant that should reasonably have been identified by UNI's fraud prevention and verification procedures, and (E) an Information Security Incident involving Customer Information that is in the possession, custody or control of UNI.

Without limiting the foregoing, to the extent that a Loan originated by Bank hereunder (i) fails to meet requirements under the Program Guidelines and/or Applicable Law, in each case, in any respect that would adversely impact the enforceability, validity or collectability of the such Loan, (ii) is otherwise unsaleable primarily due to a breach by UNI of its obligations under this Agreement, and such failure or breach cannot be cured within sixty (60) days after Bank provides written notice to UNI of such failure or breach, or (iii) was originated by Bank based on UNI's fraud, intentional misrepresentation or gross negligence then, at Bank's option, UNI shall purchase or cause to be purchased from Bank such Loan within five (5) Business Days at a price equal to the outstanding principal balance, *plus* any accrued and unpaid interest on the Loan. Contemporaneous with any such purchase, Bank will transfer any Loan Documents in Bank's possession to UNI.

(b) Indemnification by Bank. Except to the extent of any Losses which arise from the direct acts or omissions of UNI or an Affiliate of UNI, or a UNI Third Party Service Provider, including a violation of Applicable Law in respect of UNI's obligations hereunder, Bank shall be liable to and shall indemnify and hold harmless UNI and its officers, directors, employees, agents and Affiliates and permitted assigns, from and against any Losses arising out of any Claim in connection with (i) a breach by Bank of any of the terms and conditions of this Agreement, including any Losses resulting from Bank's non-compliance with Applicable Laws in respect of its obligations in connection with the Program hereunder, (ii) an inaccuracy of any representation or warranty made by Bank herein (iii) infringement or alleged infringement by Bank or by any Bank Third Party Service Providers of any Marks of UNI, or the use thereof hereunder or any infringement or misappropriation or alleged infringement or misappropriation of any Intellectual Property Rights, and (iv) an Information Security Incident involving Customer Information that is in the possession, custody or control of Bank.

(c) Notice of Claims. In the event any Claim is made, any suit or action is commenced or any actual knowledge of a state of facts that, if not corrected, would give rise to a right of indemnification of a party hereunder ("*Indemnified Party*") by the other party ("*Indemnifying Party*") is received, the Indemnified Party will give notice to the Indemnifying Party as promptly as practicable, but, in the case of lawsuit, in no event later than the time necessary to enable the Indemnifying Party to file a timely answer to the complaint. The Indemnified Party shall make available to the Indemnifying Party and its counsel and accountants at reasonable times and for reasonable periods, during normal business hours, all books and records of the Indemnified Party relating to any such possible Claim for indemnification, and each party hereunder will render to the other such assistance as it may reasonably require of the other (at the expenses of the party requesting assistance) in order to insure prompt and adequate defense of any Claim based upon a state of facts which may give rise to a right of indemnification hereunder.

(d) Defense and Counsel. Subject to the terms hereof, the Indemnifying Party shall have the right to assume the defense of any Claim. In the event that the Indemnifying Party elects to defend any Claim, then the Indemnifying Party shall notify the Indemnified Party via facsimile transmission or email, with a copy by mail, within ten (10) days of having been notified pursuant to this Section 10.1 that the Indemnifying Party elects to employ counsel and assume the defense of any such Claim. The Indemnifying Party shall institute and maintain any such defense diligently and reasonably and shall keep the Indemnified Party fully advised of the status thereof. The Indemnified Party shall have the right to employ its own counsel if the Indemnified Party so elects to assume such defense, but the fees and expense of such counsel shall be at the Indemnified Party's expense, unless (i) the employment of such counsel shall have been authorized in writing by the Indemnifying Party; (ii) such Indemnified Party shall have reasonably concluded that the interests of such parties are conflicting such that it would be inappropriate for the same counsel to represent both parties or shall have reasonably concluded that the ability of the parties to prevail in the defense of any Claim are improved if separate counsel represents the Indemnified Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), and in either of such events such reasonable fees and expenses shall be borne by the Indemnifying Party; (iii) the Indemnified Party shall have reasonably concluded that it is necessary to institute separate litigation, whether in the same or another court, in order to defend the Claims asserted against it; (iv) the Indemnified Party reasonably concludes that the ability of the parties to prevail in the defense of any Claim is materially improved if separate counsel represents the Indemnified Party; and (v) the Indemnifying Party shall not have employed counsel reasonably acceptable to the Indemnified Party to take charge of the defense of such action after electing to assume the defense thereof. In the event that the Indemnifying Party elects not to assume the defense of any Claim, then the Indemnified Party shall do so and the Indemnifying Party shall pay for, or reimburse Indemnified Party, as the Indemnified Party shall elect, all Losses of the Indemnified Party in accordance with Section 10.1(f) below.

(e) Settlement of Claims. The Indemnifying Party shall have the right to compromise and settle any Claim in the name of the Indemnified Party; provided, however, that the Indemnifying Party shall not compromise or settle a Claim (i) unless it indemnifies the Indemnified Party for all Losses arising out of or relating thereto and (ii) with respect to any Claim which seeks any non-monetary relief, without the consent of the Indemnified Party, which consent shall not unreasonably be withheld. The Indemnifying Party shall not be permitted to make any admission of guilt on behalf of the Indemnified Party. Any final judgment or decree entered on or in, any Claim which the Indemnifying Party did not assume the defense of in accordance herewith, shall

be deemed to have been consented to by, and shall be binding upon, the Indemnifying Party as fully as if the Indemnifying Party had assumed the defense thereof and a final judgment or decree had been entered in such suit or action, or with regard to such Claim, by a court of competent jurisdiction for the amount of such settlement, compromise, judgment or decree. The Indemnifying Party shall be subrogated to any Claims or rights of the Indemnified Party as against any other Persons with respect to any amount paid by the Indemnifying Party under this Section 10.1(f).

(f) Indemnification Payments; Disputes. Subject to each party's compliance with the rights and duties set forth in this Section 10.1, amounts owing under Section 10.1 shall be paid promptly upon written demand for indemnification containing in reasonable detail the facts giving rise to such Losses; provided, however, that if the Indemnifying Party notifies the Indemnified Party within thirty (30) days of receipt of such demand that it disputes its obligation to indemnify (including its obligation to defend), or the Losses being claimed, and the parties are not otherwise able to reach agreement, the controversy shall be settled through arbitration as described in Section 10.3.

Section 10.2. Limitation of Liability.

(a) EXCEPT WITH RESPECT TO DAMAGES OR CLAIMS ARISING DUE TO A PARTY'S FRAUD, WILLFUL MISCONDUCT, GROSS NEGLIGENCE, BREACH OF CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, ANY CLAIM ARISING OUT OF CUSTOMER INFORMATION OR ALLEGED OR ACTUAL INFRINGEMENT OF INTELLECTUAL PROPERTY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OR LOST PROFITS (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) ARISING OUT OF OR IN CONNECTION WITH THE PROGRAM.

(b) UNI shall not be responsible for Bank's decisions to disregard any instructions provided by UNI.

Section 10.3. Governing Law; Arbitration.

(a) This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

(b) At the request of either party, any dispute between the parties relating to this Agreement shall be submitted to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The parties agree that any arbitration proceedings hereunder, unless otherwise agreed to by the parties, shall be conducted in the city of the home office of the party not commencing arbitration. Each party hereto consents to the jurisdiction over it by any court or arbitration panel as described herein. The arbitrator shall be authorized to award such relief as is allowed by law. Except as provided below, each party shall be responsible for its own attorneys' fees incurred during the course of the arbitration, as well as the costs of any witnesses or other evidence such party produces or causes to be produced. The award of the arbitrator shall include findings of fact and conclusions of law. Such award shall be kept confidential and shall be final, binding and conclusive on the parties. Judgment on the award may be entered by any court of competent jurisdiction.

Section 10.4. Confidential Information.

(a) In performing their obligations pursuant to this Agreement, either party may disclose to the other party, either directly or indirectly, in writing, orally or by inspection of intangible objects (including documents), certain confidential or proprietary information including the names and addresses of a party's customers, marketing plans and objectives, research and test results, and other information that is confidential and the property of the party disclosing the information ("*Confidential Information*"). The parties agree that the term Confidential Information shall include (a) this Agreement, the Program Guidelines and the Program Materials, as the same may be amended and modified from time to time, (b) business information (including products and services, employee information, business models, know-how, strategies, designs, reports, data, research, financial information, pricing information, corporate client information, market definitions and information, and business inventions and ideas), and (c) technical information including the Technical Information, software, source code, documentation, algorithms, models, developments, inventions, processes, ideas, designs, drawings, hardware configuration, and technical specifications, including computer terminal specifications, the source code developed from such specifications. The parties acknowledge and agree that (i) the term Confidential Information excludes Customer Information, and (ii) all Credit Model Validation Documentation is and shall remain UNI's Confidential Information.

(b) Bank and UNI agree that Confidential Information shall be used by each party and its Representatives solely in the performance of such party's obligations under this Agreement.

(c) Each party shall receive Confidential Information in confidence and shall not, without the prior written consent of the disclosing party, disclose any Confidential Information of the disclosing party, except to the receiving party's Affiliates, officers, directors, counsel, representatives, employees, advisors, accountants, auditors or agents (including Third Party Service Providers) ("*Representatives*") that have a need to know such Confidential Information; provided, however, that there shall be no obligation on the part of the parties to maintain in confidence any Confidential Information disclosed to it by the other which (i) is generally known to the trade or the public at the time of such disclosure, (ii) becomes generally known to the trade or the public subsequent to the time of such disclosure, but not as a result of disclosure by the other in violation of this Agreement, (iii) is legally received by either party or any of its respective Representatives from a third party on a non-confidential basis provided that to such party's actual knowledge such third party is not prohibited from disclosing such information to the receiving party by a contractual, legal or fiduciary obligation to the other party, its Representatives or another party, or (iv) was or hereafter is independently developed by either party or any of its Representatives without using Confidential Information or in violation of its obligations under this Agreement.

(d) The parties agree that the disclosing party owns all rights, title and interest in and to its Confidential Information, and that the party receiving such Confidential Information will not reverse-engineer any software or other materials embodying the Confidential Information. The parties acknowledge that Confidential Information is being provided for limited use internally, and the receiving party agrees to use the Confidential Information only in accordance with the terms and conditions of this Agreement.

(e) Notwithstanding the foregoing, however, disclosure of the Confidential Information may be made if, and to the extent, requested or required by law, rule, regulation, interrogatory, request for information or documents, court order, subpoena, administrative proceeding, inspection, audit, civil investigatory demand, or any similar legal process without liability and, except as required by the following sentence, without notice to the other party. In the event that the receiving party or any of its Representatives receives a demand or request to disclose all or any part of the disclosing party's Confidential Information under the terms of a subpoena or order issued by a court of competent jurisdiction or under a civil investigative demand or similar process, (i) to the extent practicable and permitted, the receiving party agrees to promptly notify the disclosing party of the existence, terms and circumstances surrounding such a demand or request and (ii) if the receiving party or its applicable Representative is compelled to disclose all or a portion of the disclosing party's Confidential Information, the receiving party or its applicable Representative may disclose that Confidential Information that its counsel advises that it is compelled to disclose and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to the Confidential Information that is being so disclosed.

(f) Each party represents and covenants that it will protect the Confidential Information of the other party in accordance with prudent business practices and will use the same degree of care to protect the other party's Confidential Information that it uses to protect its own confidential information of a similar type. Except as expressly provided herein, no right or license whatsoever is granted with respect to the Confidential Information or otherwise.

(g) Following termination of this Agreement, upon the request of the disclosing party, the non-disclosing party will, within ten (10) days after receiving a request by the disclosing party, destroy all Confidential Information furnished to it and/or any of its Representatives by or on behalf of the disclosing party. Except to the extent a party is advised by legal counsel that such destruction is prohibited by law, the non-disclosing party and its Representatives will also destroy all written material, memoranda, notes, copies, excerpts and other writings or recordings whatsoever prepared by the non-disclosing party and/or its Representatives based upon, containing or otherwise reflecting any Confidential Information; provided, however, that neither the non-disclosing party nor any of its Representatives shall be obligated to return or destroy Confidential Information (i) to the extent it has been electronically archived by any such party in accordance with its automated security and/or disaster recovery procedures as in effect from time to time or (ii) to the extent required by their respective internal record retention policies for legal, compliance or regulatory purposes; provided that any such Confidential Information so retained shall remain subject to the confidentiality provisions contained herein for so long as it is retained by the non-disclosing party, irrespective of the Term of this Agreement. At the request of the disclosing party made at the time of its request for the return and/or destruction of Confidential Information, the return and/or destruction of materials in accordance with the foregoing shall be certified to the disclosing party in writing by an authorized officer of the non-disclosing party.

(h) Notwithstanding anything to the contrary in this Agreement, to the extent that Bank owns any Customer Information during or after the Term, Bank grants UNI a perpetual, non-exclusive, non-assignable, royalty-free license without the right to sublicense, to use the Customer Information to the extent permitted by Applicable Law. Without limiting the foregoing, Bank

acknowledges and agrees that, at any time after Bank's sale of a Loan or after termination or expiration of this Agreement, Bank shall not sell, distribute or otherwise directly or indirectly use or store Customer Information (except as may be required by Applicable Law), including for the purposes of soliciting Borrowers for any products or services.

Section 10.5. Privacy Law Compliance; Security Breach Disclosure.

(a) Each party agrees that it shall obtain, use, retain and share Customer Information in strict compliance with all applicable state and federal laws and regulations concerning the privacy and confidentiality of such Customer Information, including the requirements of the federal Gramm-Leach-Bliley Act of 1999, its implementing regulations and Bank's privacy notice, in connection with this Agreement. Neither party shall disclose or use Customer Information concerning Borrowers or Loan Applicants other than (i) to carry out the purposes for which such Customer Information has been disclosed to it hereunder, (ii) in connection with a sale or financing of the related Loans, or (iii) as permitted by Section 2.5 above. Further, UNI shall by written contract require UNI Third Party Service Providers to maintain the confidentiality of Customer Information in a similar manner.

