

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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-38823

**HYLIION HOLDINGS CORP.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware

83-2538002

(State or Other Jurisdiction  
of Incorporation)

(IRS Employer  
Identification No.)

1202 BMC Drive, Suite 100,  
Cedar Park, TX

78613

(Address of Principal Executive Offices)

(Zip Code)

(833) 495-4466

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	HYLN	The New York Stock Exchange

As of July 29, 2024, 173,583,438 shares of common stock, par value \$0.0001 per share, were issued and outstanding.

**HYLHION HOLDINGS CORP.**  
**FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024**  
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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**HYLHION HOLDINGS CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollar amounts in thousands, except share data)

	June 30, 2024	December 31, 2023
	(Unaudited)	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 19,133	\$ 12,881
Accounts receivable	373	40
Prepaid expenses and other current assets	5,449	18,483
Short-term investments	136,091	150,297
Assets held for sale	3,573	—
Total current assets	164,619	181,701
Property and equipment, net	15,781	9,987
Operating lease right-of-use assets	6,221	7,070
Other assets	1,266	1,439
Long-term investments	93,476	128,186
<b>Total assets</b>	<b>\$ 281,363</b>	<b>\$ 328,383</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 1,043	\$ 4,224
Current portion of operating lease liabilities	985	847
Accrued expenses and other current liabilities	5,485	10,051
Total current liabilities	7,513	15,122
Operating lease liabilities, net of current portion	5,610	6,792
Other liabilities	400	203
<b>Total liabilities</b>	<b>13,523</b>	<b>22,117</b>
Commitments and contingencies (Note 9)		
<b>Stockholders' equity</b>		
Common stock, \$0.0001 par value; 250,000,000 shares authorized; 184,155,114 and 183,071,317 shares issued at June 30, 2024 and December 31, 2023, respectively; 173,545,044 and 183,034,255 shares outstanding as of June 30, 2024 and December 31, 2023, respectively	18	18
Additional paid-in capital	406,175	404,045
Treasury stock, at cost; 10,610,070 and 37,062 shares as of June 30, 2024 and December 31, 2023, respectively	(14,141)	(33)
Accumulated deficit	(124,212)	(97,764)
Total stockholders' equity	267,840	306,266
<b>Total liabilities and stockholders' equity</b>	<b>\$ 281,363</b>	<b>\$ 328,383</b>

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

**HYLHION HOLDINGS CORP.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Dollar amounts in thousands, except share and per share data)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>				
Product sales and other	\$ —	\$ 266	\$ —	\$ 576
Total revenues	—	266	—	576
<b>Cost of revenues</b>				
Product sales and other	—	307	—	998
Total cost of revenues	—	307	—	998
<b>Gross loss</b>	—	(41)	—	(422)
<b>Operating expenses</b>				
Research and development	8,311	27,439	16,279	48,357
Selling, general and administrative	6,262	11,098	12,854	22,079
Exit and termination costs	(556)	—	3,875	—
Total operating expenses	14,017	38,537	33,008	70,436
<b>Loss from operations</b>	(14,017)	(38,578)	(33,008)	(70,858)
Interest income	3,129	3,349	6,525	6,811
Gain (loss) on disposal of assets	—	(1)	3	1
Other income (expense), net	32	3	32	(12)
<b>Net loss</b>	<u>\$ (10,856)</u>	<u>\$ (35,227)</u>	<u>\$ (26,448)</u>	<u>\$ (64,058)</u>
Net loss per share, basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.19)</u>	<u>\$ (0.15)</u>	<u>\$ (0.35)</u>
Weighted-average shares outstanding, basic and diluted	<u>173,829,107</u>	<u>180,966,908</u>	<u>176,156,001</u>	<u>180,544,821</u>

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

**HYLION HOLDINGS CORP.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Dollar amounts in thousands, except share data)

Six Months Ended June 30, 2024								
	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2023</b>	183,071,317	\$ 18	(37,062)	\$ (33)	\$ 404,045	\$ (97,764)	\$ 306,266	
Exercise of common stock options and vesting of restricted stock units, net	945,378	—	—	—	(247)	—	(247)	
Share-based compensation	—	—	—	—	1,320	—	1,320	
Repurchase of treasury stock	—	—	(8,675,395)	(11,337)	—	—	(11,337)	
Net loss	—	—	—	—	—	(15,592)	(15,592)	
<b>Balance at March 31, 2024</b>	184,016,695	\$ 18	(8,712,457)	\$ (11,370)	\$ 405,118	\$ (113,356)	\$ 280,410	
Exercise of common stock options and vesting of restricted stock units, net	138,419	—	—	—	(68)	—	(68)	
Share-based compensation	—	—	—	—	1,125	—	1,125	
Repurchase of treasury stock	—	—	(1,897,613)	(2,771)	—	—	(2,771)	
Net loss	—	—	—	—	—	(10,856)	(10,856)	
<b>Balance at June 30, 2024</b>	184,155,114	\$ 18	(10,610,070)	\$ (14,141)	\$ 406,175	\$ (124,212)	\$ 267,840	

Six Months Ended June 30, 2023								
	Common Stock		Treasury Stock		Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Total Stockholders' Equity	
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2022</b>	179,826,309	\$ 18	—	\$ —	\$ 397,810	\$ 25,746	\$ 423,574	
Exercise of common stock options and vesting of restricted stock units, net	869,263	—	—	—	(176)	—	(176)	
Share-based compensation	—	—	—	—	2,040	—	2,040	
Net loss	—	—	—	—	—	(28,831)	(28,831)	
<b>Balance at March 31, 2023</b>	180,695,572	\$ 18	—	\$ —	\$ 399,674	\$ (3,085)	\$ 396,607	
Exercise of common stock options and vesting of restricted stock units, net	456,579	—	—	—	44	—	44	
Share-based compensation	—	—	—	—	1,721	—	1,721	
Net loss	—	—	—	—	—	(35,227)	(35,227)	
<b>Balance at June 30, 2023</b>	181,152,151	\$ 18	—	\$ —	\$ 401,439	\$ (38,312)	\$ 363,145	

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

**HYLHON HOLDINGS CORP.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollar amounts in thousands)

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (26,448)	\$ (64,058)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,285	1,132
Amortization and accretion of investments, net	(1,839)	(789)
Noncash lease expense	849	658
Inventory write-down	—	231
Gain on disposal of assets	(1,078)	(1)
Share-based compensation	2,445	3,761
Carrying value adjustment to assets held for sale	5,564	—
Changes in operating assets and liabilities:		
Accounts receivable	(333)	332
Inventory	—	(1,049)
Prepaid expenses and other assets	(5,131)	(5,763)
Accounts payable	(3,239)	(713)
Accrued expenses and other liabilities	(4,427)	3,418
Operating lease liabilities	(1,044)	(748)
Net cash used in operating activities	(33,396)	(63,589)
<b>Cash flows from investing activities</b>		
Purchase of property and equipment and other	(8,054)	(3,952)
Proceeds from sale of property and equipment	3,470	2
Payments for security deposit, net	—	(45)
Purchase of investments	(32,623)	(99,193)
Proceeds from sale and maturity of investments	83,234	95,646
Net cash provided by (used in) investing activities	46,027	(7,542)
<b>Cash flows from financing activities</b>		
Proceeds from exercise of common stock options	50	84
Taxes paid related to net share settlement of equity awards	(365)	(216)
Repurchase of treasury stock	(13,982)	—
Net cash used in financing activities	(14,297)	(132)
Net decrease in cash and cash equivalents and restricted cash	(1,666)	(71,263)
Cash and cash equivalents and restricted cash, beginning of period	21,464	120,133
Cash and cash equivalents and restricted cash, end of period	\$ 19,798	\$ 48,870
<b>Supplemental disclosure of noncash investing and financing activities:</b>		
Repurchase of treasury stock included in accrued expenses	\$ 126	\$ —
Acquisitions of property and equipment included in accounts payable and other	\$ 150	\$ 554
Right-of-use assets obtained in exchange for lease obligations	\$ —	\$ 2,096

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

**HYLIION HOLDINGS CORP.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Dollar amounts in thousands, except as separately indicated)

**Note 1. Overview**

Hyliion Holdings Corp. is a Delaware corporation headquartered in Cedar Park, Texas, with research and development facilities near Cincinnati, Ohio, that designs and develops power generators for stationary and mobile applications. References to the “Company,” “Hyliion,” “we,” or “us” in this report refer to Hyliion Holdings Corp. and its wholly owned subsidiary, unless expressly indicated or the context otherwise requires.

**Note 2. Disposals***Strategic Plan Wind Down*

On November 7, 2023, the Board of the Company approved a strategic plan to wind down its powertrain business and preserve the related intellectual property (the “Plan”). We have not accounted for the impacts of the Plan as a discontinued operation through June 30, 2024 as we have not abandoned or sold the underlying intellectual property. We historically provided limited assurance-type warranties under our powertrain contracts and plan to continue to service such warranties through their remaining term, with the majority ending in 2024.

Total charges and expenses related to the Plan of (\$0.6) million and \$3.9 million for the three and six months, respectively, ended June 30, 2024, inclusive of recoveries from assets sold and charges to assets held for sale discussed below, are included in exit and termination costs in the condensed consolidated statements of operations. The change in total liabilities associated with the Plan is included within accrued expenses and other current liabilities as presented in Note 8, and accounts payable, and is summarized as follows (in millions):

	March 31, 2024	Charged to Expense	Costs Paid or Settled	June 30, 2024
Employee severance and retention	\$ 0.7	\$ —	\$ (0.3)	\$ 0.4
Contract terminations	2.1	—	(1.1)	1.0
Warranty obligations	0.1	—	—	0.1
	<u>\$ 2.9</u>	<u>\$ —</u>	<u>\$ (1.4)</u>	<u>\$ 1.5</u>

	December 31, 2023	Charged to Expense	Costs Paid or Settled	March 31, 2024
Employee severance and retention	\$ 1.1	\$ —	\$ (0.4)	\$ 0.7
Contract terminations	6.5	(0.7)	(3.7)	2.1
Warranty obligations	0.4	(0.3)	—	0.1
	<u>\$ 8.0</u>	<u>\$ (1.0)</u>	<u>\$ (4.1)</u>	<u>\$ 2.9</u>

The above estimates of the cash expenditures and charges that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions and actual amounts may differ materially from estimates. In addition, the Company may incur other cash expenditures or charges not currently contemplated due to unanticipated events.

*Assets Held for Sale*

Through the quarter ended June 30, 2024 certain assets of our powertrain business including Class 8 semi-trucks and capital equipment were being actively marketed for sale, and we were actively locating buyers, at a price that was reasonable in relation to their current fair value and the assets were available for immediate sale in their present condition. Further, we estimated that the sale of the disposal groups were expected to be completed within one year and it was unlikely that significant changes to the plan of sale would be made. We review assets held for sale each reporting period to determine whether the existing carrying amounts are fully recoverable in comparison to their estimated fair values less costs to sell.

We had assets held for sale of \$3.6 million consisting of property and equipment in connection with the Plan at their fair value less costs to sell at June 30, 2024. We used fair value hierarchy Level III inputs including comparable assets, adjusted for condition, and recorded charges of \$0.0 million and \$5.6 million included in exit and termination costs in the condensed consolidated statements of operations in the three and six months, respectively, ended June 30, 2024. The estimates of fair value less costs to sell are subject to a number of assumptions and actual amounts may differ materially from estimates.

We recorded benefits for recoveries related to asset sales of \$0.6 million and \$1.2 million included in exit and termination costs in the condensed consolidated statements of operations in the three and six months, respectively, ended June 30, 2024

### **Note 3. Summary of Significant Accounting Policies**

#### ***Basis of Presentation and Principles of Consolidation***

The accompanying condensed consolidated financial statements include the accounts of Hylion Holdings Corp. and its wholly owned subsidiary. Intercompany transactions and balances have been eliminated upon consolidation. The condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and in accordance with the rules and regulations of the United States Securities and Exchange Commission (“SEC”), which permit reduced disclosure for interim periods. The condensed consolidated balance sheet at December 31, 2023 was derived from audited financial statements for the fiscal year then ended, but does not include all necessary disclosures required with respect to annual financial statements. In the opinion of the Company, these condensed consolidated financial statements include all recurring adjustments and normal accruals necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the dates and periods presented. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company’s 2023 Annual Report. Results for interim periods are not necessarily indicative of the results to be expected for a full fiscal year or for any future period.

These condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company is an early-stage growth company and has generated negative cash flows from operating activities since inception. At June 30, 2024, the Company had total equity of \$267.8 million, inclusive of cash and cash equivalents of \$19.1 million and total investments of \$229.6 million. Based on this, the Company has sufficient funds to continue to execute its business strategy for the next twelve months from the issuance date of the financial statements included in this Quarterly Report on Form 10-Q.

#### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the balance sheet date, as well as reported amounts of expenses during the reporting period. The Company’s most significant estimates and judgments involve disposals, income taxes and valuation of share-based compensation. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates, and such differences could be material to the Company’s condensed consolidated financial statements.

#### ***Concentration of Supplier Risk***

The Company is dependent on certain suppliers, many of which are single source suppliers, and the inability of these suppliers to deliver necessary components of the Company’s products in a timely manner at prices, quality levels and volumes that are acceptable, or the Company’s inability to efficiently manage these components from these suppliers, could have a material adverse effect on the Company’s business, prospects, financial condition and operating results.

#### ***Cash and Cash Equivalents***

The Company considers all highly liquid investments with a maturity date of 90 days or less at the time of purchase to be cash and cash equivalents only if in checking, savings or money market accounts. Cash and cash equivalents include cash held in banks and money market accounts and are carried at cost, which approximates fair value. The Company maintains cash in excess of federally insured limits at financial institutions which it believes are of high credit quality and has not incurred any losses related to these balances to date. The Company believes its credit risk, with respect to these financial institutions to be minimal.

### **Restricted Cash**

The Company provided a supplier with a letter of credit for \$7.9 million in the fourth quarter of 2023 to secure the performance of the Company's obligations to purchase semi-trucks related to the Founders Program, backed by a restricted cash deposit to pay any draws on the letter of credit by the supplier. The Company was released from this letter of credit in the first quarter of 2024.

