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

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2022**

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 number 000-24389

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**OneSpan Inc.**

(Exact Name of Registrant as Specified in Its Charter)

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DELAWARE  
(State or Other Jurisdiction of  
Incorporation or Organization)

36-4169320  
(I.R.S. Employer  
Identification No.)

121 West Wacker Drive, Suite 2050  
Chicago, Illinois 60601  
(Address of Principal Executive Offices) (Zip Code)

(312) 766-4001  
(Registrant's telephone number, including area code)

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

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Shares	OSPN	NASDAQ

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

There were 39,662,100 shares of Common Stock, \$.001 par value per share, outstanding at October 27, 2022.

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**OneSpan Inc.**  
**Form 10-Q**  
**For the Quarter Ended September 30, 2022**  
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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

**OneSpan Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except par value)  
(Unaudited)

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 81,835	\$ 63,380
Short-term investments	11,782	35,108
Accounts receivable, net of allowances of \$2,526 in 2022 and \$1,419 in 2021	43,736	56,612
Inventories, net	9,467	10,345
Prepaid expenses	5,898	7,594
Contract assets	4,572	4,694
Other current assets	10,121	9,356
Total current assets	167,411	187,089
Property and equipment, net	10,796	10,757
Operating lease right-of-use assets	7,747	9,197
Goodwill	86,194	96,174
Intangible assets, net of accumulated amortization	13,038	21,270
Deferred income taxes	3,362	3,786
Other assets	10,983	13,998
<b>Total assets</b>	<b>\$ 299,531</b>	<b>\$ 342,271</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 9,824	\$ 8,204
Deferred revenue	44,271	54,617
Accrued wages and payroll taxes	14,465	16,607
Short-term income taxes payable	1,587	1,103
Other accrued expenses	7,089	7,668
Deferred compensation	345	877
Total current liabilities	77,581	89,076
Long-term deferred revenue	6,543	9,125
Long-term lease liabilities	8,517	10,180
Long-term income taxes payable	3,080	5,054
Deferred income taxes	1,893	1,286
Other long-term liabilities	6,995	7,770
Total liabilities	104,609	122,491
<b>Stockholders' equity</b>		
Preferred stock: 500 shares authorized, none issued and outstanding at September 30, 2022 and December 31, 2021	—	—
Common stock: \$.001 par value per share, 75,000 shares authorized; 40,701 and 40,593 shares issued; 39,662 and 40,001 shares outstanding at September 30, 2022 and December 31, 2021, respectively	40	40
Additional paid-in capital	104,669	100,250
Treasury stock, at cost, 1,038 and 592 shares outstanding at September 30, 2022 and December 31, 2021, respectively	(18,222)	(12,501)
Retained earnings	131,836	143,173
Accumulated other comprehensive loss	(23,401)	(11,182)
Total stockholders' equity	194,922	219,780
<b>Total liabilities and stockholders' equity</b>	<b>\$ 299,531</b>	<b>\$ 342,271</b>

See accompanying notes to unaudited condensed consolidated financial statements.