(b) Each party shall immediately notify the other party in writing of any Information Security Incident of which it becomes aware or reasonably suspects, but in no case later than twenty-four (24) hours after it becomes aware of or reasonably suspects the Information Security Incident. Such notice shall summarize in reasonable detail the effect of the Information Security Incident on such party, if known, and the corrective action taken or to be taken by the other party. The notifying party shall promptly take all necessary and advisable corrective actions, and shall cooperate fully in all reasonable and lawful efforts to prevent, mitigate or rectify such Information Security Incident. The notifying party shall (i) investigate such Information Security Incident and perform a root cause analysis thereon; (ii) remediate the effects of such Information Security Incident; and (iii) provide the other party with such assurances as such other party shall request that such Information Security Incident is not likely to recur. The content of any filings, communications, notices, press releases or reports related to any Information Security Incident shall be approved the notified party prior to any publication or communication thereof.

(c) Upon the occurrence of an Information Security Incident involving nonpublic personal information in the possession, custody or control of a party or for such party is otherwise responsible, such party shall reimburse the other party for all Notification Related Costs incurred by such other party arising out of or in connection with any such Information Security Incident.

(d) In addition, each party agrees that it will not make any material changes to its security procedures and requirements affecting the performance of its obligations hereunder which would materially reduce the security of its operations or materially reduce the confidentiality of any databases and Customer Information without the prior written consent of the other party.

(e) Each party agrees and represents to the other that it and each of its Third Party Service Providers have, or will have prior to the receipt of any Confidential Information or Customer Information, designed and implemented an information security program that will comply in all material respects with the applicable requirements set forth in 12 C.F.R. Part 332 (Privacy of Consumer Financial Information), 12 C.F.R. Part 364 (including the Interagency Guidelines Establishing Information Security Standards found at Appendix B to Part 364), and 16 C.F.R Part 314 (the "*CAN-SPAM Rule*"), all as amended, supplemented and/or interpreted in writing by Regulatory Authorities and all other Applicable Law.

(f) The parties agree that, in connection with the Referral Services, prior to a consumer on www.upstart.com selecting a Bank-specific offer, all information collected by UNI, including nonpublic personal information as defined under the Gramm-Leach-Bliley Act of 1999, is information of UNI ("*UNI Information*") subject to UNI's privacy policy and procedures. In the event a consumer selects a Bank loan offer through the Referral Services, UNI shall (i) obtain a consumer's consent to share UNI Information with Bank, and (ii) provide the consumer with Bank's privacy statement.

Section 10.6. Force Majeure.

In the event that either party fails to perform its obligations under this Agreement in whole or in part as a consequence of events beyond its reasonable control (including acts of God, fire, explosion, public utility failure, accident, floods, embargoes, epidemics, war, terrorist acts, nuclear disaster or riot), such failure to perform shall not be considered a breach of this Agreement during the period of such disability, provided that each party shall not be excused from implementing disaster recovery and business continuity plans upon the occurrence of force majeure. In the event of any force majeure occurrence as set forth in this Section 10.6, the disabled party shall use its best efforts to meet its obligations as set forth in this Agreement. The disabled party shall promptly and in writing advise the other party if it is unable to perform due to a force majeure event, the expected duration of such inability to perform and of any developments (or changes therein) that appear likely to affect the ability of that party to perform any of its obligations hereunder in whole or in part. To the extent any force majeure event prevents a party from performing its obligations under the Program for more than thirty (30) days, the other party may terminate this Agreement immediately upon notice without payment of any termination fee or penalty, or any monthly minimum fees from an after the occurrence of the force majeure event.

Section 10.7. Examinations and Financial Information.

(a) Both parties agree to (i) submit to any examination that may be required by a Regulatory Authority having jurisdiction over the other party, during regular business hours and upon reasonable prior notice, provided that such other party shall use reasonable efforts to facilitate and/or schedule such examinations by Regulatory Authorities to limit disruptions to ongoing business operations of the party to be examined, and (ii) reasonably cooperate with the other party in responding to such Regulatory Authority's examination and requests related to the Program.

(b) UNI shall use commercially reasonable efforts to include audit rights for UNI or its designee in UNI's agreements with critical UNI Third Party Service Providers, including reasonable access to (i) the offices of such UNI Third Party Service Providers and (ii) the books and records of such UNI Third Party Service Providers to the extent such books and records pertain to the Loans.

Section 10.8. Relationship of Parties; No Authority to Bind.

Bank and UNI agree that they are independent contractors to each other in performing their respective obligations hereunder. Nothing in this Agreement or in the working relationship

established and developed hereunder shall be deemed or is intended to be deemed, nor shall it cause, Bank and UNI to be treated as partners, joint venturers or otherwise as joint associates for profit. UNI understands and agrees that UNI's name shall not appear on any Loan Document as a maker of a Loan and that Bank shall be responsible for all decisions to make or fund a Loan. UNI shall refer to Bank any inquiries concerning the accuracy, interpretation or legal effect of any Loan Document. UNI shall not modify the terms of any Loan Document on behalf of Bank prior to purchase of the Loan by UNI. UNI's responsibilities hereunder shall not constitute the "receipt" of the Loan Documents by Bank; instead, Bank shall be deemed to have received and reviewed the Loan Documents and supporting materials only after the Loan Documents and materials have previously been received at Bank's offices, at which time and place Bank shall decide whether to make the Loan. UNI shall not represent to anyone that UNI has the authority or power to do any of the foregoing and shall make no representations concerning Bank's transactions except as Bank shall expressly authorize in writing. Bank shall not have any authority or control over any of the property interests or employees of UNI. Without limitation of the foregoing, Bank and UNI intend, and they agree to undertake such action as may be necessary or advisable to ensure, that: (a) the Program complies with federal-law guidelines regarding outsourcing of bank-related activities, installment loans, bank supervision and control and safety and soundness procedures; (b) Bank is the lender under applicable federal-law standards and is authorized to export its home-state interest rates and matters material to the rate under 12 U.S.C.A. § 1831d; and (c) all activities related to the marketing and origination of a loan are made by UNI on behalf of Bank as disclosed principal for any relevant regulatory, agency law and contract-law purposes.

Section 10.9. Severability.

Subject to Section 2.3(b), in the event that any part of this Agreement is ruled by a court, Regulatory Authority or other public or private tribunal of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed to have been omitted from this Agreement. The remainder of this Agreement shall remain in full force and effect, and shall be modified to any extent necessary to give such force and effect to the remaining provisions, but only to such extent. In addition, if the operation of the Program or the compliance by a party with its obligations set forth herein causes or results in a violation of an Applicable Law, the parties agree to negotiate in good faith to modify the Program or this Agreement as necessary in order to permit the parties to continue the Program in full compliance with Applicable Laws.

Section 10.10. Successors and Third Parties.

This Agreement and the rights and obligations hereunder shall bind and inure to the benefit of the parties hereto and their successors and assigns. The rights and benefits hereunder are specific to the parties and shall not be delegated (except to Third Party Service Providers as contemplated herein) or assigned without the prior written consent of the other party. Nothing in this Agreement is intended to create or grant any right, privilege or other benefit to or for any Person other than the parties hereto.

Section 10.11. Notices.

All notices and other communications under this Agreement shall be in writing (including communication by facsimile copy or other electronic means) and shall be deemed to have been duly given when delivered in person, by facsimile or email transmission, by express or overnight mail delivered by a nationally recognized courier (delivery charges prepaid), or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

To Bank:	Cross River Bank 400 Kelby Street Fort Lee, New Jersey 07024 Attention: Gilles Gade, President Telephone: Facsimile No.: Email:
With a copy to:	Cross River Bank 400 Kelby Street Fort Lee, New Jersey 07024 Attention: Arlen Gelbard, Esq., General Counsel Telephone: Facsimile No.: Email:
And	
	Cross River Bank 400 Kelby Street Fort Lee, New Jersey 07024 Attention: Adam Goller, Executive Vice President Telephone: Facsimile No.: Email:
To UNI:	Upstart Network, Inc. Two Circle Star Way San Carlos, California 94070 Attention: Dave Girouard, CEO Telephone: Email:
With a copy to:	General Counsel Telephone: Email:

Section 10.12. Waiver; Amendments.

The delay or failure of either party to enforce any of the provisions of this Agreement shall not be construed to be a waiver of any right of that party. All waivers must be in writing and signed by both parties. Subject to Section 2.3(a) herein, alterations, modifications or amendments of a provision of this Agreement, including all exhibits and schedules attached hereto, shall not be binding and shall be void unless such alteration, modification or amendment is in writing and signed by authorized representatives of UNI and Bank.

Section 10.13. Counterparts.

This Agreement may be executed and delivered by the parties hereto in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. The parties agree that this Agreement and signature pages may be transmitted between them by electronic mail and that PDF signatures may constitute original signatures and that a PDF signature page containing the signature (PDF or original) is binding upon the parties.

Section 10.14. Specific Performance.

Certain rights which are subject to this Agreement are unique and are of such a nature as to be inherently difficult or impossible to value monetarily. In the event of a breach of Sections 10.4 or 10.5 this Agreement by either party, an action at law for damages or other remedies at law would be inadequate to protect the unique rights and interests of the parties. Accordingly, the terms of this Agreement shall be enforceable in a court of equity by a decree of specific performance or injunction. Such remedies shall, however, be cumulative and not be exclusive and shall be in addition to any other remedy which the parties may have.

Section 10.15. Further Assurances.

From time to time, each party will execute and deliver to the other such additional documents and will provide such additional information as such other party may reasonably require to carry out the terms of this Agreement.

Section 10.16. Entire Agreement.

This Agreement and its schedules and exhibits (all of which schedules and exhibits are hereby incorporated into this Agreement) and the documents executed and delivered pursuant hereto, constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, and supersede any prior or contemporaneous negotiations or oral or written agreements between the parties hereto with respect to the subject matter hereof or thereof, except where survival of prior written agreements is expressly provided for herein.

Section 10.17. Survival.

The terms of Section 4.2(g), Section 4.3 (Intellectual Property), Article V (Loan Origination and Compensation), Article VI (Expenses), Section 8.2 (Effect of Termination), Section 9.1 (UNI's Representations and Warranties), Section 9.2 (Bank's Representations and Warranties), and this Article X (Miscellaneous) shall survive the termination or expiration of this Agreement.

Section 10.18. Referrals.

Neither party has agreed to pay any fee or commission to any agent, broker, finder or other person for or on account of such person's services rendered in connection with this Agreement that would give rise to any valid Claim against the other party for any commission, finder's fee or like payment.

Section 10.19. Interpretation.

The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against either party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties.

Section 10.20. Headings.

Captions and headings in this Agreement are for convenience only, and are not deemed part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date.

CROSS RIVER BANK

By: /s/ Gilles Gade
Name: Gilles Gade
Title: CEO

By: /s/ Arlen Gelbard
Name: Arlen Gelbard
Title: General Counsel

UPSTART NETWORK, INC.

By: /s/ Dave Girouard
Name: Dave Girouard
Title: CEO

EXHIBIT A

Fees and Eligible States

Origination Assistance Fees

The Origination Assistance Fee for each Loan shall be [***].

Eligible States

Loans under the Program shall be made by Bank in the jurisdictions permitted under the Program Guidelines only.

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

EXHIBIT B

Credit Policy and Underwriting Procedures

Loans under the Program shall be made by Bank in accordance with the Bank's credit policy and underwriting procedures set forth in the Program Guidelines.

EXHIBIT C

Compliance Guidelines

These Compliance Guidelines form a part of the Program Guidelines under the Third Amended and Restated Loan Program Agreement, dated as of January 1, 2019 (the "*Agreement*") between Cross River Bank, an FDIC-insured New Jersey state chartered bank ("*Bank*") and Upstart Network, Inc. ("*UNI*"). Capitalized terms used and not defined herein shall have the meanings given to those terms in the Agreement.

UNI and Bank each hereby agree that it, and all of its permitted assigns under the Agreement, shall promptly adopt and maintain a Compliance Management System ("*CMS*") satisfactory for (i) complying with the examination manual of each Governmental Authority, and (ii) ensuring compliance with the terms of the Agreement, all Applicable Laws and the Program Guidelines, including policies and procedures for compliance with the following laws, regulations, and supervisory guidance, all as amended, supplemented and/or interpreted in writing by Regulatory Authorities and all other Applicable Law:

1. Truth in Lending Act, 15 U.S.C. § 1601 et seq., and implementing regulations Regulation Z;
2. Uniform Retail Credit Classification and Account Management Policy, 65 Fed. Reg. 36904 (FIL-40-2000, June 12, 2000);
3. Guidance for Managing Third-Party Risk (FIL-44-2008, June 6, 2008); Fair Lending Laws, including:
    a. Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and Regulation B;
    b. Military Lending Act, 10 U.S.C. § 101 et seq.; and
    c. Servicemembers Civil Relief Act ("*SCRA*")
4. Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., and implementing regulations Regulation F;
5. Fair Credit Reporting Act and Fair Credit Billing Act;
6. Bank Secrecy Act ("*BSA*") 31 U.S.C. § 5311 et seq. and Regulation X and Anti-Money Laundering ("*AML*") laws and regulations;
7. All applicable sections of the USA PATRIOT Act and implementing regulations related to Know-Your-Customer ("*KYC*") and Customer Identification Programs ("*CIP*");
8. The Electronic Funds Transfer Act, 15 U.S.C. § 1693 et seq., and Regulation E;
9. All applicable regulations, guidelines, and commentaries issued by the Board of Governors of the Federal Reserve System and the Federal Financial Institutions Examination Council related to electronic funds transfer;
10. Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq., and Regulation P;
11. Telephone Consumer Protection Act and all rules and regulations applicable to the Do-Not-Call-Registry;
12. Federal Trade Commission Act and all state acts governing fair trade and trade practices, including Unfair, Deceptive or Abusive Acts or Practices ("*UDAAP*"), 12 U.S.C. § 5536 et seq.;
13. Consumer Financial Information Privacy requirements set forth at 12 C.F.R. Part 332, the Interagency Guidelines Establishing Information Security Standards found at Appendix B to 12 C.F.R. Part 364, and a safeguards policy, demonstrating the safeguarding of consumer data in transmission and storage consistent with 16 C.F.R. § 314 ("*CAN-SPAM Rule*") and, as applicable, the Payment Card Industry Data Security Standard, as amended, including the rules and regulations thereunder;
14. To the extent applicable under the Program, the medical and personal information protection provisions of the Health Insurance Portability & Accountability Act of 1996, the regulations promulgated thereunder, and the related privacy and security provisions of the Health Information Technology for Economic and Clinical Health Act of 2009, as amended, including the rules and regulations thereunder;
15. Red flags policy, demonstrating fraud prevention (12 C.F.R. §§ 222 and 1022); and
16. All state and local laws related to the matters addressed above.

To the extent that UNI is not subject to such statutes, rules and regulations, but Bank is so subject, it shall be the responsibility of UNI to maintain a CMS and provide such information and assistance as Bank shall need for Bank to meet its own compliance obligations.