The Company has provided its corporate headquarters lessor with a letter of credit for \$0.7 million to secure the performance of the Company's lease obligations, backed by a restricted cash deposit to pay any draws on the letter of credit by the lessor. Total cash and cash equivalents and restricted cash as presented in the condensed consolidated statements of cash flows is summarized as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 19,133	\$ 12,881	\$ 48,205	\$ 119,468
Restricted cash included in prepaid expenses and other current assets	—	7,918	—	—
Restricted cash included in other assets	665	665	665	665
	<u>\$ 19,798</u>	<u>\$ 21,464</u>	<u>\$ 48,870</u>	<u>\$ 120,133</u>

### **Accounts Receivable**

Accounts receivable are stated at a gross invoice amount, net of an allowance for doubtful accounts. The allowance for doubtful accounts is maintained at a level considered adequate to provide for potential account losses on the balance based on the Company's evaluation of the anticipated impact of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors. At June 30, 2024 and December 31, 2023, there were no accounts receivable due from customers or allowances for doubtful accounts.

### **Investments**

The Company's investments consist of corporate bonds, U.S. treasury and agency securities, state and local municipal bonds and commercial paper, all of which are classified as held-to-maturity, with a maturity date of 36-months or less at the time of purchase. The Company determines the appropriate classification of investments at the time of purchase and re-evaluates such designation as of each balance sheet date. Investments are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization, along with interest, is included in interest income. The Company uses the specific identification method to determine the cost basis of securities sold.

Investments are impaired when a decline in fair value is judged to be other-than-temporary. The Company evaluates investments for impairment by considering the length of time and extent to which market value has been less than cost or amortized cost, the financial condition and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the security or the likelihood that it will be required to sell the security before recovery of the entire amortized cost. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded to other income (expense) and a new cost basis in the investment is established.

### **Fair Value Measurements**

ASC 820, *Fair Value Measurements*, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based upon assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

*Level I:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company can access at the measurement date;

*Level II:* Significant other observable inputs other than level I prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data; and

*Level III:* Significant unobservable inputs that reflect the Company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company believes its valuation methods are appropriate and consistent with other market participants, however the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Company's financial instruments consist of cash and cash equivalents and restricted cash, accounts receivable, investments, accounts payable and accrued expenses. The carrying value of cash and cash equivalents and restricted cash, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short-term nature of those instruments. The fair value of investments is based on quoted prices for identical or similar instruments in markets that are not active. As a result, investments are classified within Level II of the fair value hierarchy.

### ***Inventories***

Through June 30, 2024, we have not yet commercialized the KARNØ generator. Costs incurred for components acquired prior to our determination of reaching a commercial stage are expensed as research and development costs, resulting in zero cost basis for those components. As a result, moving-average prices for inventory that is capitalized in future periods may be significantly affected by those zero cost items.

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

Research and development costs did not meet the requirements to be recognized as an asset as the associated future benefits were at best uncertain and there was no alternative future use at the time the costs were incurred. Research and development costs include, but are not limited to, outsourced engineering services, allocated facilities costs, depreciation on equipment utilized in research and development activities, internal engineering and development expenses, materials, internally developed software and employee related expenses (including salaries, benefits, travel, and share-based compensation) related to development of the Company's products and services.

### ***Recent Accounting Pronouncements***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)*, to enhance transparency and decision usefulness of income tax disclosures. The pronouncement is effective for fiscal years beginning after December 15, 2024 and we expect a material impact to our disclosures as a result of adoption.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, to improve the disclosures about a public entity's reportable segments. The pronouncement is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 and we expect a material impact to our disclosures as a result of adoption.

**Note 4. Investments**

The amortized cost, unrealized gains and losses, fair value and maturities of our held-to-maturity investments at June 30, 2024 and December 31, 2023 are summarized as follows:

	Amortized Cost	Fair Value Measurements at June 30, 2024		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
Commercial paper	\$ 13,365	\$ —	\$ (9)	\$ 13,356
U.S. government agency bonds	27,642	6	(104)	27,544
State and municipal bonds	13,346	—	(66)	13,280
Corporate bonds and notes	175,214	79	(572)	174,721
	<u>\$ 229,567</u>	<u>\$ 85</u>	<u>\$ (751)</u>	<u>\$ 228,901</u>

	Amortized Cost	Fair Value Measurements at December 31, 2023		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
Commercial paper	\$ 35,218	\$ 18	\$ (10)	\$ 35,226
U.S. government agency bonds	27,602	56	(186)	27,472
State and municipal bonds	15,262	1	(48)	15,215
Corporate bonds and notes	200,401	515	(255)	200,661
	<u>\$ 278,483</u>	<u>\$ 590</u>	<u>\$ (499)</u>	<u>\$ 278,574</u>

	June 30, 2024		December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 136,091	\$ 135,722	\$ 150,297	\$ 149,934
Due after one year through five years	93,476	93,179	128,186	128,640
	<u>\$ 229,567</u>	<u>\$ 228,901</u>	<u>\$ 278,483</u>	<u>\$ 278,574</u>

**Note 5. Fair Value Measurements**

The fair value measurements of our financial assets at June 30, 2024 and December 31, 2023 are summarized as follows:

	Fair Value Measurements at June 30, 2024			
	Level I	Level II	Level III	Total
Cash and cash equivalents	\$ 19,133	\$ —	\$ —	\$ 19,133
Restricted cash	665	—	—	665
Held-to-maturity investments:				
Commercial paper	—	13,356	—	13,356
U.S. government agency bonds	—	27,544	—	27,544
State and municipal bonds	—	13,280	—	13,280
Corporate bonds and notes	—	174,721	—	174,721
	<u>\$ 19,798</u>	<u>\$ 228,901</u>	<u>\$ —</u>	<u>\$ 248,699</u>

<b>Fair Value Measurements at December 31, 2023</b>				
	<b>Level I</b>	<b>Level II</b>	<b>Level III</b>	<b>Total</b>
Cash and cash equivalents	\$ 12,881	\$ —	\$ —	\$ 12,881
Restricted cash	8,583	—	—	8,583
Held-to-maturity investments:				
Commercial paper	—	35,226	—	35,226
U.S. government agency bonds	—	27,472	—	27,472
State and municipal bonds	—	15,215	—	15,215
Corporate bonds and notes	—	200,661	—	200,661
	<u>\$ 21,464</u>	<u>\$ 278,574</u>	<u>\$ —</u>	<u>\$ 300,038</u>

#### **Note 6. Property and Equipment, Net**

Property and equipment, net at June 30, 2024 and December 31, 2023 is summarized as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Production machinery and equipment	\$ 17,060	\$ 10,376
Vehicles	1,040	2,013
Leasehold improvements	3,404	2,236
Office furniture and fixtures	238	223
Computers and related equipment	2,082	1,963
	<u>23,824</u>	<u>16,811</u>
Less: accumulated depreciation	(8,043)	(6,824)
Total property and equipment, net	<u>\$ 15,781</u>	<u>\$ 9,987</u>

#### **Note 7. Share-Based Compensation**

During the six months ended June 30, 2024 and 2023, the Company granted 5.9 million and 2.5 million, respectively, restricted stock units which will vest over a period of one to three years. During the six months ended June 30, 2024 and 2023, 1.1 million and 0.6 million, respectively, of restricted stock units and options were forfeited. Share-based compensation expense for the three and six months ended June 30, 2024 was \$1.1 million and \$2.4 million, respectively. Share-based compensation expense for the three and six months ended June 30, 2023 was \$1.7 million and \$3.8 million, respectively.

In May 2024, stockholders of the Company approved the Hyllion Holdings Corp. 2024 Equity Incentive Plan which allows issuance of up to 8,000,000 shares, subject to certain adjustments.

Of the restricted stock units granted in the first quarter of 2024, 2.7 million units may vest between February 13, 2025 and December 31, 2026 contingent upon achieving underlying closing stock price thresholds. These awards were valued at \$0.83 per unit using fair value hierarchy Level III inputs including an underlying share volatility of 90% and a risk-free rate of 4.35%. There were no market-conditioned awards granted after the first quarter of 2024.

#### **Note 8. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities at June 30, 2024 and December 31, 2023 are summarized as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Accrued professional services and other	\$ 1,332	\$ 2,606
Accrued compensation and related benefits	2,364	1,510
Other accrued liabilities	312	1,922
Accrued severance, contract termination, and other charges	1,477	4,013
	<u>\$ 5,485</u>	<u>\$ 10,051</u>

## Note 9. Commitments and Contingencies

### *Economic Incentive Agreement*

During the quarter ended March 31, 2024, in connection with our operations in Cedar Park, Texas, the Company entered into an agreement with the Cedar Park Economic Development Corporation (“EDC”) that superseded prior agreements, whereby the Company would receive cash grants up to \$1.1 million from the EDC at various measurement dates during the term of the agreement contingent upon the Company fulfilling and maintaining certain occupancy, investment, and employment requirements. The requirements must be met on or before specific measurement dates and maintained throughout the term of the agreement, which expires effective December 31, 2029. The Company has received payments to date of \$0.4 million which remain refundable and subject to these performance requirements and are included within other liabilities as of June 30, 2024. Under the agreement, the EDC has the right to file a security interest to all assets of the Company.

### *Legal Proceedings*

The Company is periodically involved in legal proceedings, legal actions and claims arising in the normal course of business, including proceedings relating to product liability, intellectual property, safety and health, employment and other matters. The Company believes that the outcome of such legal proceedings, legal actions and claims will not have a significant adverse effect on the Company’s financial position, results of operations or cash flows.

## Note 10. Net Loss Per Share

The computation of basic and diluted net loss per share for the three and six months ended June 30, 2024 and 2023 is summarized as follows (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Net loss attributable to common stockholders	\$ (10,856)	\$ (35,227)	\$ (26,448)	\$ (64,058)
<b>Denominator:</b>				
Weighted average shares outstanding, basic and diluted	173,829,107	180,966,908	176,156,001	180,544,821
Net loss per share, basic and diluted	\$ (0.06)	\$ (0.19)	\$ (0.15)	\$ (0.35)

Potential common shares excluded from the computation of diluted net loss per share because including them would have had an anti-dilutive effect for the three and six months ended June 30, 2024 and 2023 are summarized as follows:

	Three and Six Months Ended June 30,	
	2024	2023
Unexercised stock options	271,996	2,053,599
Unvested restricted stock units*	6,450,052	4,063,027
	6,722,048	6,116,626

\* Potential common shares from unvested restricted stock units for the periods ended June 30, 2024 and 2023 include no and 649,584 shares, respectively, where no accounting grant date had been established.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References to the "Company," "Hyliion," "we," or "us" in this report refer to Hyliion Holdings Corp. and its wholly-owned subsidiary Hyliion Inc., unless expressly indicated or the context otherwise requires. The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this report and our audited consolidated financial statements and related notes thereto in our 2023 Annual Report.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

*This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact, contained in this Quarterly Report on Form 10-Q are forward-looking statements, including, but not limited to, statements regarding our strategy, prospects, plans, objectives, future operations, future revenue and earnings, projected margins and expenses, markets for our services, potential acquisitions or strategic alliances, financial position, and liquidity and anticipated cash needs and availability. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," variations of such words and similar expressions or the negatives thereof are intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. These forward-looking statements represent our management's expectations as of the date of this filing and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We cannot guarantee the accuracy of the forward-looking statements, and you should be aware that results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of risks and uncertainties including, but not limited to, those described in the section entitled "Risk Factors" included in our 2023 Annual Report on Form 10-K, this Quarterly Report on Form 10-Q, and in other documents we file from time to time with the U.S. Securities and Exchange Commission (the "Commission" or the "SEC") that disclose risks and uncertainties that may affect our business. Readers are urged to carefully review and consider the various disclosures made in this Quarterly Report on Form 10-Q and in other documents we file from time to time with the Commission. Furthermore, such forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we do not undertake, and expressly disclaim any duty, to publicly update or revise these statements, whether as a result of new information, new developments, or otherwise and even if experience or future changes make it clear that any projected results expressed in this Quarterly Report on Form 10-Q or future quarterly reports, press releases or company statements will not be realized. Unless specifically indicated otherwise, the forward-looking statements in this Quarterly Report on Form 10-Q do not reflect the potential impact of any divestitures, mergers, acquisitions or other business combinations that have not been completed as of the date of this filing. In addition, the inclusion of any statement in this Quarterly Report on Form 10-Q does not constitute an admission by us that the events or circumstances described in such statement are material. We qualify all of our forward-looking statements by these cautionary statements. In addition, 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 entitled "Risk Factors" included in our 2023 Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q. These and other factors could cause our results to differ materially from those expressed in this Quarterly Report on Form 10-Q.*

#### Overview

Hyliion is committed to creating innovative solutions that enable clean, flexible and modular electricity production while contributing positively to the environment in the energy economy. The KARNO generator is a fuel-agnostic power generation solution, enabled by additive manufacturing, that leverages a linear heat engine to generate electricity with significant improvements in efficiency, emissions and cost compared to conventional generators. The Company's primary focus is to provide distributed power generators that operate on various fuel sources to adapt to an ever-changing energy economy. Hyliion is initially targeting the commercial sector with a locally-deployable generator designed to meet a wide range of power generation needs. This versatile generator can operate on both conventional fuels and waste fuels such as landfill and flare gas. In the future, the Company plans to scale up its generator solution to address larger utility-scale power needs and to develop variants for household use and mobile applications such as vehicles and marine vessels. Additionally, the generator technology is well-suited to provide combined heat and power ("CHP") in various stationary applications.

#### Market Opportunity

The U.S. electrical grid is facing a multitude of challenges as it strives to manage the escalating demand for electricity while adapting to evolving generating resources. The electrification of transportation, particularly the growing adoption of electric vehicles, is adding substantial load to the grid. Additionally, the integration of renewable energy sources such as solar and wind

power introduces variability and necessitates grid modernization and storage solutions for stability. Hyliion believes that localized grid generation will become an increasing part of the solution to these challenges.

Hyliion also believes that the KARNO generator is suitable for a wide range of electrical power generating applications and can address many concerns with conventional generators that inhibit consumers from adopting onsite generating systems today, including cost versus grid power, reliability, maintenance needs, noise, inflexibility and emissions. Additionally, the KARNO generator is expected to be able to operate using a wide range of fuel sources including carbon-free fuels such as hydrogen and ammonia.

