

### **Stock Awards**

We have granted RSUs to our employees, consultants and members of our Board of Directors, and PSUs to certain executives.

In February 2016, we granted 547,000 PSUs with certain financial and operational targets. Actual performance, as measured at the time and prior to the restatement of the 2016 financial statements, resulted in participants achieving 80% of target. Given the PSUs did not contain explicit or implicit claw back rights, there was no change to stock-based compensation expense for the impact of the previously disclosed restatement of the 2016 consolidated financial statements. As of December 31, 2019, 253,203 shares had vested, 200,297 shares had been forfeited, and the remaining 93,500 shares will vest (as to 80%) in annual tranches through February 2020 subject to continued service vesting requirements.

In October 2018, we granted 464,888 PSUs with certain financial targets. These PSUs will become eligible to vest at 75% upon the achievement of the performance targets by December 31, 2020, and are subject to service condition vesting requirements. The remaining 25% of these PSUs will become eligible to vest on the first anniversary of the initial vesting date. None of these PSUs were vested as of December 31, 2019.

In April 2019, we granted 346,453 PSUs with certain financial targets. These PSUs will become eligible to vest at 75% on the second month following achievement of certain performance targets by December 31, 2021, with the remaining 25% of the PSUs to vest on the first anniversary of the initial vesting date, subject to continued service vesting requirements. None of these PSUs were vested as of December 31, 2019.

In December 2019, we granted 375,000 PSUs with certain market performance-based targets to be achieved between December 2019 and December 2023. One-third of each tranche of these PSUs will become eligible to vest on each of the three anniversaries of the date the performance-based target is achieved, subject to continued service vesting requirements. The grant date fair values of each tranche of these PSUs were estimated to be \$4.59, \$4.06 and \$3.59 and determined using the Monte Carlo simulation model with the following assumptions: expected term of 4.0 years, expected volatility of 38.45%, risk-free interest rate of 1.7% and expected dividend yield of 0.0%. None of these PSUs were vested as of December 31, 2019.

The following table summarizes our stock award activities and related information:

	Number of Shares (thousands)	Weighted- Average Grant Date Fair Value	Weighted- Average Remaining Vesting Term (years)
Nonvested as of December 31, 2018.....	5,974	\$6.51	
Granted .....	3,288	\$6.74	
Released .....	(1,774)	\$6.60	
Canceled .....	(1,340)	\$6.57	
Nonvested as of December 31, 2019.....	<u>6,148</u>	\$6.59	1.81

Following is additional information pertaining to our RSU activities (in thousands, except per share data):

	Years Ended December 31,		
	2019	2018	2017
Weighted-average grant date fair value of stock awards granted (per share) ..	\$ 6.74	\$ 5.95	\$ 8.55
Total fair value of stock awards released (vested) during the period .....	\$12,183	\$9,714	\$13,961

### **10. Net Loss Per Share**

Basic net loss per share is computed using the weighted average number of common shares outstanding for the period. Diluted net loss per share is computed using the weighted average number of common shares outstanding for the period plus potential dilutive common shares, including stock options, RSUs and employee stock purchase rights, unless the potential common shares are anti-dilutive. Since we had net losses in the years ended December 31, 2019, 2018 and 2017, none of the potential dilutive common shares were included in the computation of diluted shares for these periods, as inclusion of such shares would have been anti-dilutive.