In addition, each of Bank and UNI shall adopt and maintain a CMS, including the following additional elements:

- Internal controls sufficient to implement the Program Guidelines and requirements of the Agreement and Applicable Laws, including a formal complaint policy and handling procedures.
- An audit policy requiring internal monitoring and testing of its compliance and operations and external auditing of its operations, including compliance with the Program Guidelines, no less frequently than required by the Agreement.
- A training policy and program that will apply to all personnel associated with the Program, including its employees, affiliates, subsidiaries, and Third Party Service Providers. The training policy and program should train personnel on the substantive areas of law identified in these Guidelines, as well as other Applicable Laws related to the Program, together with operational procedures associated with the Program.
- A third party risk management policy and program to oversee Third Party Service Providers associated with the Program consistent with guidance from the Regulatory Authorities on Third Party Risk. The third party risk management policy and program should assess and monitor risk of all Third Party Service Providers on an ongoing basis, which shall be reflected in the contracts with Third Party Service Providers.
- UNI shall oversee any UNI Third Party Service Providers involved with advertising, marketing, and direct consumer communication, and UNI shall ensure that Bank has direct access to Advertising Materials.
- A designated compliance officer to oversee the CMS, implement the compliance program, coordinate internal and external reporting, including malfunctions of the CMS, and serve as a compliance liaison between UNI and Bank. The designated compliance officer should report to its executive management or the board of directors, as applicable.
- Formal procedures for corrective actions associated with breaches in the CMS or noncompliance with Applicable Laws or the Program Guidelines, as well as reporting corrective actions.

Each of UNI and Bank shall require all permitted assigns, including affiliates, subsidiaries, and Third Party Service Providers to implement a CMS consistent with UNI’s obligations, duties and responsibilities under the Agreement and UNI shall be responsible for the CMS of such parties.

Each party shall take reasonable steps to keep the other party informed of any material issue with any of the elements of its respective CMS and the remedial measures to be taken to address such issue.

These Compliance Guidelines supplement requirements of UNI and Bank under the Agreement. They do not obviate or negate compliance by UNI or Bank with the terms of the Agreement.

Schedule 3.1(i)(A)

Mo. Reporting Data Fields

Data

Delinquent – 30 Days Late - # of loans of book outstanding
Delinquent – 30 Days Late - $ amount of loans outstanding
Delinquent – 30 Days Late - % of loans ($ amount of loans 30 days late / current loan $ outstanding)
Delinquent – 60 - 90 Days Late - # of loans of book outstanding
Delinquent – 60 - 90 Days Late - $ amount of loans of book outstanding
Delinquent – 60- 90 Days Late - % of loans ($ amount of loans 60 days late / current loan $outstanding)
Delinquent – 90 Days Late or charged off - # of loans (since inception)
Delinquent – 90 Days Late +or charged off - $ amount of loans (since inception
Delinquent – 90 Days Late + & charged off - % of loans ($ amount of loans 90 Days Late + & charged off / total $ amount of loans originated)
First Payment Default Data- # of loans with 1st payments due 2 months prior but defaulted
First Payment Defaults- % (of loans with 1st payments due 2 months prior but defaulted/loans with 1st payments due prior month)
First Payment Defaults ($ amount of loans of loans with 1st payments 2 months prior but defaulted
Historical First Month Default $ (total $ of CO at 1st payment / total loans originated since inception)
Projected Loans (#) - 90 days
Projected Loans ($) - 90 days
Projected Loans (#) - 180 days
Projected Loans ($) - 180 days
Projected Loans (#) - 12 months
Projected Loans ($) - 12 months

Did Products Offering Change from last month? (3rd tab) Y or N
Have all complaints from prior months report have either been resolved/closed? (2nd tab) Y or N

% of Loan Applications Approved (mo.)

****Please provide current performance reports with all applicable charts and data***

Schedule 3.1(i)(E)

[***]

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDMENT NO. 1 TO THIRD AMENDED AND RESTATED LOAN PROGRAM AGREEMENT

This Amendment No. 1 to the Third Amended and Restated Loan Program Agreement (this "**Amendment**"), is made and entered into as of November 20, 2019 ("**Effective Date**"), by and between CROSS RIVER BANK, a New Jersey state chartered bank ("**Bank**"), and UPSTART NETWORK, INC., a Delaware corporation ("**UNI**"). Bank and UNI may be referred to in this Agreement individually as a "Party" and collectively as the "Parties." Capitalized terms used but not defined in this Amendment have the definitions ascribed to such terms in the Agreement (defined below).

A. Pursuant to that certain Third Amended and Restated Loan Program Agreement dated as of January 1, 2019, by and between Bank and UNI (as amended, modified, or otherwise restated from time to time, the "**Agreement**"), UNI is providing Bank with certain loan origination assistance services.

B. The Parties now desire to amend the Agreement in one or more certain respects, as set forth in this Amendment.

For and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the parties, intending to be legally bound, agree as follows:

1. Amendments to Agreement.

1.1. Section 9.1(n)(F) of the Agreement is amended and restated in its entirety to read as follows:

"(F) umbrella liability with limits not less than Ten Million ($10,000,000.00) Dollars per occurrence and aggregate;"

1.2. Exhibit A of the Agreement is amended and restated in its entirety to read as follows:

"EXHIBIT A

Fees and Eligible States

Origination Assistance Fees

The Origination Assistance Fee for each Loan shall be equal to the sum of two separate origination-related fees that are collected by Bank from the Borrower: (1) a "Platform Fee" and (2) a "Referral Services Fee."

The Platform Fee for each loan shall be equal to [***] of the original principal balance of each Loan, unless UNI and Bank have agreed to a lesser percentage in accordance with the Program Guidelines and as set forth in each Funding Statement, in which case the Platform Fee shall be equal to such lesser percentage mutually agreed to by the parties.

The Referral Services Fee for each Loan, if any, shall be equal to [***].

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

Eligible States

Loans under the Program shall be made by Bank in the jurisdictions permitted under the Program Guidelines only."

2. Miscellaneous.

2.1. The Agreement, as amended herein, is ratified, approved and confirmed in each and every respect. In the event of any conflict or inconsistency between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall control and govern.

2.2. The Agreement, as amended herein, constitutes the entire agreement concerning the subject matter hereof and supersedes any prior or contemporaneous representations or agreements (whether written or oral) concerning the subject matter hereof.

2.3. All references to the Agreement in any other document, instrument, agreement or other writing shall be deemed to refer to the Agreement as amended by this Amendment.

2.4. Each party executing this Amendment represents that it has full authority and legal power to do so.

2.5. This Amendment shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

2.6. This Amendment may be executed in any number of counterparts, each of which will be deemed an original, but all of which taken together shall constitute one single agreement between the parties. Delivery of an executed counterpart of this Amendment by electronic method of transmission is as effective as delivery of an original executed counterpart. An executed counterpart of this Amendment delivered by electronic method shall be followed by delivery of an original copy of such executed counterpart, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment.

[*Signatures set forth on following page*]

The parties hereto have executed this Amendment as of the Effective Date set forth above.

CROSS RIVER BANK

By: /s/ Adam Goller
Name: Adam Goller
Title: EVP

UPSTART NETWORK, INC.

By: /s/ Sanjay Datta
Name: Sanjay Datta
Title: Chief Financial Officer

AMENDMENT NO. 1 TO THIRD AMENDED AND RESTATED LOAN PROGRAM AGREEMENT

This Amendment No. 1 to the Third Amended and Restated Loan Program Agreement (this *"Amendment"*) is entered into as of November 25, 2020 by and between UPSTART NETWORK, INC., a Delaware corporation (*"UNI"*) and CROSS RIVER BANK, a New Jersey state-chartered bank (*"Bank"*).

RECITALS:

WHEREAS, UNI and Bank have entered into a Third Amended and Restated Loan Program Agreement, dated as of January 1, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Program Agreement") to govern the origination of certain loans by Bank and the engagement of UNI by Bank to perform certain marketing and other services; and

WHEREAS, Bank is a party to the Assurance of Discontinuance dated as of August 7, 2020, and attached hereto as Exhibit A (the "Colorado Settlement Agreement") with the Administrator of the Uniform Consumer Credit Code ("UCCC") of the State of Colorado, relating to the origination of certain loans to borrowers located in Colorado; and

WHEREAS, the Colorado Settlement Agreement sets forth criteria constituting compliance with applicable UCCC provisions, creating a "Safe Harbor" for closed-end consumer loans made to Colorado borrowers through Bank loan programs; and

WHEREAS, it is the intent of UNI and Bank to amend the Loan Program Agreement, in order to ensure compliance with the Safe Harbor, and to adopt certain practices with respect to the Program more broadly.

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT:

SECTION 1. DEFINED TERMS.

Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Loan Program Agreement or the Colorado Settlement Agreement.

SECTION 2. EFFECTIVE DATE.

This Amendment shall be effective as of the date first set forth above.

SECTION 3. AMENDMENTS

The Loan Program Agreement is amended as follows:

(a) Section 1.1 is amended by inserting the term(s) below into the Definitions section in appropriate alphabetical order:

"Colorado Compliance Report" means, in addition to the Annual Supervised Lender Annual Report, a written compliance report required by the Colorado Administrator of the UCCC on an annual basis, that contains the following information: (1) a list of every Specified Loan originated through the Program during the year of such Colorado Compliance Report, which includes for each Specified Loan: (i) account number, (ii) amount financed, (iii) APR, (iv) funding date, (v) then-current creditor and (vi) whether or not the Specified Loan was transferred to UNI; and (2) a narrative explanation of whether the Program is relying on the Structural Criteria to make Specified Loans in Colorado, and to the extent the Program is relying on the Structural Criteria, a reasonably comprehensive explanation of which Structural Criteria and the manner in which UNI has complied with such Structural Criteria.

(b) Section 1.1 is amended by replacing the first sentence of the definition of "Advertising Materials" with the sentence set forth below:

"Advertising Materials" means all materials and methods used by UNI in the performance of its marketing and solicitation Services under this Agreement in connection with the origination of Loans by Bank, including advertisements, direct mail pieces, brochures, website materials and any other similar materials, and includes all content related to the Program on any website hosted by UNI.

(c) A new Section 2.7 is inserted as follows:

Section 2.7. Safe Harbor Provisions. The Parties intend to offer the Program in accordance with the applicable Safe Harbor terms of the Colorado Settlement Agreement to Bank, and to give effect to the applicable terms of the Safe Harbor. Bank may terminate its origination of Specified Loans at any time.

(d) Section 3.1(i)(D) is amended by inserting the following new sentence at the end of the existing text:

Without limiting the foregoing, Bank may exercise oversight over any credit models used by UNI in connection with the Program, including governance of the credit models under applicable model risk management required by any Regulatory Authorities or pursuant to Applicable Law. UNI shall cooperate with Bank with respect to any requests from Bank in connection therewith.

(e) Section 3.1(p) is amended by inserting the following sentence at the end of the existing text:

UNI understands that Bank has ultimate approval authority over UNI's oversight and/or third party risk management program pertaining to its significant Third Party Service Providers.

(a) Section 3.2(a) is amended by inserting the following new sentence after the existing text:

Bank shall have the right to make an exception to its Credit Policy with respect to any particular transaction, in its sole discretion, provided that Bank shall expressly communicate such exception to UNI.

(b) Section 4.2(d) is amended by inserting the following new sentence at the end of the existing test:

For the avoidance of doubt, Bank has the right to audit all Advertising Materials pursuant to this Agreement.

(c) Section 5.1 is amended by inserting the following new clause 5.1(c) immediately following the existing text of clause 5.1(b):

Bank shall fund all Loans in the manner set out in the Program Guidelines, and from its own account using any source allowable by banking regulation, including a combination of its own capital, reserves, retained earnings, deposits, and credit facilities. Funds shall not be provided by UNI to Bank for the express purpose of funding the origination of Loans. Notwithstanding anything contained in this Agreement, nothing in this Agreement shall obligate Bank to extend credit to a Loan Applicant or disburse a Loan if Bank determines in its reasonable discretion that doing so would be an unsafe or unsound banking practice

(d) Section 9.2(f) is amended by inserting the following new sentence after the existing text:

Insofar as the Bank determines to make an exception to its Credit Policy with respect to any particular transaction, it will communicate such exception expressly to UNI.

(e) Section 9.3 is amended by inserting the following new Sections 9.3(k) and 9.3(l) immediately following the existing text of Section 9.3(j):

(k) UNI has a Supervised Lenders' License issued by the Administrator of the Uniform Consumer Credit Code ("UCCC") in Colorado pursuant to the UCCC, C.R.S. § 5-2-301, and shall at all times maintain such license in good standing to the extent the Program offers "supervised loans" in Colorado as defined by UCCC, C.R.S. 5-1-301(47) and UNI takes assignment of and undertakes direct collection of payments from or enforcement of rights against consumers arising from such supervised loans, and to the extent required by Applicable Law. UNI shall timely submit all reports required by the Administrator of the Uniform Consumer Credit Code in Colorado, including, without limitation, the annual Colorado Compliance Report, and shall provide copies of such reports to Bank.

(l) All Loan Agreements for Specified Loans shall provide that Colorado law applies to such Loan Agreements, except where otherwise preempted or authorized by federal law, including that any "interest" terms as contemplated by 12 U.S.C. § 1831d (including origination fees, periodic interest, late fees, and returned check fees) shall be governed by 12 U.S.C. § 1831d and the laws of Bank's home state.

(f) Exhibit C (Compliance Guidelines) is amended by adding the bracketed language to the existing text in Section 3:

Guidance for Managing Third-Party Risk (FIL-44-2008, June 6, 2008); [Proposed Guidance for Third-Party Lending (FIL-50-2016) or such successor or replacement guidance as may be in effect from Bank's Regulatory Authorities from time to time]; Fair Lending Laws, including:

a. Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and Regulation B;

b. Military Lending Act, 10 U.S.C. § 101 et seq., and

c. Servicemembers Civil Relief Act ("SCRA")

(g) Exhibit C (Compliance Guidelines) is amended by adding the following new paragraph as the final paragraph:

UNI will maintain the following records related to the Program for as long as the Agreement is in effect and for a minimum period of two (2) years following termination of the Agreement:

a. A record of Bank's approval of Advertising Materials

b. A record of any Credit Policy Manual exceptions granted by Bank.

c. A record of all approvals by Bank of Third Party Service Providers engaged by UNI to perform services relating to the Program, and of UNI's oversight and/or third-party risk management program pertaining to such Third Party Service Providers.