The planned initial KARNO generator variant is both power dense and easy to deploy. It is expected to consist of a single four-shaft 200 kW generating unit along with essential balance-of-plant components, all arranged within a space-efficient, rectangular configuration occupying approximately three cubic meters. Later planned developments are expected to include a greater-than 2 MW system with multiple KARNO generators inside the footprint of a 20-foot shipping container. Over time, we expect larger and smaller capacity versions of the KARNO generator will be offered with power levels varying based on the number of generator shafts included or the size of component parts. We expect the KARNO generator to initially compete effectively in the market for power applications between 200 kW to 5 MW and later extend to larger and smaller power configurations.

We are currently working with potential customers for initial generator deployments in late 2024. These deployments will test and validate KARNO generator product attributes including efficiency, emissions, maintenance requirements, durability, control systems and other parameters. We expect to receive compensation for these initial deployments as we believe the generator will provide tangible benefits to customers. We also expect that early deployments will demonstrate the effectiveness of the KARNO generator in a wide range of electrical generating applications. Target markets include:

- *Prime Power:* Most consumers prefer the grid versus generating power locally due to the grid's inherent advantages of simplicity, convenience, scalability and cost effectiveness. For critical applications such as hospitals, data centers and refrigerated warehouses, local generators are indispensable in case of a grid power failure. The KARNO generator introduces the opportunity for certain power consumers to rethink their primary and secondary power sources. Due to its unique attributes in comparison to conventional generators, including consistently high efficiency across power levels, minimal maintenance requirements, and reduced level of noise and emissions, the KARNO generator stands as a potentially more cost-effective base load power source for consumers, who could then utilize the electric grid as a backup source of power. This arrangement holds particular appeal for consumers facing high grid electrical costs and low fuel costs, such as for natural gas.
- *Vehicle Charging:* The rapid growth of consumer electric vehicles is increasingly straining grid capacity and reliability, both domestically and internationally. The introduction of commercial EVs, such as buses, delivery vans and large trucks is expected to intensify this challenge in the future given their substantial power requirements during charging. Many commercial operators cite the lack of electrical capacity access as the primary obstacle to expanding their electric vehicle fleets. Here, we believe the KARNO generator offers a unique solution for vehicle charging. Its flexibility in fuel sources, including the ability to use hydrogen, along with its superior environmental performance and low emissions and noise levels offer advantages over internal combustion generators. A KARNO generator can also modulate power with minimal efficiency loss by activating or deactivating individual generators and by regulating the heat input to each generator. Finally, KARNO's high power density allows it to be deployed as a localized power source for vehicle charging without displacing a large amount of parking space.
- *Waste Gas Power Generation:* Natural gas sourced from waste sites like landfills, water treatment plants and dairy farms is a growing market as producers seek to capture sources of methane emissions that would otherwise be released into the atmosphere or flared. Also known as renewable natural gas ("RNG"), most sources are typically treated to remove impurities such as carbon dioxide, hydrogen sulfide and moisture before the gas can be utilized or injected into natural gas pipelines. We believe the KARNO generator can compete effectively as a power generator fueled by waste gases.
- *Flare Gas:* Similarly, natural gas extracted from gas or oil wells frequently requires processing to remove natural gas liquids and impurities. At remote well sites, gas may be flared, or burned, due to insufficient pipeline capacity for transmission to consuming markets. The KARNO generator creates a new opportunity – to transform flare gas into valuable electricity, destined either for integration into the electric grid or for localized consumption. As with RNG, the KARNO generator is anticipated to use flare gas with limited need for pre-treatment at a gas processing facility.
- *Peak Shaving:* "Peaking charges" also referred to as "demand charges" are fees imposed by utilities on customers based on their highest recorded electricity usage during a billing cycle, often measured over a short interval, such as 15 minutes. These charges serve to recuperate the expenses associated with maintaining grid capacity during periods of peak demand. For customers with substantial peak demand, such as large industrial facilities and data centers, peaking charges can significantly inflate their electric bills. Additionally, time-based electricity rates are now common to

reduce demand on the grid during peak times. Peak rates can be two to three times higher than base rates, increasing electricity charges even further for consumers. In this context, distributed generation sources like the KARNO generator can help to mitigate the financial impact of peaking charges and rates by supplementing grid power during peak consumption periods.

- *Backup Power:* The market for local backup power generators is well established but also poised for growth due to reduced reliability of the power grid, a greater share of intermittent renewable sources of electricity, the frequency and severity of extreme weather events and the need for continuous power supply in critical applications. Generator emissions are a growing concern in the backup power market due to increased focus on the health impacts of harmful compounds such as nitrogen oxides (“NOx”), carbon monoxide (“CO”), and volatile organic compounds (“VOCs”). To address these concerns, emissions control technologies are often incorporated for conventional generators and alternative sources of fuel like natural gas are replacing diesel, which is also a source of particulate matter emissions if exhaust gases are untreated. The backup power market is another opportunity for the KARNO generator which is particularly attractive for its low level of emissions and low noise level while in operation. The KARNO generator is expected to reduce CO and NOx emissions by over 95% compared to diesel generators, and potentially without the need for exhaust aftertreatment. We therefore believe that KARNO presents an opportunity to provide solutions for end users that desire a lower emissions profile and in the event emissions regulations are further tightened.
- *Mobility:* We also plan to develop variants for mobile applications such as vehicles including rail (locomotives) and marine vessels. Longer-term, we also believe KARNO can be a viable solution for on-highway applications.

Following initial deployments in late 2024, we expect to ramp up commercialization of the KARNO generator including expansion of production capacity and establishment of sales and distribution channels, potentially including market collaborations and extending our reach outside of the U.S. In the future we intend to develop KARNO generators of different sizes and configurations to capitalize on KARNO’s unique advantages and extend these advantages across a broader range of market opportunities.

### ***KARNO Generator System***

The KARNO generator emerged out of GE’s long-running research and development investments in aerospace and metal additive manufacturing across multiple industries and in areas such as generator thermal and performance design. We initially envisioned utilizing the KARNO generator as new range-extending power source for the Hypertruck powertrain system, given its ability to operate on a wide range of fuel sources, including natural gas and hydrogen. After the previously announced wind down of our powertrain operations, we shifted our focus exclusively to the development and commercialization of the KARNO generator. We believe that the unique capabilities of the KARNO generator will make it competitive in the stationary power market, competing favorably against conventional electrical generating systems and opening up potential new markets to enhance grid power availability and reliability. The KARNO generator technology, including the technology that was acquired from GE and the technology developed by Hyliion subsequent to the acquisition, is protected by numerous patents and trademarks which we believe provide Hyliion extensive and lasting protection for its intellectual property.

### ***KARNO Generator Development***

Our ongoing efforts with the KARNO generator encompass activities such as its design, development and rigorous testing, along with the development of essential balance-of-plant systems including cooling and controls systems. Notably, we have reached a significant milestone by constructing the 125 kW ALPHA generator which we are currently testing in our development facility. Simultaneously, we are in the final stages of designing and assembling a 200 kW BETA generator, which is expected to serve as our design for initial commercial deployments. We have also showcased KARNO integrated as an on-board generator for our Hypertruck ERX powertrain system and with potential stationary power customers. Moreover, we successfully demonstrated the generator’s capability to feed power back to the electric grid from our Cincinnati, Ohio facility and confirmed through testing the capability of the generator’s oxidation system to be fueled using untreated natural gas from a Permian Basin well site.

As we progress toward our anticipated initial stationary generator deployments, scheduled for late 2024, pivotal development activities are underway, including enhancements to the linear generator system and its controls, rigorous validation of essential operating parameters, including efficiency, emissions and reliability, and build-out of balance-of-plant systems and controls. These initial generator deployments, coupled with our ongoing testing and development endeavors, will play a vital role in the validation of other critical design specifications, including the generator’s projected operating life, maintenance requirements and durability.

We expect to achieve efficiencies over time, leading to a reduction in the manufacturing and assembly costs associated with the KARNO generator. These efficiencies will stem in part from advancements in the speed and capacity of additive manufacturing machines offered by GE and other vendors. The pace of advancements in additive technology are expected to improve over time, with the output of machines we intend to acquire over the next three to four years projected to increase compared to

machines available today. Additionally, we are actively pursuing design modifications that will enable specific components to be produced through conventional manufacturing processes. Moreover, for less critical components, we are exploring utilization of lower-cost and lightweight materials like aluminum. Lastly, we anticipate that economies of scale will reduce system component costs.

### ***The Science of KARNO***

The KARN0 generator is distinguished from conventional generating systems that rely on reciprocating internal combustion engines or gas turbines to drive a rotating shaft. In contrast, the KARN0 generator harnesses the power of a heat engine to propel a linear generating system. This innovative generator derives its linear motion from temperature differences inside the engine. The generation of heat within the system occurs through flameless oxidation of fuels, like natural gas, hydrogen, or propane. This thermal energy causes helium gas enclosed within a sealed cylinder to expand, thereby propelling linear motion in a connected piston-shaft system which includes a sequence of permanent magnets situated on the shaft passing through electrical coils. Subsequently, the counter-motion generated by a piston at the opposite end of the shaft flows the helium gas to the cold side of a piston in an adjacent shaft, where excess heat is efficiently dissipated. This cyclical process continues, resulting in a continuous source of electrical power for so long as heat is supplied to the generator.

Linear generators present several advantages over conventional generators, with key benefits including reduced maintenance, attributable to their simplified design with few moving parts. Additionally, they exhibit high power density and higher efficiency by circumventing the mechanical losses linked to rotating components such as bearings and gears while producing less noise and vibration. In the case of KARN0, each shaft of the generator relies on a single moving part and utilizes a pressurized helium bearing system in place of oil-based lubricants.

Heat engines offer the advantages of fuel flexibility and high operating efficiency. The KARN0 generator stands out for its ability to maximize heat transfer between components and working fluids. Enabled by advances in additive manufacturing systems, parts are designed with a large number of intricate flow channels for the movement of heat, cooling water, helium and exhaust gases such that contact surface areas for heat transfer are maximized. This enables the KARN0 generator to achieve high levels of efficiency.

The KARN0 generator is expected to surpass the efficiency of conventional generating systems when employing various fuel sources and even outperform fuel cells when using hydrogen. Notably, its high efficiency remains consistent across a broad range of output power levels. In contrast, fuel cells reach peak efficiency at low power levels but experience diminishing efficiency as output increase towards full power. Internal combustion engines typically achieve peak efficiency within a limited operational output range and may suffer increased wear at low power levels. The KARN0 generator offers a distinct advantage in power adjustment by modulating the rate of heat introduction, enabling seamless power adjustments without compromising the generator's efficiency.

We anticipate that the KARN0 generator will achieve an electrical generating efficiency of nearly 50%, calculated by considering the usable output power in relation to the energy from the fuel source. High efficiency is expected to remain relatively consistent across a wide range of output power levels, spanning from tens of kilowatts to multiple megawatts. In contrast, internal combustion diesel generators typically operate within an efficiency range of 25% to 40% over a similar power spectrum, while the U.S. electrical power grid is estimated to operate at an efficiency between 33% and 40%. Notably, best-in-class grid-level gas turbine powerplants can obtain efficiencies ranging between 45% to 55%. However, they incur transmission and distribution losses between 5% and 10% which the KARN0 generator can circumvent by being strategically located near the point of power consumption.

Conventional generators emit pollutants as a result of incomplete combustion of fuel-air mixtures, with the formation of NO<sub>x</sub> compounds being particularly prominent. Unlike conventional generators, which often employ internal combustion engines operating at high temperatures with rapid and incomplete fuel combustion, the KARN0 generator is designed for continuous fuel oxidation at lower temperatures than internal combustion engines and extended burn times. This is achieved partly through the recirculation of exhaust gases, which serves to prolong combustion duration and by pre-heating incoming air. As a result, the KARN0 generator is anticipated to achieve low levels of emissions, with CO and NO<sub>x</sub> emissions expected to be reduced by over 95% compared to best-in-class diesel engines and targeting CARB 2027 standards without the need for aftertreatment.

One of the notable advantages of the KARN0 generator, in comparison to traditional generating units, is the expected significant reduction in maintenance requirements and cost. Conventional generators typically incur periodic and usage-based maintenance expense that can range between 5% to 20% of their total operating cost throughout their lifespan, influenced by factors such as utilization and operating parameters. KARN0's primary advantage arises from having only a single moving linear actuator per shaft (4 shafts per 200 kW generator), which glides linearly on low friction helium bearings. This innovative design significantly mitigates efficiency losses attributed to friction, enhances the system's operational longevity and eliminates the need for oil-based lubricants commonly found in conventional generators. Furthermore, internal combustion engines require extensive overhauls after specific operating periods which are costly, require specialized expertise, and result in prolonged

downtime. Conversely, the KARNO generator is projected to require less costly and simplified maintenance service than internal combustion engines, translating into both cost savings and reduced downtime.

The KARNO generator, functioning as a heat engine, derives advantages from its expected capability to operate across a diverse spectrum of over 20 available fuel sources and fuel mixtures. These include natural gas, propane, gasoline, jet fuel, and alternative fuels like bio-diesel, hydrogen and ammonia. Moreover, the generator can seamlessly transition between these fuels or fuel blends, requiring few or no physical modifications to its flameless oxidation system. This versatility enables a single generator to adapt to different use cases. For example, the generator may operate on natural gas for prime power generation when a pipeline connection is available and on waste gas near a landfill or dairy farm. Furthermore, as hydrogen becomes more widely available, the KARNO generator will be able to adapt to this cleaner fuel. As the energy landscape evolves, the KARNO generator's fuel-agnostic nature positions it as a flexible solution to electricity generation needs.