**OneSpan Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<b>Revenue</b>				
Product and license	\$ 31,280	\$ 28,193	\$ 89,496	\$ 85,016
Services and other	25,867	24,083	72,888	70,312
Total revenue	<u>57,147</u>	<u>52,276</u>	<u>162,384</u>	<u>155,328</u>
<b>Cost of goods sold</b>				
Product and license	12,646	9,502	32,672	30,819
Services and other	6,070	6,379	19,097	19,041
Total cost of goods sold	<u>18,716</u>	<u>15,881</u>	<u>51,769</u>	<u>49,860</u>
Gross profit	38,431	36,395	110,615	105,468
<b>Operating costs</b>				
Sales and marketing	15,265	14,449	45,193	46,638
Research and development	9,541	11,359	33,596	35,699
General and administrative	11,813	11,207	39,549	38,797
Impairment of intangible assets	3,828	—	3,828	—
Restructuring and other related charges	2,653	—	8,000	—
Amortization of intangible assets	956	1,396	3,555	4,503
Total operating costs	<u>44,056</u>	<u>38,411</u>	<u>133,721</u>	<u>125,637</u>
Operating loss	(5,625)	(2,016)	(23,106)	(20,169)
Interest income (expense), net	179	(4)	197	2
Other (expense) income, net	<u>(1,155)</u>	<u>283</u>	<u>13,817</u>	<u>950</u>
Loss before income taxes	(6,601)	(1,737)	(9,092)	(19,217)
Provision (benefit) for income taxes	600	(762)	2,245	(2,406)
Net loss	<u>\$ (7,201)</u>	<u>\$ (975)</u>	<u>\$ (11,337)</u>	<u>\$ (16,811)</u>
<b>Net loss per share</b>				
Basic	<u>\$ (0.18)</u>	<u>\$ (0.02)</u>	<u>\$ (0.28)</u>	<u>\$ (0.42)</u>
Diluted	<u>\$ (0.18)</u>	<u>\$ (0.02)</u>	<u>\$ (0.28)</u>	<u>\$ (0.42)</u>
<b>Weighted average common shares outstanding</b>				
Basic	<u>39,723</u>	<u>39,629</u>	<u>39,801</u>	<u>39,688</u>
Diluted	<u>39,723</u>	<u>39,629</u>	<u>39,801</u>	<u>39,688</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**OneSpan Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In thousands)  
(Unaudited)

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net loss	\$ (7,201)	\$ (975)	\$ (11,337)	\$ (16,811)
Other comprehensive loss				
Cumulative translation adjustment, net of tax	(4,786)	(2,287)	(12,121)	(2,657)
Pension adjustment, net of tax	(21)	—	(68)	—
Unrealized gains (loss) on available-for-sale securities	59	—	(30)	(7)
Comprehensive loss	<u>\$ (11,949)</u>	<u>\$ (3,262)</u>	<u>\$ (23,556)</u>	<u>\$ (19,475)</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**OneSpan Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands)  
(Unaudited)

**For the three and nine months ended September 30, 2022:**

Description	Common Stock		Treasury - Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2021</b>	40,001	\$ 40	592	(12,501)	\$ 100,250	\$ 143,173	\$ (11,182)	\$ 219,780
Net income (loss)	—	—	—	—	—	5,214	—	5,214
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(2,020)	(2,020)
Restricted stock awards	34	—	—	—	1,360	—	—	1,360
Tax payments for stock issuances	(14)	—	—	—	(635)	—	—	(635)
Unrealized gain (loss) on available-for-sale securities	—	—	—	—	—	—	(79)	(79)
Pension adjustment, net of tax	—	—	—	—	—	—	(25)	(25)
<b>Balance at March 31, 2022</b>	<u>40,021</u>	<u>\$ 40</u>	<u>592</u>	<u>\$ (12,501)</u>	<u>\$ 100,975</u>	<u>\$ 148,387</u>	<u>\$ (13,306)</u>	<u>\$ 223,595</u>
Net income (loss)	—	—	—	—	—	(9,350)	—	(9,350)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(5,315)	(5,315)
Restricted stock awards	28	—	—	—	1,253	—	—	1,253
Tax payments for stock issuances	(6)	—	—	—	(88)	—	—	(88)
Share repurchase	(446)	—	446	(5,721)	—	—	—	(5,721)
Unrealized gain (loss) on available-for-sale securities	—	—	—	—	—	—	(10)	(10)
Pension adjustment, net of tax	—	—	—	—	—	—	(22)	(22)
<b>Balance at June 30, 2022</b>	<u>39,597</u>	<u>\$ 40</u>	<u>1,038</u>	<u>\$ (18,222)</u>	<u>\$ 102,140</u>	<u>\$ 139,037</u>	<u>\$ (18,653)</u>	<u>\$ 204,342</u>
Net income (loss)	—	—	—	—	—	(7,201)	—	(7,201)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(4,786)	(4,786)
Restricted stock awards	101	—	—	—	2,884	—	—	2,884
Tax payments for stock issuances	(36)	—	—	—	(355)	—	—	(355)
Unrealized gain (loss) on available-for-sale securities	—	—	—	—	—	—	59	59
Pension adjustment, net of tax	—	—	—	—	—	—	(21)	(21)
<b>Balance at September 30, 2022</b>	<u>39,662</u>	<u>\$ 40</u>	<u>1,038</u>	<u>\$ (18,222)</u>	<u>\$ 104,669</u>	<u>\$ 131,836</u>	<u>\$ (23,401)</u>	<u>\$ 194,922</u>