(h) The Audit and Monitoring Program Matrix of Schedule 3.1(i)(E) is amended by adding the following as the last row of the existing table:

Colorado Compliance Report	Annually	Per MPL	Required in connection with the Annual Supervised Lenders Report	December 31, 2020 and 1 year from prior

SECTION 4. EFFECT ON THE LOAN PROGRAM AGREEMENT.

(a) Upon this Amendment becoming effective, each reference to the "Agreement," "hereunder," "hereof," "herein" or words of like import referring to the Loan Program Agreement, shall mean and be a reference to the Loan Program Agreement as modified by this Amendment.

(b) This Amendment is not intended to create, nor does it create and shall not be construed to create, a partnership or joint venture or any other common association for profit between Bank and the UNI.

SECTION 5. EXECUTION IN COUNTERPARTS.

This Amendment may be executed in any number of counterparts and by different 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. Delivery of an executed signature page to this Amendment by facsimile transmission or otherwise transmitted or communicated by email shall be as effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. HEADINGS.

Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

SECTION 7. ENTIRE AGREEMENT.

The Loan Program Agreement, as amended herein, is ratified, approved and confirmed in each and every respect, and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the subject matter hereof. In the event of any conflict or inconsistency between the provisions of the Loan Program Agreement and this Amendment, the provisions of this Amendment shall control and govern.

SECTION 8. SUCCESSORS AND ASSIGNS.

This Amendment shall be binding on and shall inure to the benefit of UNI and Bank and their respective successors and assigns.

SECTION 9. MISCELLANEOUS.

The provisions contained in Section 10.3 (Governing Law; Arbitration) of the Loan Program Agreement are incorporated herein by this reference and shall govern this Amendment.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

UPSTART NETWORK, INC.

By: /s/ Dave Girouard
Name: Dave Girouard
Title: CEO

CROSS RIVER BANK

By: /s/Gilles Gade
Name: Gilles Gade
Title: President and Chief Executive Officer

By: /s/Arlen Gelbard
Name: Arlen Gelbard
Title: EVP, General Counsel

Upstart-CRB Auto Loan Program

Program Agreement Addendum

This Auto Loan Program Program Agreement Addendum (the "**Addendum**") is entered into as of November 25, 2020 ("**Addendum Effective Date**") and is attached to and made a part of the Third Amended and Restated Loan Program Agreement between Cross River Bank ("**CRB**") and Upstart Network, Inc. ("**UNI**") dated January 1, 2019 (the "**Program Agreement**").

WHEREAS, under the Program CRB originates unsecured personal loans on the UNI Platform and UNI's provision of origination assistance services in connection with such loan originations all pursuant to the terms and conditions set forth in the Program Agreement;

WHEREAS, the parties wish to expand the Program to include CRB's origination of secured loans used for the purpose of purchasing or refinancing of a motor vehicle loan or retail installment contract ("**Auto Loan**") on the UNI Platform and UNI's provision of origination assistance services in connection with such Auto Loan originations ("**Auto Loan Program**"); and

WHEREAS, the parties wish to supplement the Program Agreement with additional terms and conditions related to the Auto Loan Program.

NOW THEREFORE, in consideration of the mutual covenants and promises exchanged herein, the receipt and sufficiency of which is hereby acknowledged as adequate consideration, the parties agree as follows:

(1) **Definitions.** Capitalized terms used in this Addendum but not defined herein will have the same meaning as in the Program Agreement.

(2) **Auto Loan Program.** The parties agree:

a. Each Auto Loan is a Loan under the Program Agreement, the Auto Loan Program is part of the Program and, except as set forth in this Addendum, the terms and conditions set forth in the Program Agreement that apply to Loans and the Program shall apply to Auto Loans and the Auto Loan Program.

b. The Program Guidelines, including the Credit Policy, Underwriting Procedures, Program Terms shall be updated to include the specifications associated with Auto Loans to be originated under the Auto Loan Program, as such may be updated from time to time in accordance with Section 2.3 of the Agreement. UNI shall comply with the Program Terms and the Program Guidelines in connection with the administration of the Auto Loan Program.

c. UNI shall cause each Auto Loan to be secured by a valid, legal, perfected, enforceable first-priority lien on the related financed vehicle. UNI shall take all such actions and deliver and cause to be duly filed any and all instruments and documents, including, without limitation, UCC financing statements, necessary to assure, obtain, preserve, protect and perfect Bank's security interest in the Auto Loan and financed vehicle and the related rights and remedies with respect thereto.

d. UNI shall cause the Loan Documents for each Auto Loan to include the title file and each of the following, as part of the servicing file for such Auto Loan or otherwise: (i) the application of the obligor for credit; (ii) a copy of the Auto Loan agreement and any amendments thereto; (iii) a copy (but not the original) of any certificate of title, including evidence of the notation of Bank's or Purchaser's (as applicable) security interest on the title to the motor vehicle, and the related application therefor, as applicable with respect to the financed vehicle and the particular State; (iv) proof of insurance or application therefor with respect to the financed vehicle securing the Auto Loan; and (v) such other documents as Bank additionally maintains in connection with the origination and servicing of any Auto Loan.

(3) **Miscellaneous.** The terms and conditions of the Program Agreement in effect between the parties shall continue to be in full force and effect and apply to this Addendum; *provided however*, that solely with respect to the subject matter of this Addendum, in the event of a conflict between the terms of the Program Agreement and the terms of this Addendum, the terms of this Addendum shall control. This Addendum may not be altered, amended, or modified except by written instrument, signed by the duly authorized representatives of all parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this Addendum to be executed by their duly authorized representatives as of the Addendum Effective Date.

CROSS RIVER BANK

/s/ Gilles Gade
Name: Gilles Gade
Title: CEO

/s/ Arlen Gelbard
Name: Arlen Gelbard
Title: General Counsel

UPSTART NETWORK, INC.

/s/ Dave Girouard
Name: Dave Girouard
Title: CEO

Exhibit 10.14

EXECUTION VERSION

THIRD AMENDED AND RESTATED

LOAN SALE AGREEMENT

between

CROSS RIVER BANK

and

UPSTART NETWORK, INC.,
as Purchaser

Dated as of January 1, 2019

*** Certain information has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

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THIRD AMENDED AND RESTATED

LOAN SALE AGREEMENT

[Upstart Network, Inc.]

THIS THIRD AMENDED AND RESTATED LOAN SALE AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "***Agreement***"), dated as of January 1, 2019 ("***Effective Date***"), is made by and between CROSS RIVER BANK, a New Jersey state-chartered bank with its principal offices located at 400 Kelby Street, Fort Lee, New Jersey, 07024 ("***Bank***"), and UPSTART NETWORK, INC., a Delaware corporation, with its principal offices located at Two Circle Star Way, San Carlos, California 94070 ("***Purchaser***").

WHEREAS, Bank desires to sell to Purchaser, and Purchaser desires to purchase from Bank, certain loans that are originated by Bank from time to time; and

WHEREAS, Bank and Purchaser are parties to that certain Second Amended and Restated Loan Sale Agreement, dated as of November 1, 2015 (as amended, the "***Existing Sale Agreement***") and wish to amend and restate the Existing Sale Agreement in its entirety as of the Effective Date.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Purchaser intending to be legally bound mutually agree as follows:

1. Definitions; Interpretation.

(a) Capitalized terms used in this Agreement shall have the meanings given to such terms in *Schedule 1*.

(b) As used in this Agreement: (i) all references to the masculine gender shall include the feminine gender (and vice versa); (ii) all references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation"; (iii) references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (iv) references to another agreement, instrument or other document means such agreement, instrument or other document as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof; (v) references to "dollars" or "$" shall be to United States dollars unless otherwise specified herein; (vi) unless otherwise specified, all references to days, months or years shall be deemed to be preceded by the word "calendar"; (vii) all references to "quarter" shall be deemed to mean calendar quarter; (viii) unless otherwise specified, all references to an article, section, subsection, exhibit or schedule shall be deemed to refer to, respectively, an article, section, subsection, exhibit or schedule of or to this Agreement; (ix) unless the context otherwise clearly indicates, words used in the singular include the plural and words in the plural include the singular; and (x) in connection with the computation of any time period, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

(c) The parties agree that on the Effective Date, the Existing Sale Agreement shall be amended and restated in its entirety by this Agreement and (a) all references to the Existing Sale Agreement in any document other than this Agreement (including in any amendment, waiver or consent to such document) shall be deemed to refer to this Agreement as an amendment and restatement of the Existing Sale Agreement in its entirety, and (b) all references to any section (or subsection) of the Existing Sale Agreement in any document (but not herein) shall be amended to be references to the corresponding provisions of this Agreement. This Agreement is not intended to constitute, and does not constitute, a novation of the obligations and liabilities under the Existing Sale Agreement or to evidence fulfillment of all or any portion of such obligations and liabilities. Further, on and after the Effective Date, (a) the Existing Sale Agreement shall be of no further force and effect, except as amended and restated hereby, and except to evidence (i) prior transactions under the Existing Sale Agreement, (ii) the representations and warranties made thereunder by the Bank and Purchaser prior to the Effective Date with respect to any transactions under the Existing Sale Agreement only, and (iii) any action or omission performed or required to be performed pursuant to the Existing Sale Agreement prior to the Effective Date (including any failure, prior to the Effective Date, to comply with the covenants contained in the Existing Sale Agreement), and (b) the terms and conditions of this Agreement, including all rights and remedies hereunder, shall apply to all obligations incurred under the Existing Sale Agreement. Until the Effective Date, the Existing Sale Agreement shall remain in full force and effect in accordance with its terms. Each party (1) reserves the right to request (and the other party is obligated to provide) assistance to transition any systems, processes or other existing guidelines to conform to the terms and conditions of this Agreement, and (2) acknowledges and agrees that each party shall remain obligated to pay any fees and expenses for services or other activities that were properly performed prior to termination and such payment obligation shall survive such termination. Except as may be applicable under the immediately preceding sentence, there shall be no termination fees or charges applicable to the termination of the Existing Sale Agreement.

2. Purchase of Loans; Payment to Bank; Retained Loans; Funding Statements.

(a) Purchase of Loans. On each Closing Date, Bank hereby agrees to sell, assign, set-over, transfer, and otherwise convey to Purchaser, or a third party designated by Purchaser subject to execution by such designated third party and Bank of a loan purchase and sale agreement, without recourse but subject to the representations, warranties, terms and provisions of this Agreement and with all servicing released, and Purchaser agrees to purchase, or cause a designated third Party acceptable to Bank to purchase, as the case may be, on each Closing Date, all of Bank's right, title and interest in and to the Purchaser Loans funded by Bank on the applicable Funding Date. At least three (3) Business Days prior to each Closing Date, Purchaser shall provide Bank with a statement (each such statement, a "***Funding Statement***"), which shall contain, as applicable, (i) the names of the Borrowers for each of the Purchaser Loans Purchaser or Purchaser's designated third party intends to purchase; (ii) the Purchase Price for each Purchaser Loan, and (iii) such other information as shall be reasonably requested by Bank. Bank shall review and confirm to Purchaser the sale terms set forth in each Funding Statement no later than one (1) Business Day following Bank's receipt of a Funding Statement from Purchaser. On each Closing Date, Bank shall provide an acknowledgement of the sale of the Purchaser Loans in accordance with the terms of this Agreement. Purchaser shall promptly notify Bank of any event that would materially and adversely affect the Purchaser's ability to purchase the Purchaser Loans.

(b) Payment to Bank.

i) In consideration of Bank's agreement to sell, transfer, assign, set-over, transfer and convey to Purchaser the Purchaser Loans, Purchaser shall purchase the Purchaser Loans by depositing the Purchase Price into the Funding Account by 3:00 pm Eastern Time on each Closing Date.

ii) For each Loan, Purchaser shall pay the applicable Loan Premium Fee on the applicable Closing Date (or as otherwise reflected in the Funding Statement with respect to Retained Loans).

iii) The projected amount of the Trailing Fee for each Purchaser Loan shall be set forth in the applicable Funding Statement divided into monthly installments to be paid to Bank by Purchaser, *provided* the Borrower under such Purchaser Loan has remitted the applicable monthly payment, including in the event that that Borrower remits such payment(s) after such Purchaser Loan becomes a Defaulted Loan and is later reinstated, *provided further* that in the event any Purchaser Loan is modified in the form of a principal reduction or term extension then the Trailing Fee shall be modified on a pro rata basis.

For the avoidance of doubt, (A) Interim Interest accrued on any Purchaser Loan between the Funding Date and the related Closing Date shall inure to the benefit of Bank, and (B) in the event of any Purchaser Loan becomes a Defaulted Loan or otherwise becomes uncollectible, Purchaser shall be relieved of any obligation to continue to pay the remaining amount of any applicable Trailing Fee.

(c) Retained Loans. Bank shall maintain ownership of the Retained Loans, provided that Bank's obligations regarding Retained Loans are subject to the limitations specified in Section 2(c)(i) and (iii) below:

i) the maximum Outstanding Principal Balance of Retained Loans that the Bank will retain (A) in any calendar month, which shall equal the Maximum Monthly Retention Amount, and (B) in the aggregate for all Retained Loans at any given time during the Term of the Agreement, which shall equal Maximum Outstanding Retention Amount, which limits may be increased by the Bank upon notice to Purchaser but which shall not be decreased by the Bank except with the express written agreement of Purchaser and only upon ninety (90) days' prior written notice.

ii) Each month during the Term, the parties will jointly verify the manner in which the Retained Loans were allocated;

iii) Notwithstanding anything to the contrary set forth in this Agreement, Bank shall have no obligation to retain any Loan (A) if retention of such Loan would cause Bank to exceed the Retained Loan Limits or (B) during the Retention Cessation Period.

(d) Purchaser shall be responsible for engaging an e-vaulting agent acceptable to Bank to maintain electronically all Loan Documents related to the Retained Loans

(e) Delivery of Loan Files. To the extent Loan Documents or files are in Bank's possession or under Bank's control, upon Purchaser's request on each Closing Date, Bank agrees to cause to be delivered or released to Purchaser, Loan Documents on all Purchaser Loans and Retained Loans within five (5) Business Days of the related Closing Date; provided that Bank may retain copies of such information as necessary to comply with the Applicable Laws.

(f) True-Up. If, subsequent to any Closing Date, the amount on any Funding Statement on which the Purchase Price with respect to a Purchaser Loan was based is found to be in error, within ten (10) Business days of receipt of information from the discovering party sufficient to establish the error, the party benefiting from the error shall pay the other party an amount sufficient to correct and reconcile the Purchase Price and related Loan Premium Fees and Trailing Fees.