### ***Benefits of the KARNO Generator Versus Conventional Competitors***

We believe the versatility and operating characteristics of the KARNO generator make it an effective system for a variety of conventional and emerging electrical generating applications. Key attributes of the KARNO generator distinguish it from its conventional generator counterparts, which may open new market opportunities:

- *Generator Efficiency:* The anticipated operating efficiency of the KARNO generator results in lower cost of electricity versus conventional generating systems and, in many markets, grid power.
- *Low Maintenance:* With only a single moving part per shaft, the simplicity of the KARNO generator is expected to reduce both periodic maintenance expenses and expected overhaul costs.
- *Fuel Agnostic:* While many traditional generators operate on a single fuel source or require system modification to achieve fuel flexibility, the KARNO generator is truly fuel-agnostic, and can switch between fuel choices during operation with few or no modifications.
- *Low Noise and Vibration:* Unlike conventional generators, the KARNO generator operates without internal combustion, resulting in a significantly lower noise level of approximately 67 decibels at six feet, which is approximately equivalent to a typical conversation.
- *Higher Power Density:* The unique architecture and features of the KARNO generator that are enabled by advances in additive manufacturing, enable the generator to achieve a high level of power density. For example, a 200 kW generator occupies less than a cubic meter of volume, excluding balance-of-plant systems.
- *Modularity:* The power output of a KARNO generator can be modulated by changing the level of heat applied to the system. For larger power applications above 200 kW, systems with six or more shafts can be utilized or, multiple KARNO generators can be assembled to operate as a single unit. For megawatt applications, individual generators can be turned on or off to adjust the total power output of the system.
- *Fast Startup Time:* It is anticipated that the KARNO generator will be able to begin generating electricity from a cold start in approximately 30 to 60 seconds. Additionally, full power can be achieved in a matter of minutes. Conversely, some generating systems, such as solid oxide fuel cells, require a warm-up period of up to 30 minutes.

### **Key Factors Affecting Operating Results**

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges, including but not limited to economic uncertainties, supply chain disruptions, inflation and high interest rates as well as those discussed below and referenced in Part II, Item 1A "Risk Factors".

### ***Commercialization of KARNO Generator***

Our focus in the first half of 2024 was on continuing development and testing of our fuel-agnostic KARNO stationary generator and planning for the deployment of initial revenue-generating units with customers in late 2024. We anticipate that a substantial portion of our capital resources and efforts in the near future will be focused these activities. The amount and timing of our future funding requirements, if any, will depend on many factors, including but not limited to the pace of completing initial KARNO generator design, testing and validation, the pace at which we introduce initial generator units to the market, our strategies for manufacturing KARNO generator components (whether in-house or through outsourcing to third parties), the range of product offerings we plan to bring to market and external market factors beyond our control.

## **Key Components of Statements of Operations**

### ***Revenue***

We historically generated revenues from sales of Hybrid systems for Class 8 semi-trucks and limited quantities of Class 8 semi-trucks outfitted with the Hybrid system. As a result of the discontinuation of the electrified powertrain systems business and the shift to focus exclusively on the development and commercialization of the Company's fuel-agnostic KARNO generator technology, we do not anticipate generating future revenues until we begin commercialization of our KARNO generators.

### ***Cost of Revenue***

Cost of revenue includes all direct costs such as labor and materials, overhead costs, warranty costs and any write-down of inventory to net realizable value.

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

Research and development expenses consist primarily of costs incurred for the discovery and development of our KARNO stationary generator and, prior to 2024, electrified powertrain solutions, which include:

- personnel-related expenses including salaries, benefits, travel and share-based compensation, for personnel performing research and development activities;
- fees paid to third parties such as contractors for outsourced engineering services and to consultants;
- expenses related to components for development and testing, materials, supplies and other third-party services;
- depreciation for equipment used in research and development activities; and
- allocation of general overhead costs.

We expect to continue to invest in research and development activities to achieve operational and commercial goals.

### ***Selling, General and Administrative Expense***

Selling, general and administrative expenses consist of personnel-related expenses for our corporate, executive, finance, sales, marketing and other administrative functions, expenses for outside professional services, including legal, audit and accounting services, as well as expenses for facilities, depreciation, amortization, travel, sales and marketing costs. Personnel-related expenses consist of salaries, benefits and share-based compensation. Factors that also affect selling, general and administrative expense include the total number of employees, costs incurred as a result of operating as a public company, including compliance with the rules and regulations of the U.S. Securities and Exchange Commission, legal, audit, insurance, investor relations activities and other administrative and professional services.

### ***Exit and Termination Costs***

Exit and termination costs consist of employee severance and retention payments, accelerated non-cash stock-based compensation expense, contract termination and other cancellation costs, non-cash charges including accelerated depreciation and amortization, and recoveries from resale of assets. These costs are a result of the Plan approved on November 7, 2023 to wind down our powertrain business.

### ***Other Income (Expense)***

Other income currently consists primarily of interest income earned on our investments. Since the acquisition of our KARNO generator technology, we have continued to perform as a subcontractor on a contract with the Office of Naval Research ("ONR"). We may reassess the classification of such contracts as revenue based on business strategy.

## Results of Operations

### Comparison of Three Months Ended June 30, 2024 to Three Months Ended June 30, 2023

Our results of operations for the three months ended June 30, 2024 (the “current quarter”) and 2023 on a consolidated basis are summarized as follows (in thousands, except share and per share data):

	Three Months Ended June 30,		\$ Change	% Change
	2024	2023		
<b>Revenues</b>				
Product sales and other	\$ —	\$ 266	\$ (266)	(100.0)%
Total revenues	—	266	(266)	(100.0)%
<b>Cost of revenues</b>				
Product sales and other	—	307	(307)	(100.0)%
Total cost of revenues	—	307	(307)	(100.0)%
<b>Gross loss</b>	—	(41)	41	(100.0)%
<b>Operating expenses</b>				
Research and development	8,311	27,439	(19,128)	(69.7)%
Selling, general and administrative expenses	6,262	11,098	(4,836)	(43.6)%
Exit and termination costs	(556)	—	(556)	N/A
Total operating expenses	14,017	38,537	(24,520)	(63.6)%
<b>Loss from operations</b>	(14,017)	(38,578)	24,561	(63.7)%
Interest income	3,129	3,349	(220)	(6.6)%
Loss on disposal of assets	—	(1)	1	(100.0)%
Other income, net	32	3	29	966.7 %
<b>Net loss</b>	\$ (10,856)	\$ (35,227)	\$ 24,371	(69.2)%
Net loss per share, basic and diluted	\$ (0.06)	\$ (0.19)	\$ 0.13	(68.4)%
Weighted-average shares outstanding, basic and diluted	173,829,107	180,966,908	(7,138)	(3.9)%

#### Revenue and Cost of Revenues

Revenue associated with our Hybrid products decreased \$0.3 million and associated cost of revenues decreased \$0.3 million. As a result of our strategic review and decision to wind down our powertrain business, we do not anticipate further revenue or cost of revenues until we begin commercialization of our KARNO generator.

#### Research and Development

Research and development expenses decreased \$19.1 million due to:

- A decrease of \$23.7 million for the design and testing of our Hypertruck ERX system; offset by
- An increase of \$4.6 million for the design and testing of our KARNO stationary generator.

#### Selling, General and Administrative

Selling, general, and administrative expenses decreased \$4.8 million primarily due to wind down of our powertrain business:

- A decrease of \$2.8 million in personnel and benefits;
- A decrease of \$0.8 million in marketing;
- A decrease of \$0.6 million in professional services; and
- A decrease of \$0.3 million in insurance.

#### Exit and Termination Costs

Exit and termination benefit was \$0.6 million as a result of the adoption of the Plan and items discussed in Note 2 of the notes to the consolidated financial statements, including recoveries from assets sold.

### Comparison of Six Months Ended June 30, 2024 to Six Months Ended June 30, 2023

The following table summarizes our results of operations on a consolidated basis for the six months ended June 30, 2024 (the “current six months”) and 2023 (in thousands, except share and per share data):

	Six Months Ended June 30,		\$ Change	% Change
	2024	2023		
<b>Revenues</b>				
Product sales and other	\$ —	\$ 576	\$ (576)	(100.0)%
Total revenues	—	576	(576)	(100.0)%
<b>Cost of revenues</b>				
Product sales and other	—	998	(998)	(100.0)%
Total cost of revenues	—	998	(998)	(100.0)%
<b>Gross loss</b>	—	(422)	422	(100.0)%
<b>Operating expenses</b>				
Research and development	16,279	48,357	(32,078)	(66.3)%
Selling, general and administrative expenses	12,854	22,079	(9,225)	(41.8)%
Exit and termination costs	3,875	—	3,875	N/A
Total operating expenses	33,008	70,436	(37,428)	(53.1)%
<b>Loss from operations</b>	(33,008)	(70,858)	37,850	(53.4)%
Interest income	6,525	6,811	(286)	(4.2)%
Gain on disposal of assets	3	1	2	200.0 %
Other income (expense), net	32	(12)	44	N/A
<b>Net loss</b>	\$ (26,448)	\$ (64,058)	\$ 37,610	(58.7)%
Net loss per share, basic and diluted	\$ (0.15)	\$ (0.35)	\$ 0.20	(57.1)%
Weighted-average shares outstanding, basic and diluted	176,156,001	180,544,821	(4,389)	(2.4)%

#### Revenue and Cost of Revenues

Revenue associated with our Hybrid products decreased \$0.6 million and associated cost of revenues decreased \$1.0 million. As a result of our strategic review and decision to wind down our powertrain business, we do not anticipate further revenue or cost of revenues until we begin commercialization of our KARNO generator.

#### Research and Development

Research and development expenses decreased \$32.1 million due to:

- A decrease of \$41.2 million for the design and testing of our Hypertruck ERX system; offset by
- An increase of 9.1 million for the design and testing of our KARNO stationary generator.

#### Selling, General and Administrative

Selling, general, and administrative expenses decreased \$9.2 million primarily due to wind down of our powertrain business:

- A decrease of \$5.9 million in personnel and benefits;
- A decrease of \$1.7 million in professional services;
- A decrease of \$0.8 million in marketing; and
- A decrease of \$0.3 million in insurance.

#### Exit and Termination Costs

Exit and termination costs increased by \$3.9 million as a result of the adoption of the Plan and items discussed in Note 2 of the notes to the consolidated financial statements, including recoveries from assets sold.

## **Liquidity and Capital Resources**

At June 30, 2024, our current assets were \$164.6 million, consisting primarily of cash and cash equivalents of \$19.1 million, short-term investments of \$136.1 million and prepaid expenses of \$5.4 million. Our current liabilities were \$7.5 million primarily comprised of accounts payable, accrued expenses and operating lease liabilities. We also had \$93.5 million of investments in longer-term liquid securities which we maintain to generate higher income on capital that we do not expect to spend in the next 12 months.

We believe the credit quality and liquidity of our investment portfolio at June 30, 2024 is strong and will provide sufficient liquidity to satisfy operating requirements, working capital purposes and strategic initiatives. The unrealized gains and losses of the portfolio may remain volatile as changes in the general interest rate environment and supply and demand fluctuations of the securities within our portfolio impact daily market valuations. To mitigate the risk associated with this market volatility, we deploy a relatively conservative investment strategy focused on capital preservation and liquidity whereby no investment security may have a final maturity of more than 36 months from the date of acquisition or a weighted average maturity exceeding 18 months. Eligible investments under the Company's investment policy bearing a minimum credit rating of A1, A-1, F1 or higher for short-term investments and A2, A, or higher for longer-term investments include money market funds, commercial paper, certificates of deposit and municipal securities. Additionally, all of our debt securities are classified as held-to-maturity as we have the intent and ability to hold these investment securities to maturity, which minimizes any realized losses that we would recognize prior to maturity. However, even with this approach we may incur investment losses as a result of unusual or unpredictable market developments, and we may experience reduced investment earnings if the yields on investments deemed to be low risk remain low or decline further due to unpredictable market developments. In addition, these unusual and unpredictable market developments may also create liquidity challenges for certain of the assets in our investment portfolio.

Based on our past performance, we believe our current and long-term assets will be sufficient to continue and execute on our business strategy and meet our capital requirements for the next twelve months. We do not expect to need to raise additional equity capital for the foreseeable future. Our primary short-term cash needs are costs associated with KARNO generator development and building of our initial deployment units. Longer term, our capital needs will be determined by our go-to-market strategy, which may include development of our own KARNO generator manufacturing capacity or outsourcing this work to third parties or business partners. In December 2023, we announced an authorized share repurchase program to repurchase up to \$20 million of our outstanding common stock. We repurchased \$14.0 million in common stock during the six months ended June 30, 2024 but have currently paused any additional repurchases under this program. Based on current projections of operating expenses, capital spending, working capital growth and historical share repurchases, we expect to have between \$220 and \$230 million in cash, short-term and long-term investments remaining on our balance sheet at the end of 2024.

We expect to continue to incur net losses in the short term, as we continue to execute on our strategic initiatives by completing the development and commercialization of the KARNO generator with anticipated initial customer deployments in late 2024. However, actual results could vary materially and adversely as a result of a number of factors including, but not limited to, those discussed in Part II, Item 1A. "Risk Factors."

The amount and timing of our future funding requirements, if any, will depend on many factors, including the pace and results of our research and development efforts, the breadth of product offerings we plan to commercialize, the pace of sales, and our long-term plan manufacturing plan for the KARNO generator including plans for financing additive printer investments, as well as factors that are outside of our control.

During the periods presented, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which were established for the purpose of facilitating off-balance sheet arrangements.

**Cash Flows**

Net cash, cash equivalents and restricted cash provided by or used in operating activities, investing activities and financing activities for the six months ended June 30, 2024 and 2023 is summarized as follows (in thousands):

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Cash from operating activities	\$ (33,396)	\$ (63,589)
Cash from investing activities	46,027	(7,542)
Cash from financing activities	(14,297)	(132)
	<u>\$ (1,666)</u>	<u>\$ (71,263)</u>

***Cash from Operating Activities***

For the six months ended June 30, 2024, cash flows used in operating activities were \$33.4 million. Cash used primarily related to a net loss of \$26.4 million, adjusted for a \$14.2 million change in working capital accounts and \$7.2 million in non-cash expenses (including \$7.7 million related to accounts payable, accrued expenses and other liabilities and \$5.1 million related to prepaid expenses and other current assets, partially offset by \$5.6 million in assets held for sale carrying value adjustments and \$2.4 million related to share-based compensation).

For the six months ended June 30, 2023, cash flows used in operating activities were \$63.6 million. Cash used primarily related to a net loss of \$64.1 million, adjusted for a \$4.5 million change in working capital accounts and \$5.0 million in certain non-cash expenses (including \$2.7 million related to accounts payable, accrued expenses and other liabilities and \$3.8 million related to share-based compensation, partially offset by \$5.8 million related to prepaid expenses and other assets and \$0.8 million related to inventory purchases).