**For the three and nine months ended September 30, 2021:**

Description	Common Stock		Treasury - Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2020</b>	40,103	\$ 40	250	(5,030)	\$ 98,819	\$ 173,731	\$ (10,220)	\$ 257,340
Net income (loss)	—	—	—	—	—	(9,151)	—	(9,151)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	22	(919)	(897)
Restricted stock awards	248	—	—	—	1,342	—	—	1,342
Tax payments for stock issuances	(86)	—	—	—	(2,139)	—	—	(2,139)
Unrealized gain (loss) on available-for-sale securities	—	—	—	—	—	—	(15)	(15)
<b>Balance at March 31, 2021</b>	<u>40,265</u>	<u>\$ 40</u>	<u>250</u>	<u>\$ (5,030)</u>	<u>\$ 98,022</u>	<u>\$ 164,602</u>	<u>\$ (11,154)</u>	<u>\$ 246,480</u>
Net income (loss)	—	—	—	—	—	(6,685)	—	(6,685)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	549	549
Restricted stock awards	24	—	—	—	1,292	—	—	1,292
Tax payments for stock issuances	(7)	—	—	—	(91)	—	—	(91)
Share repurchase	(111)	—	111	(2,908)	—	—	—	(2,908)
Unrealized gain (loss) on available-for-sale securities	—	—	—	—	—	—	8	8
<b>Balance at June 30, 2021</b>	<u>40,171</u>	<u>\$ 40</u>	<u>361</u>	<u>\$ (7,938)</u>	<u>\$ 99,223</u>	<u>\$ 157,917</u>	<u>\$ (10,597)</u>	<u>\$ 238,645</u>
Net income (loss)	—	—	—	—	—	(975)	—	(975)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	4	(2,287)	(2,283)
Restricted stock awards	57	—	—	—	347	—	—	347
Tax payments for stock issuances	(31)	—	—	—	(552)	—	—	(552)
Share repurchase	(231)	—	231	(4,563)	—	—	—	(4,563)
<b>Balance at September 30, 2021</b>	<u>39,966</u>	<u>\$ 40</u>	<u>592</u>	<u>\$ (12,501)</u>	<u>\$ 99,018</u>	<u>\$ 156,946</u>	<u>\$ (12,884)</u>	<u>\$ 230,619</u>