3. Ownership; Servicing; True Sale; Securitization.

(a) Ownership. Subject to the Purchaser's payment for a Purchaser Loan pursuant to Section 2(b), Purchaser shall be the sole owner for all purposes (e.g., tax, accounting and legal) of each such Purchaser Loan purchased from Bank on the related Closing Date. Each of Purchaser and Bank agrees to make entries on its books and records to clearly indicate the sale of each Purchaser Loan sold to Purchaser hereunder. Subject to the representations and warranties for each Purchaser Loans sold hereunder, it is expressly agreed and understood that Bank will not assume and shall not have any liability to Purchaser for the repayment of any portion or all of any debt service by the Borrower, or for the servicing of any Purchaser Loan sold to Purchaser hereunder after the related Closing Date. For the avoidance of doubt, Purchaser may sell, transfer, or assign any Purchaser Loan to any Person following the purchase thereof from Bank.

Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, Bank acknowledges and agrees that Bank shall not sell, distribute or otherwise use Customer Information except as contemplated under the Program, including for the purposes of soliciting Borrowers directly or indirectly for any products or services not offered under the Program, regardless of Bank's past or present ownership of such Customer Information.

(b) Servicing of Loans. As of each applicable Closing Date, Purchaser or its designee(s) shall be responsible for the management, servicing, administration and collection related to the Purchaser Loans. Purchaser agrees to be responsible for the management, servicing, administration and collection related to the Retained Loans, which shall be memorialized in a separate, mutually acceptable servicing agreement between the parties ("*Servicing Agreement*"). As of each applicable Closing Date, Purchaser or its designee(s) shall have full power and authority to do or cause to be done any and all things relating to such servicing which Purchaser may deem necessary or desirable in accordance with Applicable Law with respect to Purchaser Loans. If (i) Purchaser, in its capacity as servicer of any Retained Loan, breaches its obligations to comply with Applicable Laws in any material respect under the Servicing Agreement entered into between the parties, and such breach cannot be cured in all material respects within sixty (60) days after Bank provides written notice to Purchaser of such breach, or (ii) any Retained Loan that has not been properly allocated to Bank in accordance with this Agreement, or (iii) Bank has repurchased any Purchaser Loan from a third party purchaser designated by Purchaser where the underlying cause for such repurchase is an uncured material breach of Purchaser's obligations under agreements between Purchaser and Bank, then at Bank's option Purchaser shall purchase or cause to be purchased from Bank such Purchaser Loan or Retained Loan, as applicable, within five (5) Business Days at a price equal to the Outstanding Principal Balance, *plus* any accrued and unpaid interest on such Retained Loan. Contemporaneous with any such purchase by Purchaser of a Retained Loan pursuant to this Section 3(b), Bank will transfer all applicable Loan Documents in Bank's possession to Purchaser.

(c) True Sale. It is the express intent of the parties hereto that the conveyance of the Purchaser Loans by Bank to Purchaser, as contemplated by this Agreement be, and be treated as, a sale of Purchaser Loans by Bank to Purchaser. It is, further, not the intention of the parties that such conveyance be, or be deemed, a pledge of the Purchaser Loans by Bank to Purchaser to secure a debt or other obligation of Purchaser. However, in the event that, notwithstanding the intent of the parties, the Purchaser Loans are held by a court to continue to be property of Bank then (i) this Agreement shall be deemed to be a security agreement within the meaning of Articles 8 and 9 of the applicable Uniform Commercial Code, (ii) the transfer of Purchaser Loans provided for herein shall be deemed to be a grant by Bank to Purchaser of a security interest in all of Bank's right, title and interest in and to the Purchaser Loans and all amounts payable on such Purchaser Loans (other than the applicable Trailing Fees) in accordance with the terms thereof and all proceeds of the conversion, voluntary or involuntary, of such Purchaser Loans into cash, instruments, securities or other property, to the extent Purchaser would otherwise be entitled to own such Purchaser Loans and proceeds pursuant to this Agreement, (iii) the possession by Purchaser, any of its assigns or an agent or custodian on behalf of Purchaser or any lender to Purchaser or any of its assigns and such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be deemed to be "possession by the secured party" for purposes of perfecting the security interest pursuant to Section 9-313 (or comparable provision) of the applicable Uniform Commercial Code, and (iv) notifications to Persons holding such property, and acknowledgments, receipts or confirmations from Persons holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, financial intermediaries, bailees or agents (as applicable) of Purchaser for the purpose of perfecting such security interest under Applicable Laws. Any assignment of the interest of Purchaser shall also be deemed to be an assignment of any security interest created hereby. Purchaser and Bank shall, to the extent consistent with this Agreement, take such actions as may be reasonably necessary to ensure that, if this Agreement were deemed to create a security interest in the Purchaser Loans, such security interest would be deemed to be a perfected security interest of first priority under Applicable Laws.

(d) Reserved.

4. Reserve Account.

(a) Reserve Account. Not later than two (2) days prior to the Funding Date, Purchaser shall maintain one or more Reserve Accounts with Bank and maintain immediately available funds in such Reserve Account in an amount at least equal to the Required Balance. In the event that the

Reserve Account is not maintained with the Bank, then such Reserve Accounts shall be subject to a mutually acceptable deposit account control agreement in favor of Bank. In the event that Bank notifies Purchaser in writing that the amount on deposit in the Reserve Accounts is at any time less than the Required Balance, Purchaser shall promptly deposit into the Reserve Account the amount necessary to attain the Required Balance.

(b) Security Interest. To secure the timely payment of the Purchase Price for each Purchaser Loan sold hereunder and all obligations owing by Purchaser related thereto and the performance and observance of all the obligations and liabilities of Purchaser incurred under this Agreement, Purchaser hereby conveys, warrants, assigns, transfers, pledges and grants a security interest unto Bank in all right, title, interest, claims and demands of Purchaser, wherever located, whether now or hereafter existing, owned or acquired in, to or under the Reserve Account. Purchaser agrees to take such measures as Bank may reasonably require to perfect or protect a first priority security interest in the Reserve Account. Bank shall have all of the rights and remedies of a secured party under Applicable Laws in relation to the Reserve Account and the amounts at any time on deposit therein, and shall be entitled to exercise those rights and remedies in its discretion.

(c) Right to Withdraw. Without limiting any other rights or remedies of Bank under this or any other Agreement, Bank shall have the right to withdraw amounts from the Reserve Account, upon delivery of notice to Purchaser regarding such withdrawal, to fulfill any payment obligations of Purchaser under the Program.

(d) Release of Funds. Purchaser may withdraw amounts from the Reserve Account with the prior written consent of Bank. In addition, in the event the amount on deposit in the Reserve Account at any time exceeds the Required Balance by more than ten (10%) percent calculated for a particular Business Day, then, Purchaser, at its option, may provide to Bank a report setting forth the calculation of the Required Balance and the extent to which the funds on deposit in the Reserve Account at such time exceed the Required Balance and, within two (2) Business Days following receipt by Bank of such report from Purchaser, Bank shall, if such excess still exists, transfer such excess from the Reserve Account to an account (by ACH or wire) designated by Purchaser. Bank shall release to Purchaser any funds remaining in the Reserve Account *less* any amounts owed by Purchaser under the Program within twenty (20) Business Days after the termination of this Agreement.

5. Representations and Warranties of Bank.

Bank hereby represents and warrants to Purchaser, as of the Effective Date and each Closing Date under this Agreement that:

(a) This Agreement constitutes a legal, valid and binding obligation of Bank, enforceable against Bank in accordance with its terms except (i) to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity.

(b) Bank is an FDIC-insured New Jersey state-chartered bank, duly organized, existing, and in good standing under the laws of the State of New Jersey.

(c) Bank has full corporate power and authority to execute, deliver and perform all its obligations under this Agreement.

(d) The execution of this Agreement and the completion of all actions required or contemplated to be taken by Bank hereunder are within the ordinary course of Bank's business and not prohibited by, and complies with, Applicable Laws in all material respects.

(e) The execution, delivery and performance by Bank of this Agreement (i) comply with New Jersey and federal banking laws in all material respects, and (ii) have been duly authorized by Bank, and are not in conflict with and do not violate the terms of the charter or by-laws of Bank and shall not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party.

(f) Bank is not Insolvent.

(g) All authorizations, approvals, licenses, consents, registrations and other actions by, notices to, and filings with, any Person that may be required in relation to the execution, delivery, and performance of this Agreement by Bank, have been obtained, except to the extent that the failure to so obtain would not reasonably be likely to have a material adverse effect on the Purchaser Loans.

(h) There are no investigations or proceedings pending or, to the best knowledge of Bank, threatened against Bank (i) seeking to prevent the completion of any of the transactions contemplated by this Agreement (ii) asserting the invalidity or unenforceability of this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of Bank, would reasonably be likely to adversely and materially affect the performance by Bank of its obligations under this Agreement, (iv) seeking any determination or ruling that would reasonably be likely to adversely and materially affect the validity or enforceability of this Agreement or (v) that would be reasonably likely to have a materially adverse financial effect on Bank or its operations if resolved adversely to it.

(i) With respect to each Purchaser Loan:

i) Bank has the complete and unrestricted right and authority to sell, convey, assign, transfer and deliver to Purchaser, such Purchaser Loan being sold to Purchaser pursuant to this Agreement, and the transfer of each such Purchaser Loan constitutes a valid and absolute sale, transfer, assignment, set-over and conveyance to Purchaser of all of Bank's right, title, and interest in and to such Purchaser Loan, provided the Bank shall make no representations or warranties for such sale, whether expressed or implied, except as set forth in this Agreement;

ii) Bank is the sole owner and holder of and has good and marketable title to such Purchaser Loan to be purchased and upon the sale of such Purchaser Loan, Purchaser will receive such Purchaser Loan, free and clear of any liens, pledges or encumbrances created or incurred by Bank;

iii) Bank is not required to obtain any consent, license, approval or authorization, or registration or declaration with, any Regulatory Authority in

connection with the origination and sale of such Purchaser Loan being sold, transferred and assigned to Purchaser under this Agreement, and the origination, funding, and transfer to the Purchaser of such Purchaser Loan complied in all material respects with all then-applicable federal, state and local lending laws and regulations, and no fraud, material misrepresentation or gross negligence has taken place by Bank in connection with the origination of such Purchaser Loans;

iv) The Loan Documents complied at the time executed with all Applicable Laws in all material respects;

v) The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of Bank, and the transfer, assignment and conveyance of such Purchaser Loan by Bank to Purchaser pursuant to this Agreement are not subject to bulk transfer or any similar statutory provisions in the State of New Jersey;

vi) Bank has maintained, and shall continue to maintain, records in a manner to clearly and unambiguously reflect the ownership of Purchaser in such Purchaser Loan immediately following the transfers contemplated hereunder;

vii) Bank has not done, and shall not do, anything that would forgive, waive, amend, modify or alter the terms and conditions or the balance of such Purchaser Loan or impair the enforceability or collectability of such Purchaser Loan;

viii) To Bank's knowledge, no obligor has asserted any defense, counter claim, offset or dispute, or is the subject of any bankruptcy or other similar proceeding;

ix) Such Purchaser Loan is valid and enforceable, and was and is free of any defense, offset, counterclaim or recoupment that could be asserted by an obligor with respect to such Purchaser Loan sold hereunder;

x) Any data provided by Bank to Purchaser with respect to such Purchaser Loan is true and correct in all respects, other than with respect to information provided by Purchaser;

xi) Such Purchaser Loan was underwritten in accordance with the applicable underwriting criteria of the Program;

xii) Such Purchaser Loan was originated in the United States, is denominated in United States dollars and is payable in the United States; and

xiii) The Loan Proceeds for such Purchaser Loan have been fully disbursed.

The representations and warranties set forth in this Section 5 shall survive the sale, transfer, set-over, and assignment of the Purchaser Loans to Purchaser pursuant to this Agreement and, with the exception of those representations and warranties contained in subsection 5(h) shall be made continuously throughout the term of this Agreement. In the event that any investigation or proceeding of the nature described in subsection 5(h) is instituted or threatened against Bank, Bank shall promptly notify Purchaser of such pending or threatened investigation or proceeding to the extent permitted by Applicable Law.

6. Representations and Warranties of Purchaser.

Purchaser hereby represents and warrants to Bank, as of the Effective Date and each Closing Date under this Agreement that:

(a) This Agreement is valid, binding and enforceable against Purchaser in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity) and Purchaser has received all necessary approvals and consents for the execution, delivery and performance by it of this Agreement;

(b) Purchaser is duly organized, validly existing, and in good standing under the laws of the state of its organization and is authorized, registered and licensed to do business in each state in which the nature of its activities makes such authorization, registration or licensing necessary or required.

(c) Purchaser has the full corporate power and authority to execute and deliver this Agreement and perform all of its obligations hereunder.

(d) The execution of this Agreement and the completion of all actions required or contemplated to be taken by Purchaser hereunder are within the ordinary course of Purchaser's business and not prohibited by, and complies with, Applicable Laws in all material respects.

(e) The provisions of this Agreement and the performance of each of its obligations hereunder do not conflict with Purchaser's organizational or governing documents, or any agreement, contract, lease, order or obligation to which Purchaser is a party or by which Purchaser is bound, including any exclusivity or other provisions of any other agreement to which Purchaser or any related entity is a party, and including any non-compete agreement or similar agreement limiting the right of Purchaser to engage in activities competitive with the business of any other party or any regulatory or governmental authority that Purchaser is subject to.

(f) There are no actions, lawsuits, investigations or proceedings pending or, to the best knowledge of the Purchaser, threatened against the Purchaser (i) seeking to prevent the completion of any of the transactions contemplated by the Purchaser pursuant to this Agreement (ii) asserting the invalidity or enforceability of this Agreement, (iii) seeking any determination or ruling that, in the reasonable judgment of the Purchaser, would be reasonably likely to have an adversely and materially affect the performance by the Purchaser of its obligations under this Agreement, (iv) seeking any determination or ruling that would reasonably be likely to adversely and materially affect the validity or enforceability of this Agreement or (v) would reasonably be likely to have a materially adverse financial effect on the Purchaser or its operations if resolved adversely to it.

(g) Purchaser is not Insolvent.

(h) Any liability incurred by Purchaser or its affiliates for any financial advisory fees, brokerage fees, commissions or finder's fees directly or indirectly in connection with this Agreement or the transactions contemplated hereby will be borne by Purchaser.