***Cash from Investing Activities***

For the six months ended June 30, 2024, cash flows provided by investing activities were \$46.0 million. Cash provided related to the sale or maturity of investments of \$83.2 million and the proceeds from sale of assets of \$3.5 million, partially offset by the purchase of investments of \$32.6 million and acquired property and equipment of \$8.1 million.

For the six months ended June 30, 2023, cash flows used in investing activities were \$7.5 million. Cash used related to the purchase of investments of \$99.2 million and acquired property and equipment of \$4.0 million, partially offset by the sale or maturity of investments of \$95.6 million.

***Cash from Financing Activities***

For the six months ended June 30, 2024, cash flows used in financing activities were \$14.3 million, primarily due to treasury stock repurchases.

For the six months ended June 30, 2023, cash flows used in financing activities were \$0.1 million. Cash flows were primarily due to payment of taxes related to net share settlement of equity awards of \$0.2 million.

**Critical Accounting Policies and Estimates**

In preparing our condensed consolidated financial statements, we applied the same critical accounting policies as described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, supplemented by those described below, that affect judgments and estimates of amounts recorded for certain assets, liabilities, revenues and expenses.

***Share-Based Compensation***

We account for share-based payments that involve the issuance of shares of our common stock to employees and nonemployees and meet the criteria for share-based awards as share-based compensation expense based on the grant-date fair value of the award. The Company has elected to recognize the adjustment to share-based compensation expense in the period in which forfeitures occur. We recognize compensation expense for awards with only service conditions on a straight-line basis over the requisite service period for the entire award.

In the first quarter of 2024, we granted 2.7 million market-conditioned restricted stock units that may vest between February 13, 2025 and December 31, 2026 contingent upon achieving underlying closing stock price thresholds. These awards were valued at \$0.83 per unit using fair value hierarchy Level III inputs including an underlying share volatility of 90% and a risk-free rate of 4.35%.

If we were to utilize different assumptions including the estimate of underlying share volatility of our market-conditioned awards, share-based compensation cost could be under or overstated. If there are any modifications or cancellations of the

underlying unvested securities, we may be required to accelerate any remaining unearned share-based compensation cost or incur incremental cost. Share-based compensation cost affects our research and development and selling, general and administrative expenses.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined in Rule 12b-2 under the Exchange Act. As a result, pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information required by this Item.

### **ITEM 4. CONTROLS AND PROCEDURES**

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

Based on our management's evaluation (with the participation of our Principal Executive Officer and Principal Financial Officer) of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our Principal Executive Officer and Principal Financial Officer have concluded that, at June 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### *Changes in Internal Control over Financial Reporting*

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, the Company may be named as a defendant in legal proceedings related to various issues, including workers' compensation claims, tort claims, or contractual disputes. We are not currently involved in any material legal proceedings.

### ITEM 1A. RISK FACTORS

A description of the risk factors associated with our business is contained in the "Risk Factors" section of our 2023 Annual Report. There have been no material changes to our risk factors as therein previously reported.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Issuer Purchases of Equity Securities

The following table provides information regarding repurchases of our Common Stock during the quarter ended June 30, 2024:

	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs<sup>(1)</sup></b>	<b>Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs<sup>(2)</sup></b>
April 1 - 30, 2024	1,743,953	\$ 1.42	10,456,410	\$ 6,388,801
May 1 - 31, 2024	153,660	\$ 1.59	10,610,070	\$ 6,144,349
June 1 - 30, 2024	—	\$ —	10,610,070	\$ 6,144,349
Total	1,897,613		10,610,070	

<sup>1</sup> Share repurchases are conducted under our share repurchase program announced in December 2023, which has no expiration date, authorizing the repurchase of up to \$20 million in shares.

<sup>2</sup> This column includes the total value of shares available for repurchase under the Company's share repurchase program at the end of the indicated period. Shares under our share repurchase program may be repurchased in open market transactions, including pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, or through privately negotiated transactions. The timing, manner, price and amount of repurchases will be determined at our discretion and the share repurchase program may be suspended, terminated or modified at any time for any reason.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

None.

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of the Company, dated October 1, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-38823) filed with the SEC on October 7, 2020).</a>
3.2	<a href="#">Amended and Restated Bylaws of the Company, dated October 1, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-38823) filed with the SEC on October 7, 2020).</a>
10.1*	<a href="#">Hyliion Holdings Corp. 2024 Equity Incentive Plan</a>
10.2*	<a href="#">Form of RSU Award Agreement under the Hyliion Holdings Corp. 2024 Equity Incentive Plan</a>
10.3*	<a href="#">Form of Performance Based RSU Award Agreement under the Hyliion Holdings Corp. 2024 Equity Incentive Plan</a>
10.4*	<a href="#">Form of Director RSU Award Agreement under the Hyliion Holdings Corp. 2024 Equity Incentive Plan</a>
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101)

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 6, 2024

**HYLIION HOLDINGS CORP.**

*/s/ Thomas Healy*

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Name: Thomas Healy  
Title: Chief Executive Officer  
(Principal Executive Officer)

*/s/ Jon Panzer*

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Name: Jon Panzer  
Title: Chief Financial Officer  
(Principal Financial Officer)

**HYLIION HOLDINGS CORP. 2024 EQUITY INCENTIVE PLAN**  
**ADOPTED BY THE BOARD OF DIRECTORS: APRIL 8, 2024**  
**APPROVED BY THE STOCKHOLDERS: MAY 21, 2024**

**1. General.**

(a) **Plan Purpose.** The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(b) **Available Awards.** The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(c) **Adoption Date; Effective Date.** The Plan will come into existence on the Adoption Date, but No Award may be granted prior to the Effective Date. From and after the Effective Date, No further awards shall be granted under the Prior Plan.

**2. Shares Subject to the Plan.**

(a) **Share Reserve.** Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock reserved and available for issuance pursuant to Awards granted under the Plan from the Effective Date shall be (i) eight million (8,000,000) shares, *plus* (ii) the number of shares of Common Stock remaining available for issuance under the Prior Plan but not subject to outstanding Prior Plan awards as of the Effective Date, *plus* (iii) the number of additional shares of Common Stock underlying awards under the Prior Plan as of the Effective Date to the extent that such awards thereafter terminate or expire unexercised, or are cancelled, forfeited or lapse for any reason after the Effective Date, *plus* (iv) any shares of Common Stock that would otherwise be issued by the Company or that are reacquired by the Company after the Effective Date to satisfy a tax withholding obligation in connection with an award under the Prior Plan, *minus* (v) any shares of Common Stock underlying Substitute Awards.

(b) **Aggregate Incentive Stock Option Limit.** Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is eight million (8,000,000) shares.

(c) **Share Reserve Operation.**

(i) **Limit Applies to Common Stock Issued Pursuant to Awards.** For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares of Common Stock pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares of Common Stock available for issuance under the Plan.

(ii) **Reductions of Share Reserve.** Awards on and after the Effective Date shall reduce the Share Reserve by the number of shares of Common Stock attributable to such Awards. The Share Reserve will also be reduced by any shares of Common Stock that are withheld by the Company or tendered by a Participant (by either actual delivery or attestation) on or after the Effective Date (1) to pay the exercise price of an Option granted under the Plan, or (2) to satisfy tax withholding obligations associated with an Option or SAR granted under the Plan, and such shares, upon net exercise or net settlement, shall not become available again for grant under the Plan.

Any shares of Common Stock that were subject to a stock-settled SAR granted under the Plan that were not issued upon the exercise of such SAR on or after the Effective Date shall not become available again for grant under the Plan. Any shares of Common Stock that were purchased by the Company on the open market with the proceeds from the exercise of an Option granted under the Plan on or after the Effective Date shall not become available for grant under the Plan.

**(iii) Reversion of Shares of Common Stock to Share Reserve.** The following shares of Common Stock initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: **(1)** any shares of Common Stock that are not issued, forfeited back to or repurchased by the Company because of the expiration or termination of an Award or a failure to meet a contingency or condition required for the vesting of an Award and such shares, **(2)** any shares of Common Stock that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Award (other than an Option or SAR), and **(3)** the settlement of an Award in cash (i.e., the Participant receives cash rather than shares of Common Stock).

### **3. Eligibility and Limitations.**

**(a) Eligible Award Recipients.** Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards; *provided, however,* that, any such individual must be an “employee” of the Company or any of its parents or subsidiaries within the meaning of General Instruction A.1(a) to Form S-8 if such individual is granted an Award that may be settled in Common Stock.

#### **(b) Specific Award Limitations.**

**(i) Limitations on Incentive Stock Option Recipients.** Incentive Stock Options may be granted only to Employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

**(ii) Incentive Stock Option \$100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

**(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders.** A Ten Percent Stockholder may not be granted an Incentive Stock Option unless **(1)** the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option, and **(2)** the Option is not exercisable after the expiration of five years from the date of grant of such Option.

**(iv) Limitations on Nonstatutory Stock Options and SARs.** Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any “parent” of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as “service recipient stock” under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

**(c) Non-Employee Director Compensation Limit.** The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any calendar year, including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed **(i)** \$750,000 in total value, or **(ii)** in the event such Non-Employee Director is either **(1)** Chairperson of the Board, or **(2)** first appointed or elected to the Board during such calendar year, will not exceed \$900,000 in total value, in each

case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.

**(d) Minimum Vesting Conditions.** The Board or Plan Administrator, as applicable, may impose such restrictions on or conditions to the vesting (and/or exercisability with respect to an Option or SAR) as it determines, subject to a minimum vesting period for any Award (other than cash-based Awards, shares issued in lieu of cash-based Awards, and Substitute Awards) of one (1) year from the date of grant; provided, however, that vesting may be accelerated (in whole or in part) upon the occurrence of a Change in Control or a qualifying separation from service, as set forth in the Plan or the individual Award Agreement; and provided further, however, that up to five percent (5%) of the Share Reserve set forth in Section 2(a) above may be subject to Awards that do not meet such vesting (and, if applicable, exercisability) requirements, so long as such Awards are granted by the Board or Compensation Committee and not any designee of either the Board or Compensation Committee. Except as otherwise provided in Section 7(b)(iv) hereof, or in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Awards will cease upon termination of the Participant's Continuous Service.

#### **4. Options and Stock Appreciation Rights.**

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

**(a) Term.** Subject to Section 3(b) regarding Ten Percent Stockholders, No Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

**(b) Exercise or Strike Price.** Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Change in Control and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

**(c) Exercise Procedure and Payment of Exercise Price for Options.** In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

**(i)** by cash or check, bank draft or money order payable to the Company;

**(ii)** pursuant to a "cashless exercise" program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter, and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) **Exercise Procedure and Payment of Appreciation Distribution for SARs.** In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) **Transferability.** Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and provided, further, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

(i) **Restrictions on Transfer.** An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant’s request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

(ii) **Domestic Relations Orders.** Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

(f) **Termination of Continuous Service for Cause.** Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant’s Continuous Service is terminated for Cause, the Participant’s Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of

Continuous Service and the Participant will have No further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

**(g) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause.** Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in No event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

**(i)** three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

**(ii)** 12 months following the date of such termination if such termination is due to the Participant's Disability;

**(iii)** 18 months following the date of such termination if such termination is due to the Participant's death; or

**(iv)** 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in **(i)** or **(ii)** above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have No further right, title or interest in terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

**(h) Restrictions on Exercise; Extension of Exercisability.** A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: **(i)** the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law, or **(ii)** the immediate sale of any shares of Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions); provided, however, that in No event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

**(i) Non-Exempt Employees.** No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of **(i)** such Participant's death or Disability, **(ii)** a Change in Control in which such Award is not assumed, continued or substituted, **(iii)** a Change in Control, or **(iv)** such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

(j) **Whole Shares.** Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

(k) **No Dividend Equivalents.** Notwithstanding anything in an Agreement to the contrary, the holder of an Option or SAR shall not be entitled to receive Dividend Equivalents with respect to the number of shares of Common Stock subject to such Option or SAR.

## 5. **Awards Other Than Options and Stock Appreciation Rights.**

(a) **Restricted Stock Awards and RSU Awards.** Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

### (i) **Form of Award.**

(1) **RSAs:** To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) **RSUs:** An RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award, or the cash equivalent thereof. As a holder of an RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and No action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

### (ii) **Consideration.**

(1) **RSAs:** A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) services to the Company or an Affiliate, or (C) any other form of consideration as the Board may determine and permissible under Applicable Law.

(2) **RSUs:** Unless otherwise determined by the Board at the time of grant, an RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) **Termination of Continuous Service.** Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (1) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement, and (2) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the

Participant will have No further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

**(iv) Dividends and Dividend Equivalents.** Dividends or Dividend Equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to a Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement. Any dividend otherwise payable in respect of any share of Restricted Stock that remains subject to vesting restrictions at the time of payment of such dividend shall be retained by the Company and remain subject to the same vesting condition as the share of Restricted Stock to which the dividend relates and shall be delivered, without interest, to the Participant within thirty (30) days following the date on which such restrictions on such Restricted Stock lapse (and the right to any such accumulated dividends shall be forfeited upon the forfeiture of the Restricted Stock to which such dividends relate). To the extent an RSU Award provides for the crediting of Dividend Equivalents, upon the payment of dividends on shares of Common Stock the Participant shall be credited with Dividend Equivalents either in cash or in shares of Common Stock having a Fair Market Value equal to the amount of such dividends. Dividend Equivalents that are accumulated prior to the vesting of the RSU Award shall vest and be payable at the same time as the underlying RSUs are settled following the date on which the RSU Award vests. If an RSU Award is forfeited, such accumulated Dividend Equivalents shall also be forfeited, and the Participant shall have No right to such Dividend Equivalents.

**(v) Settlement of RSU Awards.** An RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award, provided that any such delay in settlement will be in compliance with Section 9(m).

**(b) Performance Awards.** With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board. The Award Agreement relating to a Performance Award **(i)** shall specify whether a Performance Award may be settled in shares of Common Stock, Restricted Stock, Restricted Stock Units, cash or a combination thereof, and **(ii)** may specify whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividends or Dividend Equivalents, and, if determined by the Committee, interest on or the deemed reinvestment of any deferred dividends or Dividend Equivalents, with respect to the number of shares of Common Stock subject to such Award, if any; provided, however, any dividends or Dividend Equivalents with respect to a Performance Award that is subject to vesting or performance conditions shall be subject to the same restrictions and conditions as such Performance Award.