**OneSpan Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	Nine months ended September 30,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net loss from operations	\$ (11,337)	\$ (16,811)
Adjustments to reconcile net loss from operations to net cash used in operations:		
Depreciation and amortization of intangible assets	5,691	6,760
Impairment of intangible assets	3,828	—
Gain on sale of equity-method investment	(14,810)	—
Deferred tax benefit	683	(3,701)
Stock-based compensation	5,497	2,981
Allowance for doubtful accounts	1,111	(1,709)
Changes in operating assets and liabilities:		
Accounts receivable	9,326	13,189
Inventories, net	(540)	1,101
Contract assets	(232)	3,764
Accounts payable	2,236	2,347
Income taxes payable	(1,450)	(2,661)
Accrued expenses	(1,342)	(27)
Deferred compensation	(532)	(897)
Deferred revenue	(10,838)	(1,860)
Other assets and liabilities	(970)	(6,905)
Net cash used in operating activities	<u>(13,679)</u>	<u>(4,429)</u>
<b>Cash flows from investing activities:</b>		
Purchase of short-term investments	(15,812)	(45,882)
Maturities of short-term investments	39,050	33,129
Additions to property and equipment	(2,547)	(1,529)
Additions to intangible assets	(17)	(17)
Sale of equity-method investment	18,874	—
Net cash provided by (used in) investing activities	<u>39,548</u>	<u>(14,299)</u>
<b>Cash flows from financing activities:</b>		
Repurchase of common stock	(5,721)	(7,471)
Tax payments for restricted stock issuances	(1,078)	(2,782)
Net cash used in financing activities	<u>(6,799)</u>	<u>(10,253)</u>
Effect of exchange rate changes on cash	(616)	(760)
Net increase (decrease) in cash	18,454	(29,741)
Cash, cash equivalents, and restricted cash, beginning of period	64,228	89,241
Cash, cash equivalents, and restricted cash, end of period (1)	<u>\$ 82,682</u>	<u>\$ 59,500</u>

(1) End of period cash, cash equivalents, and restricted cash includes \$0.8 million and \$0.9 million of restricted cash at September 30, 2022 and 2021, respectively.

See accompanying notes to unaudited condensed consolidated financial statements.



**OneSpan Inc.**  
**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

*Unless otherwise noted, references in this Quarterly Report on Form 10-Q to “OneSpan,” “Company,” “we,” “our,” and “us,” refer to OneSpan Inc. and its subsidiaries.*

**Note 1 – Description of the Company and Basis of Presentation**

***Description of the Company***

OneSpan Inc. designs, develops, and markets solutions that enable secure, compliant, and easy digital customer agreements and transaction experiences. The Company is a global leader in providing high-assurance identity and authentication security as well as simplified e-signature workflows. The Company’s solutions enable trust that ensures the integrity of the people and artifacts associated with digital agreements and transactions across banking, financial services, healthcare, and professional services. The Company’s solution portfolio includes a broad set of offerings across several categories, including identity verification, authentication, transaction signing, mobile security, electronic signature, and secure video collaboration for virtual interactions and transactions. OneSpan has operations in Austria, Australia, Belgium, Canada, China, France, Japan, The Netherlands, Singapore, Switzerland, the United Arab Emirates, the United Kingdom (U.K.), and the United States (U.S.).

***Transformation Plan***

In May 2022, the Company announced a three-year strategic transformation plan that will enable it to build on its strong solution portfolio and market position, enhance its enterprise go-to-market strategy, accelerate revenue growth, and drive efficiencies to support margin expansion and increased profitability. In conjunction with the strategic transformation plan and to enable a more efficient capital deployment model, effective with the quarter ended June 30, 2022, the Company began reporting under the following two lines of business, which are its reportable operating segments: Digital Agreements and Security Solutions. The Company plans to manage Digital Agreements for accelerated growth and market share gains and Security Solutions for cash flow given its more modest growth profile. For further information regarding the Company’s reportable segments, see Note 16 – *Segment Information*.

While the Company’s consolidated results will not be impacted, the Company has recast its segment information during 2022 for comparable presentation.

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements include the accounts of OneSpan and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles in the United States of America (“U.S. GAAP”) for complete financial statements and should be read in conjunction with the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the results of the interim periods presented. All intercompany accounts and transactions have been eliminated. Operating results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results to be expected for any future period or the entire fiscal year.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

**Revision of Previously Issued Financial Statements**

As disclosed previously in the Company's Form 10-K for the year ended December 31, 2021, the Company revised amounts reported in previously issued financial statements to correct prior period immaterial errors. The errors relate to certain costs directly related to the production and distribution of hardware products. The costs were not properly categorized in prior periods, which led to an understatement of product and license cost of goods sold and an overstatement of sales and marketing expense. There was no impact to previously reported revenue or net income.