(i) The execution, delivery and performance of this Agreement by Purchaser comply with all Applicable Laws in all material respects.

(j) Neither Purchaser nor any principal thereof has been or is the subject of any of the following that will materially affect Purchaser's ability to perform under this Agreement:

i) an enforcement agreement, memorandum of understanding, cease desist order, administrative penalty or similar agreement concerning lending matters, or participation in the affairs of a financial institution;

ii) an administrative or enforcement proceeding or investigation commenced by the Securities Exchange Commission, state securities regulatory authority, Federal Trade Commission, any banking regulator or any other state or federal Regulatory Authority, with the exception of routine communications from a Regulatory Authority concerning a consumer complaint and routine examinations of Purchaser conducted by a Regulatory Authority in the ordinary course of Purchaser's business; or

iii) a restraining order, decree, injunction or judgment in any proceeding or lawsuit alleging fraud or deceptive practices on the part of Purchaser or any principal thereof.

For purposes of this Section 6(j) the word "principal" of Purchaser shall include (i) any person owning or controlling ten percent (10%) or more of the voting power of Purchaser, and (ii) any person actively participating in the control of Purchaser's business;

The representations and warranties set forth in this Section 6 shall survive the sale, transfer, set-over, and assignment of the Purchaser Loans to Purchaser pursuant to this Agreement and, with the exception of those representations and warranties contained in subsection 6(f), shall be made continuously throughout the term of this Agreement. In the event that any investigation or proceeding of the nature described in subsection 6(f) is instituted or threatened against Purchaser, Purchaser shall promptly notify Bank of such pending or threatened investigation or proceeding to the extent permitted by Applicable Law.

7. Additional Agreements.

(a) Both parties agree to reasonably cooperate with the other party in responding to an examination by the other party's Regulatory Authority and requests related to the Program. Each party shall use reasonable efforts to accommodate a Regulatory Authority's requests including onsite audits to the extent requested in writing by a Regulatory Authority or other direct requests of the non-supervised party by such Regulatory Authority.

(b) Purchaser agrees to have sufficient cash, available lines of credit or other sources of immediately available funds to enable it to timely pay all amounts to be paid by it under this Agreement.

8. Conditions Precedent to the Obligations of Bank.

Bank's obligations under this Agreement are subject to the satisfaction of the following conditions precedent on or prior to each Closing Date:

(a) The representations and warranties of Purchaser set forth in this Agreement shall be true and correct in all material respects on each Closing Date as though made on and as of such date;

(b) No action or proceeding shall have been instituted or threatened against Bank or Purchaser which is reasonably likely to impede, prevent or restrain the initiation and completion of the purchase or other transactions contemplated hereby, and, on each Closing Date, there shall be no injunction, decree, or similar impediment or restraint preventing or restraining such consummation;

(c) This Agreement shall be in full force and effect; and

(d) The obligations of Purchaser under this Agreement and its obligations under the Program to be performed on or before each Closing Date shall have been performed as of such date by Purchaser in all material respects.

9. Conditions Precedent to the Obligations of Purchaser.

(a) The representations and warranties of Bank set forth in this Agreement shall be true and correct in all material respects on each Closing Date as though made on and as of such date;

(b) No action or proceeding shall have been instituted or threatened against Bank or Purchaser which is reasonably likely to impede, prevent or restrain the initiation and completion of the purchase or other transactions contemplated hereby, and, on each Closing Date, there shall be no injunction, decree, or similar impediment or restraint preventing or restraining such consummation;

(c) This Agreement shall be in full force and effect; and

(d) The obligations of Bank under this Agreement and its obligations under the Program to be performed on or before each Closing Date shall have been performed as of such date by Bank in all material respects.

10. Term; Termination; Effect of Termination.

(a) Term. Unless terminated earlier in accordance with Article VIII, this Agreement shall have an initial term of four (4) years commencing upon the Effective Date (the "*Initial Term*") and shall automatically renew for two (2) successive terms of two (2) years (a "*Renewal Term*,"

collectively, the Initial Term and Renewal Term(s) shall be referred to as the "*Term*"), unless either party provides notice to the other party of its intent to not renew at least one hundred twenty (120) days prior to the end of the Initial Term.

(b) Termination. Either party shall have the right to terminate this Agreement immediately upon written notice to the other party in any of the following circumstances:

i) the other party shall materially breach this Agreement and such breach is not cured within thirty (30) days after such breaching party receives written notice thereof from the non-breaching party, *provided* that the parties agree that the cure period for the breaching party shall be extended to ninety (90) days so long as such party is working in good faith to cure such breach and such breach is capable of being cured within such ninety (90) day period;

ii) any representation or warranty made by the other party in this Agreement is incorrect in any material respect and is not corrected within thirty (30) days after such other party obtains knowledge thereof or written notice thereof has been given to such other party;

iii) the other party commences a voluntary action or other proceeding seeking reorganization, liquidation, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official or to any involuntary action or other proceeding commenced against it; or

iv) the other party becomes subject to an involuntary action or other proceeding, whether pursuant to banking regulations or otherwise, seeking reorganization, liquidation or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property; or an order for relief shall be entered against either party under the federal bankruptcy laws as now or hereafter in effect.

(c) Effect of Termination. The termination of this Agreement shall not discharge any party from any obligation incurred prior to such termination, including, without limitation, Purchaser's obligation to purchase any Purchaser Loans funded by Bank that Purchaser has not purchased as of the effective date of termination. The terms of this Section 10 shall survive the expiration or earlier termination of this Agreement.

11. Successors and Third Parties.

This Agreement and the rights and obligations hereunder shall bind and inure to the benefit of the parties hereto and their successors and assigns. The rights and benefits hereunder are specific to the parties and shall not be delegated (except to service providers vetted by the

delegating party and over which the delegating party maintains oversight) or assigned without the prior written consent of the other party, which shall not be unreasonably withheld. Nothing in this Agreement is intended to create or grant any right, privilege or other benefit to or for any Person or entity other than the parties hereto. Notwithstanding the foregoing, Purchaser may assign its rights hereunder without Bank's consent, including in connection with a transfer to special purpose entity 100% owned and controlled by Purchaser, or a securitization transaction or Whole Loan Transfer.

12. Indemnification; Limitations of Liability.

(a) Indemnification by Purchaser. Except to the extent of any Losses (as herein defined) which arise from the direct acts or omissions of Bank or an affiliate of Bank, including Bank's breach of any representations, warranties or covenants under this Agreement, or by negligence, fraud, bad faith or willful misconduct on the part of Bank, Purchaser shall be liable to and shall indemnify and hold harmless Bank and its respective directors, officers, employees, agents and affiliates and permitted assigns from and against any and all Losses arising out of (i) any failure of Purchaser to comply with any of the terms and conditions of this Agreement, or (ii) the inaccuracy of any representation or warranty made by Purchaser herein. For the avoidance of doubt, Bank hereby acknowledges and agrees that the forgoing undertaking is not and shall not be construed to be a guaranty of payment or performance by any Borrower of all or any amounts owed in relation to any Loan, nor shall be enforced in a manner that would render such undertaking the legal or economic equivalent of a guaranty by Purchaser of such payment or performance by any Borrower.

(b) Indemnification by Bank. Except to the extent of any Losses which arise from the direct acts or omissions of Purchaser or an affiliate of Purchaser, including Purchaser's breach of any representations, warranties or covenants under this Agreement, or by negligence, fraud, bad faith or willful misconduct on the part of Purchaser, Bank shall be liable to and shall indemnify and hold harmless Purchaser and its respective officers, directors, employees, agents and affiliates and permitted assigns, from and against any Losses arising out of (i) the failure of Bank to comply with any of the terms and conditions of this Agreement, or (ii) the inaccuracy of any representation or warranty made by Bank herein. For the avoidance of doubt, Purchaser hereby acknowledges and agrees that the forgoing undertaking is not and shall not be construed to be a guaranty of payment or performance by any Borrower of all or any amounts owed in relation to any Loan, nor shall be enforced in a manner that would render such undertaking the legal or economic equivalent of a guaranty by Bank of such payment or performance by any Borrower.

(c) Losses Defined. For the purposes of this Agreement, the term "Losses" shall mean all out-of-pocket costs, damages, losses, fines, penalties, judgments, settlements and expenses whatsoever, including, without limitation, outside attorneys' fees and disbursements and court costs reasonably incurred by the Indemnified Party, in connection with any judicial, administrative, legislative or other proceeding or claim made by a third party.

(d) Notice of Claims. In the event any claim is made, any suit or action is commenced or any actual knowledge of a state of facts that, if not corrected, would give rise to a right of indemnification of a party hereunder ("*Indemnified Party*") by the other party ("*Indemnifying Party*") is received, the Indemnified Party will give notice to the Indemnifying Party as promptly

as practicable, but, in the case of lawsuit, in no event later than the time necessary to enable the Indemnifying Party to file a timely answer to the complaint. The Indemnified Party shall make available to the Indemnifying Party and its counsel and accountants at reasonable times and for reasonable periods, during normal business hours, all books and records of the Indemnified Party relating to any such possible claim for indemnification, and each party hereunder will render to the other such assistance as it may reasonably require of the other (at the expenses of the party requesting assistance) in order to insure prompt and adequate defense of any suit, claim or proceeding based upon a state of facts which may give rise to a right of indemnification hereunder.

(e) Defense and Counsel. Subject to the terms hereof, the Indemnifying Party shall have the right to assume the defense of any suit, claim, action or proceeding. In the event that the Indemnifying Party elects to defend any suit, claim or proceeding, then the Indemnifying Party shall notify the Indemnified Party via facsimile transmission or email, with a copy by mail, within ten (10) days of having been notified pursuant to this Section 12 that the Indemnifying Party elects to employ counsel and assume the defense of any such claim, suit, action or proceeding. The Indemnifying Party shall institute and maintain any such defense diligently and reasonably and shall keep the Indemnified Party fully advised of the status thereof. The Indemnified Party shall have the right to employ its own counsel if the Indemnified Party so elects to assume such defense, but the fees and expense of such counsel shall be at the Indemnified Party's expense, unless (i) the employment of such counsel shall have been authorized in writing by the Indemnifying Party; (ii) such Indemnified Party shall have reasonably concluded that the interests of such parties are conflicting such that it would be inappropriate for the same counsel to represent both parties or shall have reasonably concluded that the ability of the parties to prevail in the defense of any claim are improved if separate counsel represents the Indemnified Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), and in either of such events such reasonable fees and expenses shall be borne by the Indemnifying Party; (iii) the Indemnified Party shall have reasonably concluded that it is necessary to institute separate litigation, whether in the same or another court, in order to defend the claims asserted against it; (iv) the Indemnified Party reasonably concludes that the ability of the parties to prevail in the defense of any claim is materially improved if separate counsel represents the Indemnified Party; and (v) the Indemnifying Party shall not have employed counsel reasonably acceptable to the Indemnified Party to take charge of the defense of such action after electing to assume the defense thereof. In the event that the Indemnifying Party elects not to assume the defense of any suit, claim, action or proceeding, then the Indemnified Party shall do so and the Indemnifying Party shall pay for, or reimburse Indemnified Party, as the Indemnified Party shall elect, all Losses of the Indemnified Party in accordance with Section 12(g) below.

(f) Settlement of Claims. The Indemnifying Party shall have the right to compromise and settle any suit, claim or proceeding in the name of the Indemnified Party; provided, however, that the Indemnifying Party shall not compromise or settle a suit, claim or proceeding (i) unless it indemnifies the Indemnified Party for all Losses arising out of or relating thereto and (ii) with respect to any suit, claim or proceeding which seeks any non-monetary relief, without the consent of the Indemnified Party, which consent shall not unreasonably be withheld. The Indemnifying Party shall not be permitted to make any admission of guilt on behalf of the Indemnified Party. Any final judgment or decree entered on or in, any claim, suit or action which the Indemnifying Party did not assume the defense of in accordance herewith, shall be deemed to have been consented to by, and shall be binding upon, the Indemnifying Party as fully as if the Indemnifying Party had assumed the defense thereof and a final judgment or decree had been entered in such suit or action, or with regard to such claim, by a court of competent jurisdiction for the amount of such settlement, compromise, judgment or decree. The Indemnifying Party shall be subrogated to any claims or rights of the Indemnified Party as against any other Persons with respect to any amount paid by the Indemnifying Party under this Section 12(f).

(g) Indemnification Payments; Disputes. Subject to each party's compliance with the rights and duties set forth in this Section 12, amounts owing under Section 12 shall be paid promptly upon written demand for indemnification containing in reasonable detail the facts giving rise to such Losses; provided, however, that if the Indemnifying Party notifies the Indemnified Party within thirty (30) days of receipt of such demand that it disputes its obligation to indemnify (including its obligation to defend), or the Losses being claimed, and the parties are not otherwise able to reach agreement, the controversy shall be settled through arbitration as described in Section 18.

(h) Purchaser Obligations. Notwithstanding anything in this Agreement to the contrary, in no event shall Bank have any liability to Purchaser under this Agreement (for indemnification or otherwise) to the extent such liability arises from Purchaser's uncured breach of agreements between the parties related to marketing and origination assistance of Loans.

(i) EXCEPT WITH RESPECT TO DAMAGES OR CLAIMS ARISING DUE TO A PARTY'S FRAUD, WILLFUL MISCONDUCT, GROSS NEGLIGENCE, BREACH OF CONFIDENTIALITY OBLIGATIONS UNDER THIS AGREEMENT, OR ALLEGED OR ACTUAL INFRINGEMENT OF INTELLECTUAL PROPERTY, OR MISUSE OF ANY CUSTOMER INFORMATION, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OR LOST PROFITS (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES) ARISING OUT OF OR IN CONNECTION WITH THE PROGRAM.