**(c) Other Awards.** Other Awards may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards. Any dividends or Dividend Equivalents with respect to an Other Award that is subject to vesting conditions shall be subject to the same restrictions as such the underlying Other Award.

## **6. Adjustments upon Changes in Common Stock; Other Corporate Events.**

**(a) Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: **(i)** the class(es) and maximum number of shares of Common Stock subject to the Plan and the maximum number of shares by which the Share Reserve may annually increase pursuant to Section 2.(a), **(ii)** the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2.(a), and **(iii)** the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, No fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any

Capitalization Adjustment. The Board shall determine an equivalent benefit for any fractional shares or fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

**(b) Dissolution or Liquidation.** Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or No longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

**(c) Change in Control.** The following provisions will apply to Awards in the event of a Change in Control except as set forth in Section 11, and unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change in Control, the Board shall take one or more of the following actions with respect to Awards, contingent upon the closing or completion of the Change in Control:

**(i)** arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control);

**(ii)** arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

**(iii)** accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control;

**(iv)** arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;

**(v)** cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; or

**(vi)** make a payment, in such form as may be determined by the Board equal to the excess, if any, of **(A)** the value of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over **(B)** any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero dollars (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Stock in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or other contingencies.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants.

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(d) **Appointment of Stockholder Representative.** As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Change in Control involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

(e) **No Restriction on Right to Undertake Transactions .** The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

## 7. Administration.

(a) **Administration by Board.** The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

(b) **Powers of Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time: (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock including any Change in Control, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided however, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(xii) To effect, at any time and from time to time, subject to the consent of any Participant whose Award is Materially Impaired by such action, (1) the reduction of the exercise price (or strike price) of any outstanding Option or SAR; (2) the cancellation of any outstanding Option or SAR and the grant in substitution therefor of (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Common Stock, (B) cash and/or (C) other valuable consideration (as determined by the Board); or (3) any other action that is treated as a repricing under generally accepted accounting principles; provided, however, that any such action that constitutes a repricing under then-applicable stock exchange rules and listing standards shall be subject to the approval of the Company's stockholders.

(c) **Delegation to Committee.**

(i) **General.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees, subject to Section 7(c)(ii) below. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revert in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revert in the Board some or all of the powers previously delegated.

(ii) **Rule 16b-3 Compliance.** To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the

Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

**(d) Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

**(e) Delegation to an Officer.** The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following **(i)** designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and **(ii)** determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

## 8. Tax Withholding

**(a) Withholding Authorization.** As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agree to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have No obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

**(b) Satisfaction of Withholding Obligation.** To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: **(i)** causing the Participant to tender a cash payment; **(ii)** withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; **(iii)** withholding cash from an Award settled in cash; **(iv)** withholding payment from any amounts otherwise payable to the Participant; **(v)** by allowing a Participant to effectuate a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board, or **(vi)** by such other method as may be set forth in the Award Agreement.

**(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims.** Except as required by Applicable Law the Company has No duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has No duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has No duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant **(i)** agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation, and **(ii)** acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is No other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant

agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the “fair market value” of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

(d) **Withholding Indemnification.** As a condition to accepting an Award under the Plan, in the event that the amount of the Company’s and/or its Affiliate’s withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

## 9. Miscellaneous.

(a) **Source of Shares.** The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

(b) **Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(c) **Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have No legally binding right to the incorrect term in the Award Agreement or related grant documents.

(d) **Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

(e) **No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant’s agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(f) **Change in Time Commitment.** In the event a Participant’s regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or

become payable after the date of such change in time commitment, and **(ii)** in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have No right with respect to any portion of the Award that is so reduced or extended.

**(g) Execution of Additional Documents.** As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

**(h) Electronic Delivery and Participation.** Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at [www.sec.gov](http://www.sec.gov) (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

**(i) Clawback/Recovery.** All Awards granted under the Plan will be, and all shares of Common Stock that may be issued in respect of Awards that have been earned or have vested under the Plan will remain, subject to recoupment in accordance with 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 Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law (including, for the avoidance of doubt, the Company's Compensation Recovery Policy and Supplemental Compensation Recovery Policy, each as in effect on the Adoption Date and as each may be modified or replaced from time to time). In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

**(j) Securities Law Compliance.** A Participant will not be issued any shares in respect of an Award unless either **(i)** the shares are registered under the Securities Act, or **(ii)** the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

**(k) Transfer or Assignment of Awards; Issued Shares.** Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

**(l) Effect on Other Employee Benefit Plans.** The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

**(m) Deferrals.** To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all

or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals by will be made in accordance with the requirements of Section 409A.

**(n) Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes “deferred compensation” under Section 409A is a “specified employee” for purposes of Section 409A, No distribution or payment of any amount that is due because of a “separation from service” (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant’s “separation from service” or, if earlier, the date of the Participant’s death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

**(o) Choice of Law.** This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

#### **10. Covenants of the Company.**

**(a) Compliance with Law.** The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

#### **11. Additional Rules for Awards Subject to Section 409A.**

**(a) Application.** Unless the provisions of this Section 11 of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section 11 shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

**(b) Non-Exempt Awards Subject to Non-Exempt Severance Arrangements.** To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this subsection (b) apply.

**(i)** If the Non-Exempt Award vests in the ordinary course during the Participant’s Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in No event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31<sup>st</sup> of the calendar year that includes the applicable vesting date, or (ii) the 60<sup>th</sup> day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant's Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant's Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in No event later than the 60<sup>th</sup> day that follows the date of the Participant's Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant's Separation from Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Award Agreement as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

## 12. Severability.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

## 13. Termination of the Plan.

The Board may suspend or terminate the Plan at any time; provided, however, that the Plan shall terminate on the ten (10) year anniversary of the Effective Date. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company's stockholders. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated; provided, however, that unless otherwise expressly provided in an applicable Award Agreement, any Awards granted prior to the date of such suspension or termination shall remain in effect beyond such date in accordance with the terms thereof.

## 14. Definitions.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

- (a) "*Acquiring Entity*" means the surviving or acquiring corporation (or its parent company) in connection with a Change in Control.
- (b) "*Acquired Entity*" means an entity acquired by the Company or an Affiliate through a merger, consolidation, combination, exchange of shares, acquisition or other business transaction, provided that upon the acquisition such entity is an Affiliate.
- (c) "*Acquired Entity Plan*" means a shareholder-approved equity incentive plan established by an Acquired Entity and any awards outstanding thereunder.

(d) “**Adoption Date**” means the date the Plan is first approved by the Board.

(e) “**Affiliate**” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.

(f) “**Applicable Law**” means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(g) “**Award**” means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, an RSU Award, a SAR, a Performance Award, a Substitute Award, or any Other Award).

(h) “**Award Agreement**” means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement may also include a separate Grant Notice and an agreement containing a written summary of the general terms and conditions applicable to the Award and which may be provided to a Participant along with the Grant Notice.

(i) “**Board**” means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(j) “**Capitalization Adjustment**” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure 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 successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(k) “**Cause**” has the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant’s conviction of any felony or any misdemeanor involving fraud or embezzlement; (ii) such Participant’s attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant’s intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant’s unauthorized use or disclosure of the Company’s confidential information or trade secrets; (v) the refusal or willful omission by such Participant to perform any duties required of the Participant, which continues after a period of thirty (30) days following the Participant’s receipt of notice from the Company that it deems such conduct Cause for termination of employment; or (vi) such Participant’s gross misconduct. The determination that a termination of the Participant’s Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company’s Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have No effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(l) “**Change in Control**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse

personal income tax consequences to the Participant in connection with an Award, a Change in Control must also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder):

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "**Subject Person**") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there occurs a complete dissolution or liquidation of the Company, except for a liquidation into a parent corporation;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if No definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

- (m) “*Code*” means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.
- (n) “*Committee*” means the Compensation Committee and any other committee of one or more Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.
- (o) “*Common Stock*” means the common stock of the Company, par value \$0.0001 per share.
- (p) “*Company*” means Hyliion Holdings Corp., a Delaware corporation.
- (q) “*Compensation Committee*” means the Compensation Committee of the Board.
- (r) “*Consultant*” means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 registration statement under the Securities Act is available to register either the offer or the sale of the Company’s securities to such person.
- (s) “*Continuous Service*” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, will not terminate a Participant’s Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant’s Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company’s leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of “**separation from service**” as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).
- (t) “*Director*” means a member of the Board.
- (u) “*determine*” or “*determined*” means as determined by the Board or the Committee (or its designee) in its sole discretion.
- (v) “*Disability*” means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(w) “*Dividend Equivalent*” means a dividend equivalent right granted under the Plan which represents an unfunded and unsecured promise to pay to the Participant amounts equal to all or any portion of the regular cash dividends that would be paid on shares of Common Stock covered by a RSU Award, Performance Award or Other Award if such shares of Common Stock had been delivered pursuant to such Award.

(x) “*Effective Date*” means May 21, 2024, the date the Plan is approved by the Company’s stockholders.

(y) “*Employee*” means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(z) “*Employer*” means the Company or the Affiliate of the Company that employs the Participant.

(aa) “*Entity*” means a corporation, partnership, limited liability company or other entity.

(ab) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(ac) “*Exchange Act Person*” means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities.

(ad) “*Fair Market Value*” means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is No closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(ae) “*Governmental Body*” means any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (iv) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(af) “**Grant Notice**” means a notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(ag) “**Incentive Stock Option**” means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code.

(ah) “**Materially Impair**” means any amendment to the terms of the Award that materially adversely affects the Participant’s rights under the Award. A Participant’s rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant’s rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant’s rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised, (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

(ai) “**Non-Employee Director**” means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (“**Regulation S-K**”)), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3.

(aj) “**Non-Exempt Award**” means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company, or (ii) the terms of any Non-Exempt Severance Agreement.

(ak) “**Non-Exempt Director Award**” means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

(al) “**Non-Exempt Severance Arrangement**” means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant’s termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) (“**Separation from Service**”) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

(am) “**Nonstatutory Stock Option**” means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

(an) “**Officer**” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(ao) “**Option**” means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(ap) “*Option Agreement*” means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes any Grant Notice for the Option and any additional agreement containing a written summary of the general terms and conditions applicable to the Option and which may be provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(aq) “*Optionholder*” means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(ar) “*Other Award*” means an award valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) that is not an Incentive Stock Option, Nonstatutory Stock Option, SAR, Restricted Stock Award, RSU Award or Performance Award.

(as) “*Other Award Agreement*” means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(at) “*Own,*” “*Owned,*” “*Owner,*” “*Ownership*” means that a person or Entity will be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(au) “*Participant*” means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(av) “*Performance Award*” means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5.(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards.

(aw) “*Performance Criteria*” means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be, but is not required to be, based on any one of, or combination of, the following as determined by the Board: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; total stockholder return; return on equity or average stockholder’s equity; return on assets, investment, or capital employed; stock price; margin (including gross margin); income (before or after taxes); operating income; operating income after taxes; pre-tax profit; operating cash flow; sales or revenue targets; increases in revenue or product revenue; expenses and cost reduction goals; improvement in or attainment of working capital levels; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; customer satisfaction; stockholders’ equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; billings; financing; regulatory milestones; stockholder liquidity; corporate governance and compliance; intellectual property; personnel matters; progress of internal research; progress of partnered programs; partner satisfaction; budget management; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; investor relations, analysts and communication; implementation or completion of projects or processes; employee retention; number of users, including unique users; strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with respect to the marketing, distribution and sale of the Company’s products; supply chain achievements; co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance goals; corporate development and planning goals; and other measures of performance selected by the Board or Committee.

**(ax)** “*Performance Goals*” means, for a Performance Period, the one or more goals established by the Board for the Performance Period. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board **(i)** in the Award Agreement at the time the Award is granted, or **(ii)** in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period, which may include the following actions: **(1)** exclude restructuring and/or other nonrecurring charges; **(2)** exclude exchange rate effects; **(3)** exclude the effects of changes to generally accepted accounting principles; **(4)** exclude the effects of any statutory adjustments to corporate tax rates; **(5)** exclude the effects of items that are “unusual” in nature or occur “infrequently” as determined under generally accepted accounting principles; **(6)** exclude the dilutive effects of acquisitions or joint ventures; **(7)** assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; **(8)** exclude the effect of any change in the outstanding shares of Common Stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; **(9)** exclude the effects of stock based compensation and the award of bonuses under the Company’s bonus plans; **(10)** exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and **(11)** exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Cash Award.

**(ay)** “*Performance Period*” means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

**(az)** “*Plan*” means this Hyliion Holdings Corp. 2024 Equity Incentive Plan.

**(ba)** “*Plan Administrator*” means the person, persons, and/or third-party administrator designated by the Company to administer the day-to-day operations of the Plan and the Company’s other equity incentive programs.

**(bb)** “*Post-Termination Exercise Period*” means the period following termination of a Participant’s Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

**(bc)** “*Prior Plan*” means the Hyliion Holdings Corp. 2020 Equity Incentive Plan.

**(bd)** “*Prospectus*” means the document containing the Plan information specified in Section 10(a) of the Securities Act.

**(be)** “*Restricted Stock Award*” or “*RSA*” means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5.(a).

**(bf)** “*Restricted Stock*” means shares of Common Stock that are issued pursuant to a Restricted Stock Award Agreement subject to such vesting and transfer restrictions as the Committee shall determine, and such other conditions, as are set forth in the Plan and the applicable Restricted Stock Award Agreement.

**(bg)** “*Restricted Stock Award Agreement*” means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The

Restricted Stock Award Agreement includes any Grant Notice for the Restricted Stock Award and any agreement containing a written summary of the general terms and conditions applicable to the Restricted Stock Award and which may be provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

**(bh)** “*RSU Award*” means an Award of Restricted Stock Units which is granted pursuant to the terms and conditions of Section 5.(a).

**(bi)** “*Restricted Stock Unit*” or “*RSU*” means a contractual right granted pursuant to a RSU Award Agreement representing notional unit interests equal in value to a share of Common Stock to be paid or distributed at such times, and subject to such conditions, as set forth in the Plan and the applicable RSU Award Agreement.