The Company evaluated the aggregate effects of the errors on its previously issued financial statements in accordance with SEC Staff Accounting Bulletins No. 99 and No. 108 and, based upon quantitative and qualitative factors, determined that the errors were not material to the previously issued financial statements and disclosures included in its Annual Reports on Form 10-K for the years ended December 31, 2021 and 2020, or for any quarterly periods included therein or through its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021.

The following table presents the effects of the aforementioned revision on the Company's unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2021.

**Revised Condensed Consolidated Statements of Operations Amounts:**

<i>(In thousands)</i>	<b>Three Months Ended September 30, 2021</b>			<b>Nine Months Ended September 30, 2021</b>		
	<b>As Previously Reported</b>	<b>Adjustments</b>	<b>As Revised</b>	<b>As Previously Reported</b>	<b>Adjustments</b>	<b>As Revised</b>
Cost of goods sold						
Product and license	\$ 8,477	\$ 1,025	\$ 9,502	\$ 27,607	\$ 3,212	\$ 30,819
Total cost of goods sold	\$ 14,856	\$ 1,025	\$ 15,881	\$ 46,648	\$ 3,212	\$ 49,860
Gross profit	\$ 37,420	\$ (1,025)	\$ 36,395	\$ 108,680	\$ (3,212)	\$ 105,468
Operating costs						
Sales and marketing	\$ 15,474	\$ (1,025)	\$ 14,449	\$ 49,850	\$ (3,212)	\$ 46,638
Total operating costs	\$ 39,436	\$ (1,025)	\$ 38,411	\$ 128,849	\$ (3,212)	\$ 125,637

**Estimates and Assumptions**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Foreign Currency Translation and Transactions**

The financial position and results of the operations of the majority of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Accordingly, assets and liabilities are translated into U.S. Dollars using current exchange rates as of the balance sheet date. Revenue and expenses are translated at average exchange rates prevailing during the year. Translation adjustments arising from differences in exchange rates are charged or credited to other comprehensive income (loss). Gains and losses resulting from foreign currency transactions are included in the condensed consolidated statements of operations in other income (expense), net. Foreign exchange transaction losses aggregated \$1.3 and \$2.6 million for the three and nine months ended September 30, 2022, respectively. Foreign exchange transaction losses aggregated less than \$0.1 million and \$0.2 million for the three and nine months ended September 30, 2021, respectively.

The financial position and results of operations in Singapore, Switzerland, and Canada are measured in U.S. Dollars. For these subsidiaries, gains and losses that result from foreign currency transactions are included in the consolidated statements of operations in “Other expense (income), net”.

## **Note 2 – Summary of Significant Accounting Policies**

There have been no changes to the significant accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 22, 2022 that have had a material impact on the Company’s condensed consolidated financial statements and related notes.

### ***Software Capitalization and Depreciation***

As part of the transformation plan announced in May 2022, the Company began investing in its Digital Agreements operating segment for accelerated growth. In conjunction with expanded research and development activities to grow the Digital Agreements product offerings, the Company began capitalizing certain costs incurred in connection with obtaining or developing internal-use software during the nine months ended September 30, 2022. These costs include payroll and payroll-related costs for employees who are directly associated with the internal-use software projects, external direct costs of materials and services costs while developing the software. Capitalized software costs are included in “Property and equipment, net” on the condensed consolidated balance sheets and are amortized using the straight-line method over the estimated life of three years. Capitalization of such costs ceases when the project is substantially complete and ready for its intended purpose. Costs incurred during the preliminary project and post-implementation stages, as well as software maintenance and training costs, are expensed in the period in which they are incurred. The Company capitalized \$1.3 million and \$1.5 million of internal-use software for the three and nine months ended September 30, 2022, respectively.

