

Time-Based Sunset Approaches to Dual-Class Stock

Company	IPO Year	Sunset Trigger
EVO Payments	2018	3 years
Texas Roadhouse	2004	5 years (converted in 2009 to one share, one vote)
Groupon	2011	5 years (converted in 2016 to one share, one vote)
MuleSoft	2017	5 years (acquired in 2018 by Salesforce)
Bloom Energy	2018	5 years or superclass falls below 5% of outstanding common
MaxLinear	2010	7 years (converted in 2017 to one share, one vote)
Yelp	2012	7 years or superclass falls below 10% of outstanding common (converted in 2016 to one share, one vote)
Kayak Software	2012	7 years (acquired in 2013 by Priceline, now Booking Holdings)
Mindbody	2015	7 years
Apptio	2016	7 years or superclass falls below 25% of outstanding common
Twilio	2016	7 years
Smartsheet	2018	7 years or superclass falls below 15% of outstanding common
Veeva Systems	2013	10 years
Castlight Health	2014	10 years
Pure Storage	2015	10 years or superclass falls below 10% of outstanding common
Stitch Fix	2017	10 years or superclass falls below 10% of outstanding common
Alteryx	2017	10 years or superclass falls below 10% of outstanding common
Hamilton Lane	2017	10 years or founders and employees hold less than 25% of voting power
Okta	2017	10 years
Zuora	2018	10 years or superclass falls below 5% of outstanding common
Altair Engineering	2017	12 years or “executive holder” position falls below 10% of outstanding common
Fitbit	2015	12 years
Nutanix	2016	17 years
Workday	2012	20 years or superclass falls below 9% of outstanding common

Each of the above provisions features a fixed point in time at which high-vote class(es) must convert into the low-vote class. Many dual-class companies have event-driven sunsets, preserving unequal voting rights for as long as circumstances permit. Examples include requiring conversion upon an insider’s departure, disability, death or transfer of shares. Also excluded from the above list are contingent time-based sunsets. Examples include ACM Research (IPO 2017), which established a five-year sunset unless the company’s market cap is at least \$1 billion at that point in time, and RingCentral (IPO 2013), which established a seven-year sunset unless any superclass holder continues to own at least half of his or her pre-IPO superclass holdings.