**(bj)** “*RSU Award Agreement*” means a written agreement between the Company and a holder of an RSU Award evidencing the terms and conditions of an RSU Award. The RSU Award Agreement includes any Grant Notice for the RSU Award and any agreement containing a written summary of the general terms and conditions applicable to the RSU Award and which may be provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

**(bk)** “*Rule 16b-3*” means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

**(bl)** “*Rule 405*” means Rule 405 promulgated under the Securities Act.

**(bm)** “*Section 409A*” means Section 409A of the Code and the regulations and other guidance thereunder.

**(bn)** “*Securities Act*” means the Securities Act of 1933, as amended.

**(bo)** “*Share Reserve*” means the number of shares available for issuance under the Plan as set forth in Section 2(a).

**(bp)** “*Stock Appreciation Right*” or “*SAR*” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

**(bq)** “*SAR Agreement*” means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes any Grant Notice for the SAR and any agreement containing a written summary of the general terms and conditions applicable to the SAR and which may be provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

**(br)** “*Subsidiary*” means, with respect to the Company, **(i)** any corporation of which more than 50% of the outstanding Common Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and **(ii)** any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%; provided, however, that with respect to an Incentive Stock Option, “Subsidiary” means a “subsidiary corporation” as defined in Section 424(f) of the Code.

**(bs)** “*Substitute Award*” means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by an Acquired Entity to such Acquired Entity’s employee or other service provider pursuant to an Acquired Entity Plan.

**(bt)** “*Ten Percent Stockholder*” means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Subsidiary.

**(bu)** “*Trading Policy*” means the Company’s policy permitting certain individuals to sell Company shares only during certain “window” periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

\* \* \*

**Hyllion Holdings Corp.**  
**RSU Award Grant Notice**  
**(2020 Equity Incentive Plan)**

Hyllion Holdings Corp. (the “**Company**”) has awarded to you (the “**Participant**”) the number of restricted stock units specified and on the terms set forth below in consideration of your services (the “**RSU Award**”). Your RSU Award is subject to all of the terms and conditions as set forth herein and in the Company’s 2020 Equity Incentive Plan (the “**Plan**”) and the Award Agreement (the “**Agreement**”), which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant: \_\_\_

Date of Grant: \_\_\_

Grant #: \_\_\_

Vesting Commencement Date: \_\_\_

Number of Restricted Stock Units: \_\_\_\_\_

**Vesting Schedule:** One-third (1/3) of the RSU Award will vest one year after the Vesting Commencement Date and the remaining two-thirds (2/3) of the RSU Award will vest quarterly in equal amounts over a two-year period thereafter. Notwithstanding the foregoing, vesting shall terminate upon the Participant’s termination of Continuous Service.

**Issuance Schedule:** One share of Common Stock will be issued for each restricted stock unit which vests at the time set forth in Section 5 of the Agreement.

**Participant Acknowledgements:** By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The RSU Award is governed by this RSU Award Grant Notice (the “Grant Notice”), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Agreement (together, the “RSU Award Agreement”) may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- You have read and are familiar with the provisions of the Plan, the RSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the RSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The RSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other

written agreement between the Company and you in each case that specifies the terms that should govern this RSU Award.

Hyllion Holdings Corp.:

By: \_\_\_  
Signature

Title: \_\_\_  
Date: \_\_\_

Participant:

\_\_\_  
Signature

Date:\_\_\_

**Hyllion Holdings Corp.**  
**2020 Equity Incentive Plan**

**Award Agreement (RSU Award)**

As reflected by your Restricted Stock Unit Grant Notice (“**Grant Notice**”), Hyllion Holdings Corp. (the “**Company**”) has granted you a RSU Award under its 2020 Equity Incentive Plan (the “**Plan**”) for the number of restricted stock units as indicated in your Grant Notice (the “**RSU Award**”). The terms of your RSU Award as specified in this Award Agreement for your RSU Award (the “**Agreement**”) and the Grant Notice constitute your “**RSU Award Agreement**”. Defined terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your RSU Award are as follows:

**1. Governing Plan Document.** Your RSU Award is subject to all the provisions of the Plan. Your RSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

**2. Grant of the RSU Award.** This RSU Award represents your right to be issued on a future date the number of shares of the Company’s Common Stock that is equal to the number of restricted stock units indicated in the Grant Notice subject to your satisfaction of the vesting conditions set forth therein (the “**Restricted Stock Units**”). Any additional Restricted Stock Units that become subject to the RSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 3 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units covered by your RSU Award.

**3. Dividends.** You shall receive no benefit or adjustment to your RSU Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment as provided in the Plan; provided, however, that this sentence shall not apply with respect to any shares of Common Stock that are delivered to you in connection with your RSU Award after such shares have been delivered to you.

**4. Withholding Obligations.**

(a) Regardless of any action taken by the Company or, if different, the Affiliate to which you provide Continuous Service (the “**Service Recipient**”) with respect to any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items associated with the grant or vesting of the RSU Award or sale of the underlying Common Stock or other tax-related items related to your participation in the Plan and legally applicable to you (the “**Tax Liability**”), you hereby acknowledge and agree that the Tax Liability is your ultimate responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. You further acknowledge that the Company and the Service

Recipient (i) make no representations or undertakings regarding any Tax Liability in connection with any aspect of this RSU Award, including, but not limited to, the grant or vesting of the RSU Award, the issuance of Common Stock pursuant to such vesting, the subsequent sale of shares of Common Stock, and the payment of any dividends on the Common Stock; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSU Award to reduce or eliminate your Tax Liability or achieve a particular tax result. Further, if you are subject to Tax Liability in more than one jurisdiction, you acknowledge that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax Liability in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Service Recipient to satisfy all Tax Liability. As further provided in Section 8 of the Plan, you hereby authorize the Company and any applicable Service Recipient to satisfy any applicable withholding obligations with regard to the Tax Liability by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Tax Liability in cash or cash equivalent in a form acceptable to the Company; (ii) withholding from any compensation otherwise payable to you by the Company or the Service Recipient; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award; provided, however, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Board or the Company's Compensation Committee; (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "*FINRA Dealer*"), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares of Common Stock to be delivered in connection with your Restricted Stock Units to satisfy the Tax Liability and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax Liability directly to the Company or the Service Recipient; and/or (v) any other method determined by the Company to be in compliance with Applicable Law. Furthermore, you agree to pay the Company or the Service Recipient any amount the Company or the Service Recipient may be required to withhold, collect, or pay as a result of your participation in the Plan or that cannot be satisfied by the means previously described. In the event it is determined that the amount of the Tax Liability was greater than the amount withheld by the Company and/or the Service Recipient (as applicable), you agree to indemnify and hold the Company and/or the Service Recipient (as applicable) harmless from any failure by the Company or the applicable Service Recipient to withhold the proper amount.

(c) The Company may withhold or account for your Tax Liability by considering statutory withholding amounts or other withholding rates applicable in your jurisdiction(s), including (i) maximum applicable rates in your jurisdiction(s), in which case you may receive a refund of any over-withheld amount in cash (whether from applicable tax authorities or the Company) and you will have no entitlement to the equivalent amount in Common Stock or (ii) minimum or such other applicable rates in your jurisdiction(s), in which case you may be solely responsible for paying any additional Tax Liability to the applicable tax

authorities or to the Company and/or the Service Recipient. If the Tax Liability withholding obligation is satisfied by withholding shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock subject to the vested portion of the RSU Award, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying such Tax Liability.

(d) You acknowledge that you may not participate in the Plan and the Company shall have no obligation to deliver shares of Common Stock until you have fully satisfied the Tax Liability, as determined by the Company. Unless any withholding obligation for the Tax Liability is satisfied, the Company shall have no obligation to deliver to you any Common Stock in respect of the RSU Award.

## 5. Date of Issuance.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with U.S. Treasury Regulations Section 1.409A-3(a) and will be construed and administered in such a manner. Subject to the satisfaction of the Tax Liability withholding obligation, if any, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each vested Restricted Stock Unit. Each issuance date determined by this paragraph is referred to as an “**Original Issuance Date**.”

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies (a “**10b5-1 Arrangement**)), and

(ii) either (1) a Tax Liability withholding obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Tax Liability withholding obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a “same day sale” commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Tax Liability in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with U.S. Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are

no longer subject to a “substantial risk of forfeiture” within the meaning of U.S. Treasury Regulations Section 1.409A-1(d).

**6. Transferability.** Except as otherwise provided in the Plan, your RSU Award is not transferable, except by will or by the applicable laws of descent and distribution

**7. Corporate Transaction.** Your RSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

**8. No Liability for Taxes.** As a condition to accepting the RSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the RSU Award or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the RSU Award and have either done so or knowingly and voluntarily declined to do so.

**9. Severability.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**10. Other Documents.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company’s Trading Policy.

**11. Questions.** If you have questions regarding these or any other terms and conditions applicable to your RSU Award, including a summary of the applicable federal income tax consequences please see the Prospectus.

**Hyllion Holdings Corp.**  
**Performance RSU Award Grant Notice**  
**(2020 Equity Incentive Plan)**

In consideration of your services to Hyllion Holdings Corp. (the “*Company*”), you (the “*Participant*”) are hereby awarded a number of performance-based restricted stock units (the “*PSUs*”) set forth below, subject to the terms, conditions, and restrictions set forth herein, in the Company’s 2020 Equity Incentive Plan (the “*Plan*”) and in the Terms and Conditions (Performance RSUs) attached hereto (the “*Terms and Conditions*”), all of which terms, conditions and restrictions are incorporated herein in their entirety. Capitalized terms not explicitly defined herein shall have the meanings provided for them in the Plan or the Terms and Conditions.

**Participant:** \_\_\_

**Date of Grant:** \_\_\_

**Number of PSUs Granted** (the “*Target PSUs*”): \_\_\_

**Performance Period:** January 1, 2024 to December 31, 2026

**Performance Criteria:** The Performance Criteria relating to the Target PSUs are set forth in **Exhibit A** to the Agreement.

**Vesting:** The Target PSUs shall vest as follows:

1. Upon confirmation by the Compensation Committee that Performance Criteria entitling the Participant to earn all or a portion of the Target PSUs have been satisfied, the number of Target PSUs attributable to the achievement of such Performance Criteria shall vest on the one year anniversary of the date that such Performance Criteria was achieved (each such one year anniversary, an “*Interim Vesting Date*”), *provided that* no more than 50% of the Target PSUs may vest prior to December 31, 2026 even if Performance Criteria entitling the Participant to receive more than 50% of the Target PSUs have been achieved prior to such date; and
2. Upon confirmation by the Compensation Committee as promptly as is reasonably possible after December 31, 2026 that Performance Criteria entitling the Participant to earn all or a portion of the Target PSUs have been satisfied, all Target PSUs that have been earned due to the achievement of the Performance Criteria but which have not previously vested on any Interim Vesting Dates (including Target PSUs for which the Performance Criteria have already been achieved but for which the Interim Vesting Date would not occur prior to December 31, 2026) shall vest immediately upon the Compensation Committee’s confirmation (the date for vesting set forth in this paragraph and any Interim Vesting Date, each, a “*Vesting Date*”);

provided, that in no event shall the Participant vest in any Target PSUs in excess of the total number of Target PSUs that have actually been earned through satisfaction of the Performance Criteria as of a Vesting Date. The amount of Target PSUs that shall vest as of each Vesting Date shall be referred to herein as the “*Vested PSUs*”.

**Settlement Date for Vested PSUs:** As soon as practicable following each Vesting Date, but in no event later than March 15th of the calendar year following the calendar year in which each such Vesting Date occurs (the “*Settlement Date*”), and provided that Participant has remained in Continuous Service with the Company to and including the Vesting Date the Company shall deliver to the Participant one share of Common Stock for each Vested PSU.

**Participant Acknowledgements:** By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The PSU Award is governed by this Performance RSU Award Grant Notice (the “*Grant Notice*”), the Terms and Conditions, and the provisions of the Plan, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Terms and Conditions (together, the “*PSU Award Agreement*”) may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- You have read and are familiar with the provisions of the Plan, the PSU Award Agreement and the Prospectus. In the event of any conflict between the terms set forth in the PSU Award Agreement, the Prospectus, or the Plan, the terms of the Plan shall control.
- The PSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern the Target PSUs granted hereby.

Hyllion Holdings Corp.

By: \_\_\_  
Signature

Title: \_\_\_  
Date: \_\_\_

Participant:

\_\_\_  
Signature

Date:\_\_\_

**Hyllion Holdings Corp.**  
**2020 Equity Incentive Plan**

**Terms and Conditions (Performance RSUs)**

The following terms and conditions are applicable to the Target PSUs granted pursuant to the Grant Notice:

**1. Governing Plan Document.** Your Target PSUs are subject in all respects to the provisions of the Plan, and to all interpretations, amendments, rules and regulations, that may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the PSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

**2. Grant of Additional PSUs.** Any additional PSUs that may be issued to you in respect of your Target RSUs as a result of a Capitalization Adjustment shall be subject, in the manner determined by the Board in its sole discretion, to the same forfeiture restrictions, restrictions on transferability, and time and manner of vesting and settlement as applicable to your Target PSUs.

**3. Dividends.** You shall not be entitled to any benefit in respect of or adjustment to your number of Target PSUs as a result of any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment. For the avoidance of doubt, this restriction applies only to the Target PSUs and shall not apply with respect to any shares of Common Stock that may be delivered to you in respect of Vested RSUs upon the occurrence of a Settlement Date.