13. Notices.

All notices, requests and approvals required or permitted by this Agreement shall be in writing and addressed/directed to the other party at the address/telefacsimile number/electronic mail (email) address below or at such other address/telefacsimile number/email address of which the notifying party hereafter receives notice in conformity with this Section 13. All such notices, requests and approvals shall be deemed given either (i) when personally delivered, (ii) if sent by mail, in which event it shall be sent postage prepaid, upon delivery thereof to the addressee, or, (iii) if sent by telegraph, telex, or telefacsimile (with oral confirmation of receipt), upon sending or (iv) or nationally recognized overnight delivery, upon delivery thereof to the addressee. The addresses and telefacsimile numbers of the parties are as follows:

To Bank: Cross River Bank
400 Kelby Street
Fort Lee, New Jersey 07024
Attention: Gilles Gade, President
Telephone:
Facsimile:
Email:

With a copy to: Cross River Bank
400 Kelby Street
Fort Lee, New Jersey 07024
Attention: Arlen Gelbard, Esq., General Counsel
Telephone:
Facsimile No.:
Email:

And

Cross River Bank
400 Kelby Street
Fort Lee, New Jersey 07024
Attention: Adam Goller, Executive Vice President
Telephone:
Facsimile No.:
Email:

To Purchaser: Upstart Network, Inc.
Two Circle Star Way
San Carlos, California 94070
Attention: Dave Girouard, CEO
Telephone:
Email:

With a copy to: General Counsel
Telephone:
Email:

14. Relationship of the Parties.

It is agreed and understood that that in performing their responsibilities pursuant to this Agreement, both parties are acting as independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a partnership or joint venture or any other common association for profit between Bank and Purchaser. Nothing in this Agreement shall be construed to limit Bank's ability to sell any Loans to another Person in the event Purchaser is unwilling or unable, or for any reason fails, to purchase such Loans under this Agreement.

15. Reserved.

16. Expenses.

(a) Except as set forth herein, each of Bank and Purchaser shall bear the costs and expenses of performing their respective obligations and duties under this Agreement.

(b) Each of Bank and Purchaser shall be responsible for payment of its own federal, state or local taxes or assessment associated with the performance of their respective obligations and duties under this Agreement.

(c) Within ten (10) days after receipt of a verified invoice from Bank, Purchaser shall reimburse Bank for the reasonable and documented monthly costs associated with any required transfer of funds from the Reserve Account to Purchaser if the Reserve Account is held at a bank other than Bank.

17. Reserved.

18. Governing Law; Jurisdiction.

(a) This agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

(b) At the request of either party, any dispute between the parties relating to this Agreement shall be submitted to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The parties agree that any arbitration proceedings hereunder, unless otherwise agreed to by the parties, shall be conducted in the city of the home office of the party not commencing arbitration. Each party hereto consents to the jurisdiction over it by any court or arbitration panel as described herein. The arbitrator shall be authorized to award such relief as is allowed by law. Except as provided below, each party shall be responsible for its own attorneys' fees incurred during the course of the arbitration, as well as the costs of any witnesses or other evidence such party produces or causes to be produced. The award of the arbitrator shall include findings of fact and conclusions of law. Such award shall be kept confidential and shall be final, binding and conclusive on the parties. Judgment on the award may be entered by any court of competent jurisdiction.

19. Manner of Payments.

Unless the manner of payment is expressly provided herein, all payments under this Agreement shall be made by ACH, wire or other electronic transfer to the bank accounts designated by the respective parties. Notwithstanding anything to the contrary contained herein, neither party shall fail to make any payment required of it under this Agreement as a result of a breach or alleged breach by the other party of any of its obligations under this Agreement or any other agreement, provided that the making of any payment hereunder shall not constitute a waiver by the party making the payment of any rights it may have under this Agreement or by law.

20. Referrals.

Neither party has agreed to pay any fee or commission to any agent, broker, finder, or other Person for or on account the sale of Purchaser Loans pursuant to this Agreement that would give rise to any valid claim against the other party for any commission, finder's fee or like payment.

21. Entire Agreement.

This Agreement and its schedules and exhibits (all of which schedules and exhibits are hereby incorporated into this Agreement) and the documents executed and delivered pursuant hereto and thereto, constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, and supersede any prior or contemporaneous negotiations or oral or written agreements between the parties hereto with respect to the subject matter hereof or thereof, except where survival of prior written agreements is expressly provided for herein.

22. Amendment and Modifications.

Alterations, modifications, or amendments of a provision of this Agreement, including all exhibits attached hereto, shall not be binding and shall be void unless such alteration, modification, or amendment is in writing and executed by authorized representatives of Purchaser and Bank.

23. Waivers.

The delay or failure of either party to enforce any of the provisions of this Agreement shall not be construed to be a waiver of any right of that party. All waivers must be in writing and signed by both parties.

24. Severability.

If any provision of this Agreement shall be held illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect.

25. Interpretation.

The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against either party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties.

26. Headings.

Captions and headings in this Agreement are for convenience only, and are not to be deemed part of this Agreement.

27. Counterparts.

This Agreement may be executed and delivered by the parties in any number of counterparts, and by different parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. The parties agree that this Agreement and signature pages may be transmitted between them by electronic mail and that PDF signatures may constitute original signatures and that a PDF signature page containing the signature (PDF or original) is binding upon the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

PURCHASER:

UPSTART NETWORK, INC.

By: /s/ Dave Girouard
Name:
Title:

BANK:

CROSS RIVER BANK

By: /s/ Gilles Gade
Name: Gilles Gade
Title: President

By: /s/ Arlen Gelbard
Name: Arlen Gelbard
Title: General Counsel

Schedule 1

Definitions

"*ACH*" means automated clearing house.

"*Applicable Laws*" means all federal, state and local laws, statutes, ordinances, regulations and orders, together with all rules and guidelines established by self-regulatory organizations, including the National Automated Clearing House Association, or government sponsored entities, relating to or affecting any aspect of the Loans, consumer credit laws, rules and regulations, and all requirements of any Regulatory Authority having jurisdiction over any activity provided for in this Agreement, including all rules and any regulations or policy statements or guidance and any similar pronouncement of a Regulatory Authority, or judicial or regulatory interpretation of the foregoing, applicable to the acts of Bank or Purchaser as they relate to this Agreement.

"*Borrower*" means, with respect to any Loan, each Person who is a borrower under such Loan and each other obligor (including any co-signor or guarantor) of the payment obligation for such Loan.

"*Business Day*" means any day upon which New Jersey state banks are open for business, but excluding Saturdays and Sundays.

"*Closing Date*" means with respect to a Purchaser Loan shall be either three (3) Business Days, five (5) Business Days or, with Bank's prior written consent, another period not less than three (3) Business Days and not to exceed thirty-seven (37) days after the Funding Date, unless otherwise agreed by the parties.

"*Customer Information*" means all information concerning the underlying borrowers for the Loans, including nonpublic personal information as defined under the Gramm-Leach-Bliley Act of 1999 and implementing regulations, including all nonpublic personal information of or related to customers or consumers of either party, including but not limited to names, addresses, telephone numbers, account numbers, customer lists, credit scores, and account, financial, transaction information, consumer reports and information derived from consumer reports, that is subject to protection from publication under applicable law, including (i) any and all medical or personal information that is required to be treated as confidential or nondisclosable pursuant to the Health Insurance Portability & Accountability Act of 1996, as amended, including the rules and regulations thereunder, and the related privacy and security provisions of the Health Information Technology for Economic and Clinical Health Act of 2009, as amended, including the rules and regulations thereunder; and (ii) any and all data required to be treated as confidential or otherwise subject to the control objectives of the Payment Card Industry Data Security Standard, as amended, including the rules and regulations thereunder.

"*Defaulted Loan*" shall mean, as of any date of determination, a Loan for which the servicer has charged-off and has an Outstanding Principal Balance of more than $1.00.

"*Delinquency Ratio*" shall mean with respect to Covered Loans for any period, the fraction expressed as a percentage, the numerator of which is the outstanding (or charged off if applicable) principal amount of such Covered Loans that are 60 or more days past due including defaulted Covered Loans and the denominator of which is the aggregate principal amount of all such Covered Loans at origination.

"*Delinquency Ratio Trigger*" means for Covered Loans that are 6, 9 and 12 months from origination the percentage set forth in the table below. For the purposes of calculating the Delinquency Ratio Trigger, the Delinquency Ratio for each category shall be calculated monthly as 3 month moving average such that at the time of each monthly calculation, the Delinquency Ratio will be calculated for each of the 3 most recent months of Covered Loans that fall in the applicable Months Since Origination category and averaged to determine if the Delinquency Ratio Trigger has been exceeded for that category.

Months Since Origination	Delinquency Ratio Trigger
6	[***]%
9	[***]%
12	[***]%

"*Exception-Basis Loans*" means Loans allocated to Bank for retention based on specific selection criteria mutually agreed by the parties and which criteria may be updated from time to time.

"*FDIC*" means the Federal Deposit Insurance Corporation.

"*Funding Account*" means any account designated by Bank by written notice to Purchaser after the Effective Date to receive funds in consideration of the sale of Purchaser Loans, provided that Bank shall give Purchaser at least five (5) Business Days prior written notice of any change to the Funding Account.

"*Funding Date*" means the day on which Bank disbursed the Loan Proceeds to the Borrower under the applicable Loan.

"*Funding Statement*" is as defined in Section 3(b).

"*Insolvent*" means, with respect to a party, if such party commences a voluntary action or other proceeding seeking reorganization, liquidation, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official or to any involuntary action or other proceeding commenced against it; or becomes subject to an involuntary action or other proceeding, whether pursuant to banking regulations or otherwise, seeking reorganization, liquidation or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian or other similar official of it or any substantial part of its property; or an order for relief shall be entered against either party under the federal bankruptcy laws as now or hereafter in effect.

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

"*Interim Interest*" with respect to any Purchaser Loan, the interest accrued thereon from the Funding Date to the related Closing Date.

"*Loan*" means a consumer loan made by Bank to a Borrower under the Program.

"*Loan Application*" means the completed paper document or electronic application submitted by the applicable Borrower when requesting a Loan from Bank, together with any exhibits and ancillary materials.

"*Loan Documents*" mean, collectively, with respect to any Loan, the Note, the Loan Application and any other documents signed by Borrowers in connection with such Loan.

"*Loan Premium Fee*" means the amount per Loan calculated in accordance with *Schedule 2* hereto.

"*Loan Proceeds*" means, for any Loan, the actual funds disbursed to a Borrower, consisting of the principal amount of such Loan less the related origination fees.

"*Maximum Monthly Retention Amount*" means, after excluding Exception-Basis Loans, an amount equal to the lesser of (a) $[***] or (b) [***]% of the aggregate amount of Loans generated under the Program as of such date.

"*Maximum Outstanding Retention Amount*" means, after excluding Exception-Basis Loans, an amount equal to $[***].

"*Note*" means, with respect to each Loan, the electronic records evidencing the Borrower's obligation with regards to a Loan.

"*Outstanding Principal Balance*" means, with respect to any Loan at any date of calculation, the original principal balance owed by the related Borrower, *less* all payments of principal payments received from Borrower.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any Governmental Authority and any fiduciary acting in such capacity on behalf of any of the foregoing.

"*Program*" means the activities performed by Purchaser and Bank in connection with the marketing, origination, sale and servicing of Loans under that certain Third Amended and Restated Loan Program Agreement, between the parties hereto, dated on or about the date hereof.

"*Purchase Price*" means [***].

"*Purchaser Loans*" means all Loans, except for Retained Loans, and shall include (a) any and all security interest of Bank pertaining to the Purchaser Loans, (b) all payments applicable to such Purchaser Loans that are received or receivable and all other amount due or to become due on or after the related Closing Date, (c) any and all servicing rights associated with such Purchaser Loans and (d) all books and records and other rights, interests, benefits, proceeds, remedies and claims arising from or relating to such Purchaser Loan.

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

"*Purchaser Platform*" means the means the proprietary system developed and operated by Purchaser, including computer software, websites, proprietary system information, and related technology and documentation, developed and owned by, or licensed by third parties to, Purchaser relating to the services offered and/or provided by Purchaser to its customers and customers of third parties designated by Purchaser that may purchase Purchaser Loans.

"*Regulatory Authority*" means the Office of the New Jersey Department of Banking and Insurance, the FDIC and any local, state or federal regulatory authority, including the Consumer Financial Protection Bureau, that currently has, or may in the future have, jurisdiction or exercising regulatory or similar oversight with respect to any of the activities contemplated by this Agreement or to Bank or Purchaser (except that nothing herein shall be deemed to constitute an acknowledgement by Bank that any Regulatory Authority other than the New Jersey Department of Banking and Insurance and the FDIC has jurisdiction or exercises regulatory or similar oversight with respect to Bank).

"*Required Balance*" means an amount equal to the product of (A) [***]% multiplied by (B) sum of (i) the Purchase Price, *plus* the Loan Premium Fee, *plus* the projected Trailing Fee payable with respect to the Purchaser Loans originated that day, *plus* (ii) the aggregate Purchase Price of all outstanding Purchaser Loans not purchased by Purchaser, *plus* (iii) an amount equal to the Interim Interest to accrue, on a Purchaser Loan originated that day, from the date the Loan Proceeds are disbursed to the Borrower. For avoidance of doubt, the Required Balance calculation shall not take into account any Loans allocated as Retained Loans.

"*Reserve Account*" means a deposit account in Purchaser's name established by Purchaser at Bank.

"*Retained Loan*" means each Loan allocated to Bank that is (i) randomly assigned in accordance with procedures mutually agreed to by the parties to ensure that no adverse selection of Loans occurs, or (ii) an Exception-Basis Loan, in each case that is (a) not sold, transferred or otherwise conveyed to Purchaser or Purchaser's designee and (b) not a Purchaser Loan.

"*Retained Loan Limits*" means, with respect to any Loan, the limits that would be exceeded if such Loan were retained by Bank because such Loan would cause (i) the original principal balance of such Loan, when added to the aggregate sum of the Outstanding Principal Balances all other Retained Loans originated in the same calendar month, exceed the Maximum Monthly Retention Amount, (ii) the original principal balance of such Loan, when added to the aggregate sum of the then Outstanding Principal Balances of all other Retained Loans (except for Retained Loans that are Defaulted Loans), exceed the Maximum Outstanding Retention Amount, and (iii) more than [***]% of all Retained Loans related to a Borrower with a related credit score at origination of less than or equal to [***].

"*Retention Cessation Event*" means (a) a Delinquency Ratio Trigger is exceeded in any month or (b) Bank delivers a notice to Purchaser of Bank's intent to cease retaining Loans as a result of its inability to retain Loans in accordance with Applicable Laws.

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

"*Retention Cessation Period*" means the period commencing with the occurrence of any Retention Cessation Event and continuing until such Retention Cessation Event has been cured or otherwise ceases to occur.

"*Trailing Fee*" means the amount calculated per Purchaser Loan in accordance with *Schedule 3* hereto.

"*Whole Loan Transfer*" means any sale or transfer of some or all of the Loans (including Retained Loans).