**4. Withholding Obligations.**

(a) Regardless of any action taken by the Company or, if different, the Affiliate to which you provide Continuous Service (a “**Service Recipient**”) with respect to any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items associated with the grant or vesting of the Target PSUs or sale of the underlying Common Stock or other tax-related items related to your participation in the Plan and legally applicable to you (the “**Tax Liability**”), you hereby acknowledge and agree that the Tax Liability is your ultimate responsibility and may exceed the amount of any tax withholding on your behalf by the Company or the Service Recipient. You further acknowledge that the Company and the Service Recipient (i) make no representations or undertakings regarding any Tax Liability in connection with any aspect of the Target PSUs, including, but not limited to, the grant or vesting of Target PSUs, the issuance of Common Stock pursuant to such vesting, the subsequent sale of shares of Common Stock, the payment of any dividends on the Common Stock, and the granting of any additional PSUs upon the occurrence of a Capitalization Adjustment; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Target PSUs to reduce or eliminate your Tax Liability or achieve a particular tax result. Further, if you are subject to Tax Liability in more than one jurisdiction, you acknowledge that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax Liability in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Service Recipient to satisfy your entire Tax Liability. As further provided in Section 8 of the Plan, you hereby authorize the Company and any applicable Service Recipient to satisfy any applicable withholding obligations with regard to the Tax Liability by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Tax Liability in cash or cash equivalent in a form acceptable to the Company; (ii) withholding from any compensation otherwise payable to you by the Company or the Service Recipient; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Target PSUs; provided, however, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding will be subject to the express prior approval of the Board or the Compensation Committee; (iv) permitting or requiring you to enter into a “same day sale” commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a “*FINRA Dealer*”), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares of Common Stock to be delivered in connection with your Target PSUs to satisfy the Tax Liability and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax Liability directly to the Company or the Service Recipient; and/or (v) any other method determined by the Company to be in compliance with Applicable Law. Furthermore, you agree to pay the Company or the Service Recipient any amount the Company or the Service Recipient may be required to withhold, collect, or pay as a result of your participation in the Plan or that cannot be satisfied by the means previously described. If it is determined that the amount of the Tax Liability was greater than the amount withheld by the Company and/or the Service Recipient (as applicable), you agree to indemnify and hold the Company and/or the Service Recipient (as applicable) harmless from any failure by the Company or the applicable Service Recipient to withhold the proper amount.

(c) The Company may withhold or account for your Tax Liability by considering statutory withholding amounts or other withholding rates applicable in your jurisdiction(s), including (i) maximum applicable rates in your jurisdiction(s), in which case you may receive a refund of any over-withheld amount in cash (whether from applicable tax authorities or the Company) and you will have no entitlement to the equivalent amount in Common Stock or (ii) minimum or such other applicable rates in your jurisdiction(s), in which case you may be solely responsible for paying any additional Tax Liability to the applicable tax authorities or to the Company and/or the Service Recipient. If the Tax Liability withholding obligation is satisfied by withholding shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock deliverable in respect of the Vested RSUs, notwithstanding that a portion of such Common Stock is held back solely for the purpose of paying such Tax Liability.

(d) You acknowledge that you may not participate in the Plan and the Company shall have no obligation to deliver shares of Common Stock to you until you have fully satisfied the entire Tax Liability, as determined by the Company.

**5. Date of Issuance.**

(a) The issuance of Common Stock in respect of the Target PSUs is intended to comply with U.S. Treasury Regulations Section 1.409A-3(a) and will be construed and administered in such a manner. Subject to the satisfaction of the Tax Liability withholding obligation, if any, on any Settlement Date, the Company shall, in full satisfaction of the Target PSUs, issue to you one (1) share of Common Stock multiplied by the number of Vested PSUs, as determined by the Board or the Compensation Committee based on upon its determination of achievement of the Performance Criteria, in whole shares of Common Stock, rounded down to the nearest whole share. Each issuance date determined by this paragraph is referred to as an “*Original Issuance Date*.”

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an “open window period” as determined by the Company in accordance with the Company’s Insider Trading Policy as then in effect (or any successor policy thereto), or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies (a “*10b5-1 Arrangement*”), and

(ii) either (1) a Tax Liability withholding obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy on the Original Issuance Date the Tax Liability withholding obligation by withholding shares of Common Stock from the shares of Common Stock otherwise due to you under this Award, and (B) not to permit you to enter into a “same day sale” commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Tax Liability in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with U.S. Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock that may be deliverable in respect of the Target RSUs are no longer subject to a “substantial risk of forfeiture” within the meaning of U.S. Treasury Regulations Section 1.409A-1(d).

## **6. Forfeiture.**

◦ (a) If the Participant experiences a termination of employment prior to a Vesting Date for any reason, then except as provided in an agreement between the Company and the Participant or other Company plan providing for the payment of severance to the Participant upon a separation from employment then in effect, the Participant shall forfeit, and shall have no further rights or interest with respect to, any of the Target PSUs that remain unvested as of such Vesting Date, with automatic and immediate effect as of the date of the termination of

employment. Notwithstanding the foregoing, if the Participant's employment is terminated by the Company without cause or due to the Participant's death or disability (within the meaning of Code Section 409A), the Participant shall be entitled to receive prorated number of the shares of Common Stock that would be delivered at the next-occurring Settlement Date in respect of the Vested RSUs, and all other unvested Target PSUs shall be forfeited. For purposes of this paragraph, proration shall occur by multiplying the number of shares of Common Stock that would have been delivered to Participant on next-occurring Settlement Date in respect of the Vested RSUs by a fraction, the numerator of which is the number of full and partial months of Participant's employment between the start of the Performance Period and the Vesting Date, and the denominator of which is the number of total months between the start of the Performance Period and the Vesting Date.

◦ (b) The Target PSUs and the Performance Criteria, shall be subject to adjustment by the Board or the Compensation Committee (i) as provided in the Plan, (ii) as set forth on Exhibit A, and (iii) in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or of changes in applicable laws, regulations or accounting principles, if the Board or the Compensation Committee determines that such adjustments are appropriate or necessary.

**7. Transferability.** Except as otherwise provided in the Plan, your Target PSUs (including, for the avoidance of doubt, any Vested PSUs) are not transferable, except by will or by the applicable laws of descent and distribution.

**8. No Liability for Taxes.** As a condition to accepting the grant of the Target PSUs, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to Tax Liability arising from the Target PSUs and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the PSU Award and have either done so or knowingly and voluntarily declined to do so.

**9. Severability.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**10. Other Documents.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Insider Trading Policy.

**11. Questions.** If you have questions regarding these or any other terms and conditions applicable to your grant of Target PSUs, including a summary of the applicable federal income tax consequences please see the Prospectus.



**EXHIBIT A  
TO  
PSU AWARD AGREEMENT**

Performance Criteria

1. Subject to the terms of the PSU Award Agreement and Plan, Participant will be eligible to conditionally vest in a portion of the Target PSUs upon the Company maintaining an average closing stock price over a thirty-trading day period for one share of Common Stock on the New York Stock Exchange in excess of certain price thresholds, all as set forth in the table below:

Common Stock Price Threshold	% of Target PSUs Vested	Cumulative % of Target PSUs Vested
<b>\$2.00</b>	20% of Target PSUs	20%
<b>\$2.50</b>	30% of Target PSUs	50%
<b>\$3.00</b>	50% of Target PSUs	100%

(the “*Performance Criteria*”).

2. The Committee shall have the right, in its sole discretion, to appropriately and proportionately adjust the Performance Criteria upon any change made in, or upon any other events that occur with respect to, the Common Stock through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure 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 successor thereto).

**Hyllion Holdings Corp.**  
**Director RSU Award Grant Notice**  
**(2020 Equity Incentive Plan)**

Hyllion Holdings Corp. (the “**Company**”) has awarded to you (the “**Participant**”) the number of restricted stock units specified and on the terms set forth below in consideration of your services (the “**RSU Award**”). Your RSU Award is subject to all of the terms and conditions as set forth herein and in the Company’s 2020 Equity Incentive Plan (the “**Plan**”) and the Award Agreement (the “**Agreement**”), which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant: \_\_\_

Date of Grant: \_\_\_

Grant #: \_\_\_

Vesting Commencement Date: \_\_\_

Number of Restricted Stock Units: \_\_\_

**Vesting Schedule:** The RSU Award will vest one year after the Vesting Commencement Date. Notwithstanding the foregoing, vesting shall terminate upon the Participant’s termination of Continuous Service.

**Issuance Schedule:** One share of Common Stock will be issued for each restricted stock unit which vests at the time set forth in Section 5 of the Agreement.

**Participant Acknowledgements:** By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The RSU Award is governed by this RSU Award Grant Notice (the “Grant Notice”), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Agreement (together, the “RSU Award Agreement”) may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- You have read and are familiar with the provisions of the Plan, the RSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the RSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The RSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this RSU Award.

Hyllion Holdings Corp.:

By: \_\_\_  
Signature

Title: \_\_\_  
Date: \_\_\_

Participant:

\_\_\_  
Signature

Date:\_\_\_

**Hyllion Holdings Corp.**  
**2020 Equity Incentive Plan**

**Award Agreement (RSU Award)**

As reflected by your Restricted Stock Unit Grant Notice (“**Grant Notice**”), Hyllion Holdings Corp. (the “**Company**”) has granted you a RSU Award under its 2020 Equity Incentive Plan (the “**Plan**”) for the number of restricted stock units as indicated in your Grant Notice (the “**RSU Award**”). The terms of your RSU Award as specified in this Award Agreement for your RSU Award (the “**Agreement**”) and the Grant Notice constitute your “**RSU Award Agreement**”. Defined terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your RSU Award are as follows:

**1. Governing Plan Document.** Your RSU Award is subject to all the provisions of the Plan. Your RSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

**2. Grant of the RSU Award.** This RSU Award represents your right to be issued on a future date the number of shares of the Company’s Common Stock that is equal to the number of restricted stock units indicated in the Grant Notice subject to your satisfaction of the vesting conditions set forth therein (the “**Restricted Stock Units**”). Any additional Restricted Stock Units that become subject to the RSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 3 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units covered by your RSU Award.

**3. Dividends.** You shall receive no benefit or adjustment to your RSU Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment as provided in the Plan; provided, however, that this sentence shall not apply with respect to any shares of Common Stock that are delivered to you in connection with your RSU Award after such shares have been delivered to you.

**4. Withholding Obligations.**

(a) Regardless of any action taken by the Company or, if different, the Affiliate to which you provide Continuous Service (the “**Service Recipient**”) with respect to any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items associated with the grant or vesting of the RSU Award or sale of the underlying Common Stock or other tax-related items related to your participation in the Plan and legally applicable to you (the “**Tax Liability**”), you hereby acknowledge and agree that the Tax Liability is your ultimate responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. You further acknowledge that the Company and the Service

Recipient (i) make no representations or undertakings regarding any Tax Liability in connection with any aspect of this RSU Award, including, but not limited to, the grant or vesting of the RSU Award, the issuance of Common Stock pursuant to such vesting, the subsequent sale of shares of Common Stock, and the payment of any dividends on the Common Stock; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSU Award to reduce or eliminate your Tax Liability or achieve a particular tax result. Further, if you are subject to Tax Liability in more than one jurisdiction, you acknowledge that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax Liability in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Service Recipient to satisfy all Tax Liability. As further provided in Section 8 of the Plan, you hereby authorize the Company and any applicable Service Recipient to satisfy any applicable withholding obligations with regard to the Tax Liability by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Tax Liability in cash or cash equivalent in a form acceptable to the Company; (ii) withholding from any compensation otherwise payable to you by the Company or the Service Recipient; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award; provided, however, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Board or the Company's Compensation Committee; (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**"), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares of Common Stock to be delivered in connection with your Restricted Stock Units to satisfy the Tax Liability and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax Liability directly to the Company or the Service Recipient; and/or (v) any other method determined by the Company to be in compliance with Applicable Law. Furthermore, you agree to pay the Company or the Service Recipient any amount the Company or the Service Recipient may be required to withhold, collect, or pay as a result of your participation in the Plan or that cannot be satisfied by the means previously described. In the event it is determined that the amount of the Tax Liability was greater than the amount withheld by the Company and/or the Service Recipient (as applicable), you agree to indemnify and hold the Company and/or the Service Recipient (as applicable) harmless from any failure by the Company or the applicable Service Recipient to withhold the proper amount.

(c) The Company may withhold or account for your Tax Liability by considering statutory withholding amounts or other withholding rates applicable in your jurisdiction(s), including (i) maximum applicable rates in your jurisdiction(s), in which case you may receive a refund of any over-withheld amount in cash (whether from applicable tax authorities or the Company) and you will have no entitlement to the equivalent amount in Common Stock or (ii) minimum or such other applicable rates in your jurisdiction(s), in which case you may be solely responsible for paying any additional Tax Liability to the applicable tax

authorities or to the Company and/or the Service Recipient. If the Tax Liability withholding obligation is satisfied by withholding shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock subject to the vested portion of the RSU Award, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying such Tax Liability.

(d) You acknowledge that you may not participate in the Plan and the Company shall have no obligation to deliver shares of Common Stock until you have fully satisfied the Tax Liability, as determined by the Company. Unless any withholding obligation for the Tax Liability is satisfied, the Company shall have no obligation to deliver to you any Common Stock in respect of the RSU Award.

## 5. Date of Issuance.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with U.S. Treasury Regulations Section 1.409A-3(a) and will be construed and administered in such a manner. Subject to the satisfaction of the Tax Liability withholding obligation, if any, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each vested Restricted Stock Unit. Each issuance date determined by this paragraph is referred to as an “*Original Issuance Date*.”

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies (a “*10b5-1 Arrangement*”), and

(ii) either (1) a Tax Liability withholding obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Tax Liability withholding obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a “same day sale” commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Tax Liability in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with U.S. Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are

no longer subject to a “substantial risk of forfeiture” within the meaning of U.S. Treasury Regulations Section 1.409A-1(d).

**6. Transferability.** Except as otherwise provided in the Plan, your RSU Award is not transferable, except by will or by the applicable laws of descent and distribution

**7. Corporate Transaction.** Your RSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

**8. No Liability for Taxes.** As a condition to accepting the RSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the RSU Award or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the RSU Award and have either done so or knowingly and voluntarily declined to do so.

**9. Severability.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**10. Other Documents.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company’s Trading Policy.

**11. Questions.** If you have questions regarding these or any other terms and conditions applicable to your RSU Award, including a summary of the applicable federal income tax consequences please see the Prospectus.

**12. Supersedes Previous Agreements.** This RSU Award Agreement supersedes all prior or contemporaneous negotiations, commitments, agreements (written or oral) and writings between the Company and the Participant with respect to the subject matter hereof. All such other negotiations, commitments, agreements and writings will have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing will have no further rights or obligations thereunder.

**Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Thomas Healy, certify that:

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

Date: August 6, 2024

By: /s/ Thomas Healy  
Thomas Healy  
Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Hyliion Holdings Corp. (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Thomas Healy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: August 6, 2024

By: /s/ Thomas Healy

Name: Thomas Healy

Title: Chief Executive Officer  
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