Schedule 2

Loan Premium Fee

Each month the Bank shall be entitled to total aggregated Loan Premium Fees equal to the greater of the following:

(x) [***]

Or

(y) the sum of the amounts calculated as set forth below:

Aggregate Monthly Loans for the Prior Calendar Month	Bps of principal loan amount
$1 to $20,000,000	[***]
$21,000,001-$50,000,000	[***]
Greater than $50,000,000	[***]

For clarity, the applicable Loan Premium Fee for each Loan will be determined based on (i) the overall Loan volume in the calendar month immediately prior to the month of origination of such Purchaser Loan, and (ii) the tier in which such Purchaser Loan falls in the table above based on such overall Loan volume in the prior month.

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

Schedule 3

Trailing Fee

The projected Trailing Fee for each Purchaser Loan shall be calculated in each month as follows:

Aggregate Monthly Loans for the Prior Calendar Month	Bps of principal loan amount
$1 to $20,000,000	[***]
$21,000,001-$50,000,000	[***]
Greater than $50,000,000	[***]

For clarity, the applicable Trailing Fee for each Purchaser Loan will be determined based on (i) the overall Loan volume in the calendar month immediately prior to the month of origination of such Purchaser Loan, and (ii) the tier in which such Purchaser Loan falls in the table above based on such overall Loan volume in the prior month.

*** Certain information, as identified by [***], has been excluded from this agreement because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDMENT NO. 1 TO THIRD AMENDED AND RESTATED LOAN SALE AGREEMENT

This Amendment No. 1 to the Third Amended and Restated Loan Sale Agreement (this "*Amendment*") is entered into as of November 25, 2020 by and between UPSTART NETWORK, INC., a Delaware corporation ("*Purchaser*") and CROSS RIVER BANK, a New Jersey state-chartered bank ("*Bank*").

RECITALS:

WHEREAS, Purchaser and Bank have entered into a Third Amended and Restated Loan Sale Agreement, dated as of January 1, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Sale Agreement") to govern the sale and purchase of loans by Bank to Purchaser; and

WHEREAS, Bank is a party to the Assurance of Discontinuance dated as of August 7, 2020, and attached hereto as Exhibit A (the "Colorado Settlement Agreement") with the Administrator of the Uniform Consumer Credit Code ("UCCC") of the State of Colorado, relating to the origination of certain loans to borrowers located in Colorado; and

WHEREAS, the Colorado Settlement Agreement sets forth criteria constituting compliance with applicable UCCC provisions, creating a "Safe Harbor" for closed-end consumer loans made to Colorado borrowers through Bank loan programs; and

WHEREAS, it is the intent of Purchaser and Bank to amend the Loan Sale Agreement, in order to ensure compliance with the Safe Harbor, and to adopt certain practices with respect to the Program more broadly.

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT:

SECTION 1. DEFINED TERMS.

Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Loan Sale Agreement or the Colorado Settlement Agreement.

SECTION 2. EFFECTIVE DATE.

This Amendment shall be effective as of the date first set forth above.

SECTION 3. AMENDMENTS

The Loan Sale agreement is amended as follows:

(a) The title of Section 2 is amended to provide, "Purchase of Loans; Payment to Bank; Retained Loans; Purchase Statements". All subsequent references in the Loan Sale Agreement to "Funding Statement" shall be replaced with "Purchase Statement."

(b) Section 2(a) is amended by replacing the existing text with the following:

"(a) Purchase of Loans. On each Closing Date, Bank hereby agrees to sell, assign, set-over, transfer, and otherwise convey to Purchaser, or a third party designated by Purchaser subject to execution by such designated third party and Bank of a loan purchase and sale agreement, without recourse but subject to the representations, warranties, terms and provisions of this Agreement and with all servicing released, and Purchaser agrees to purchase, or cause a designated third Party acceptable to Bank to purchase, as the case may be, on each Closing Date, all of Bank's right, title and interest in and to the Purchaser Loans funded by Bank on the applicable Funding Date. At least three (3) Business Days prior to each Closing Date, Purchaser shall provide Bank with a statement (each such statement, a "***Purchase Statement***"), which shall contain, as applicable, (i) the names of the Borrowers for each of the Purchaser Loans Purchaser or Purchaser's designated third party intends to purchase; (ii) the Purchase Price for each Purchaser Loan, and (iii) such other information as shall be reasonably requested by Bank. Purchaser shall promptly notify Bank of any event that would materially and adversely affect the Purchaser's ability to purchase the Purchaser Loans.

Notwithstanding the foregoing, solely with respect to Specified Loans, on each date Bank funds a Specified Loan (the "*Offer Date*") Bank shall provide notice to Purchaser of the Specified Loans offered for sale by Bank in accordance with Section III(F)(1)(i)(2)(a) of the Colorado Settlement Agreement (the "*Bank Offer Notice*"). Purchaser's failure to respond to the Bank Offer Notice by 5:00pm Eastern Time on the Offer Date (the "*Notice Deadline*") shall be deemed to be Purchaser's notice of its acceptance to purchase the Specified Loans contained in the Bank Offer Notice (the "*Accepted Colorado Loans*") in accordance with Section III(F)(1)(i)(2)(b) of the Colorado Settlement Agreement. To the extent that Purchaser delivers notice to Bank prior to the Notice Deadline of its intent not to purchase the Specified Loans (the "Unaccepted Colorado Loans") contained in the Bank Offer Notice then(i) Purchaser shall have no obligation to purchase the Unaccepted Colorado Loans, and (ii) Bank shall not be required to originate additional Specified Loans. For the avoidance of doubt (i) all Accepted Colorado Loans shall be deemed to be Purchaser Loans for all purposes hereunder and (ii) all Unaccepted Colorado Loans shall be deemed to be Retained Loans for all purposes hereunder."

(c) Section 2(c)(ii) is amended by inserting the following new sentence at the end of the existing text:

"The parties have evaluated the Structural Criteria set forth in the Colorado Settlement Agreement, and mutually agree that they will comply with the Uncommitted Forward Flow Option with respect to the Specified Loans."

(d) Section 2(c) is amended by inserting the following new subsections (iv) after the existing text of subsection (iii):

"(iv) Subject to the foregoing sections 2(c)(i)-(iii), Bank may transfer ownership of a Retained Loan to any other Person. Purchaser and Bank mutually agree to exercise good faith efforts to accommodate the servicing of Retained Loans transferred pursuant to this section."

Purchaser agrees to re-open negotiations with Bank no later than (30) days after the effective date of this Amendment to discuss its commitment to accommodate the servicing of Retained Loans transferred pursuant to new Section 2(c)(iv) of the Loan Sale Agreement.

(e) Section 4(a) is amended by adding the following sentence after the last sentence of the existing text:

"The Parties acknowledge that Bank's use of funds held in the Reserve Account may be limited by the Structural Criteria option agreed-upon by the Parties.

Based on the Parties agreement to comply with the transfer of Specified Loans on an uncommitted basis pursuant to the Uncommitted Forward Flow as set forth in Section 2(c)(ii), the Reserve Account may not be used as security for, and Bank may not access the Reserve Account for: (i) any purchase of any Specified Loans by Purchaser from Bank except for those Specified Loans that Purchaser has agreed to purchase after such Specified Loans are offered for sale by Bank pursuant to the method set forth in Section 2(a); or (ii) any credit losses on the Specified Loans held by Bank."

(f) Section 12(a) is amended by adding this sentence following the last sentence of the existing text:

"To the extent that the Parties agree to use the Uncommitted Forward Flow Option, Purchaser is not required to indemnify Bank for Losses due to Purchaser's failure to purchase Specified Loans, unless Purchaser has agreed to purchase such Specified Loans pursuant to the process set forth in Section 2(a)."

SECTION 4. EFFECT ON THE LOAN SALE AGREEMENT.

(a) Upon this Amendment becoming effective, each reference to the "Agreement," "hereunder," "hereof," "herein" or words of like import referring to the Loan Sale Agreement, shall mean and be a reference to the Loan Sale Agreement as modified by this Amendment.

(b) This Amendment is not intended to create, nor does it create and shall not be construed to create, a partnership or joint venture or any other common association for profit between Bank and Purchaser.

SECTION 5. EXECUTION IN COUNTERPARTS.

This Amendment may be executed in any number of counterparts and by different 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. Delivery of an executed signature page to this Amendment by facsimile transmission or otherwise transmitted or communicated by email shall be as effective as delivery of a manually executed counterpart of this Amendment.

SECTION 6. HEADINGS.

Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purposes.

SECTION 7. ENTIRE AGREEMENT.

The Loan Sale Agreement, as amended herein, is ratified, approved and confirmed in each and every respect, and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the subject matter hereof. In the event of any conflict or inconsistency between the provisions of the Loan Sale Agreement and this Amendment, the provisions of this Amendment shall control and govern.

SECTION 8. SUCCESSORS AND ASSIGNS.

This Amendment shall be binding on and shall inure to the benefit of Purchaser and Bank and their respective successors and assigns.

SECTION 9. MISCELLANEOUS.

The provisions contained in Section 18 (Governing Law; Jurisdiction) of the Loan Sale Agreement are incorporated herein by this reference and shall govern this Amendment.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

UPSTART NETWORK, INC.

By: /s/Dave Girouard
Name: Dave Girouard
Title: CEO

CROSS RIVER BANK

By: /s/ Gilles Gade
Name: Gilles Gade
Title: President and Chief Executive Officer

By: /s/ Arlen Gelbard
Name: Arlen Gelbard
Title: EVP, General Counsel

[SIGNATURE PAGE TO AMENDMENT NO. 1
TO THIRD AMENDED AND RESTATED LOAN SALE AGREEMENT]

Upstart-CRB Auto Loan Program

Sale Agreement Addendum

This Auto Loan Program Sale Agreement Addendum (the "**Addendum**") is entered into as of November 25, 2020 and is attached to and made a part of the Third Amended and Restated Loan Sale Agreement between Cross River Bank **(**"**Bank**"**)** and Upstart Network, Inc. **(**"**Purchaser**") dated January 1, 2019 (the "**Sale Agreement**").

WHEREAS, the parties wish to supplement the Sale Agreement with additional terms and conditions related to Bank's sale of certain Loans related to the purchasing or refinancing of a motor vehicle loan or retail installment contract (each "**Auto Loan**").

NOW THEREFORE, in consideration of the mutual covenants and promises exchanged herein, the receipt and sufficiency of which is hereby acknowledged as adequate consideration, the parties agree as follows:

(1) **Definitions.** Capitalized terms used in this Addendum but not defined herein will have the same meaning as in the Sale Agreement.

(2) **Auto Loan Program.** The parties agree:

a. Each Auto Loan is a Loan under the Sale Agreement and any Purchaser Loan that is an Auto Loan shall be referred to in this Addendum as a "**Purchased Auto Loan**" and, except as set forth in this Addendum, the terms and conditions set forth in the Sale Agreement that apply to Loans and Purchaser Loans shall apply to Auto Loans and Auto Purchaser Loans.

b. In addition to the representations and warranties set forth in 5(i) of the Sale Agreement, as of any Closing Date of a sale of any Auto Loans to Purchaser, Bank represents and warrants that with respect to such Purchased Auto Loan being sold:

i. To the best knowledge of Bank, each Purchased Auto Loan is secured by a valid, legal, perfected, enforceable first-priority lien on the related financed vehicle. To the best knowledge of Bank, all such action necessary to cause each Purchased Auto Loan to be secured as provided for above, including, without limitation, causing to be duly filed any and all instruments and documents, including UCC financing statements, necessary to assure, obtain, preserve, protect and perfect Bank's security interest in the Purchased Auto Loan and financed vehicle and the related rights and remedies with respect thereto.

ii. To the best knowledge of Bank, the Loan Documents for each Purchased Auto Loan include the title file and each of the following, as part of the servicing file for such Purchased Auto Loan or otherwise: (i) the application of the obligor for credit; (ii) a copy of the Purchased Auto Loan agreement and any amendments thereto; (iii) a copy (but not the original) of any certificate of title, including evidence of the notation of Bank's or Purchaser's (as applicable) security interest on the title to the motor vehicle, and the related application therefor, as applicable with respect to the financed vehicle and the particular State; (iv) proof of insurance or application therefor with respect to the financed vehicle securing the Purchased Auto Loan; and (v) such other documents as Bank additionally maintains in connection with the origination and servicing of any Purchased Auto Loan.

(3) **Miscellaneous.** The terms and conditions of the Sale Agreement in effect between the parties shall continue to be in full force and effect and apply to this Addendum; *provided however*, that solely with respect to the subject matter of this Addendum, in the event of a conflict between the terms of the Sale Agreement and the terms of this Addendum, the terms of this Addendum shall control. This Addendum may not be altered, amended, or modified except by written instrument, signed by the duly authorized representatives of all parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this Addendum to be executed by their duly authorized representatives as of the Addendum Effective Date.

CROSS RIVER BANK

/s/ Gilles Gade
Name: Gilles Gade
Title: CEO

/s/ Arlen Gelbard
Name: Arlen Gelbard
Title: General Counsel

UPSTART NETWORK, INC.

/s/ Dave Girouard
Name: Dave Girouard
Title: CEO

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	Jurisdiction of Incorporation
Upstart Network, Inc.	Delaware
Upstart Funds GP, LLC	Delaware
Upstart Network Trust	Delaware
Upstart Loan Trust	Delaware
Upstart Loan Trust 2	Delaware
Upstart Funding I, LLC	Delaware
Upstart Securitization Trust 2017-1	Delaware
Upstart Funding Grantor Trust 2017-1	Delaware
Upstart Funding II, LLC	Delaware
Upstart Securitization Trust 2017-2	Delaware
Upstart Funding Grantor Trust 2017-2	Delaware
Upstart Securitization Trust 2018-1	Delaware
Upstart Funding Grantor Trust 2018-1	Delaware
Upstart Securitization Trust 2018-2	Delaware
Upstart Funding Grantor Trust 2018-2	Delaware
Upstart Securitization Trust 2019-1	Delaware
Upstart Funding Grantor Trust 2019-1	Delaware
Upstart Securitization Trust 2019-2	Delaware
Upstart Funding Grantor Trust 2019-2	Delaware
Upstart RR Funding 2017-1, LLC	Delaware
Upstart RR Funding 2017-2, LLC	Delaware
Upstart RR Funding 2018-1, LLC	Delaware
Upstart RR Funding 2018-2, LLC	Delaware
Upstart RR Funding 2019-1, LLC	Delaware
Upstart RR Funding 2019-2, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated March 3, 2020 relating to the financial statements of Upstart Holdings, Inc. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Deloitte & Touche LLP

San Francisco, CA
December 3, 2020