### ***Restricted Cash***

The Company is party to lease agreements that require letters of credit to secure certain obligations. The restricted cash related to these letters of credit is recorded in “Other non-current assets” on the condensed consolidated balance sheets in the amounts of \$0.8 million at September 30, 2022 and December 31, 2021.

### ***Sale of Equity Method Investment***

On January 31, 2022, the Company sold its equity interest in Promon AS (Promon) for \$18.9 million and recorded the gain on sale of \$14.8 million in “Other expense (income), net”, on the condensed consolidated statement of operations for the nine months ended September 30, 2022. Promon is a technology company headquartered in Norway that specializes in mobile app security, whose solutions focus largely on Runtime Application Self-Protection (RASP).

Prior to January 31, 2022, the Company held a 17% interest in Promon and applied the equity method of accounting to its investment in Promon because it exercised significant influence on, but did not hold a controlling interest in, the investee. Under the equity method of accounting, the Company’s proportionate share of the net earnings (losses) of Promon was reported in “Other expense (income), net”, in its condensed consolidated statements of operations. The impact of the proportionate share of net earnings (losses) was immaterial for the nine months ended September 30, 2022 and 2021, as were the relative size of Promon’s assets and operations in relation to the Company’s.

The Company intends to continue to purchase and integrate Promon’s RASP technology into its customer software solutions.

### ***Recently Issued Accounting Pronouncements***

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standard setting bodies that are adopted by us as of the specified effective date. Unless otherwise discussed, the Company believes that the issued standards that are not yet effective will not have a material impact on its consolidated financial statements and disclosures upon adoption.

**Note 3 – Revenue from Contracts with Customers**

***Disaggregation of Revenues***

The following tables present the Company’s revenues disaggregated by major products and services, geographical region and timing of revenue recognition (in thousands, except percentages):

***Revenue by major products***

	<b>Three months Ended</b>		<b>Nine months Ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Subscription (1)	\$ 22,262	\$ 17,807	\$ 65,360	\$ 49,935
Maintenance and support	12,851	12,734	36,975	38,291
Professional services and other (2)	2,220	3,827	6,101	12,075
Hardware products	19,814	17,908	53,948	55,027
<b>Total Revenue</b>	<b>\$ 57,147</b>	<b>\$ 52,276</b>	<b>\$ 162,384</b>	<b>\$ 155,328</b>

- (1) Subscription includes cloud and on-premises subscription revenue, previously referred to as “subscription” and “term-based software licenses”, respectively.
- (2) Professional services & other includes perpetual software licenses revenue which was less than 3% of total revenue for both the three and nine months ended September 30, 2022, and less than 6% of total revenue for both the three and nine months ended September 30, 2021.

***Revenue by location of customer for the three months ended September 30, 2022 and 2021***

	<b>EMEA</b>	<b>Americas</b>	<b>APAC</b>	<b>Total</b>
<b>Total Revenue:</b>				
2022	\$ 25,999	\$ 20,394	\$ 10,754	\$ 57,147
2021	\$ 21,965	\$ 17,621	\$ 12,690	\$ 52,276
<b>Percent of Total:</b>				
2022	45 %	36 %	19 %	100 %
2021	42 %	34 %	24 %	100 %

***Revenue by location of customer for the nine months ended September 30, 2022 and 2021***

	<b>EMEA</b>	<b>Americas</b>	<b>APAC</b>	<b>Total</b>
<b>Total Revenue:</b>				
2022	\$ 74,396	\$ 56,972	\$ 31,016	\$ 162,384
2021	\$ 73,784	\$ 51,160	\$ 30,384	\$ 155,328
<b>Percent of Total:</b>				
2022	46 %	35 %	19 %	100 %
2021	48 %	32 %	20 %	100 %

**Timing of revenue recognition**

<i>(In thousands)</i>	<u>Three Months ended September 30,</u>		<u>Nine Months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Products and Licenses transferred at a point in time	\$ 31,280	\$ 28,193	\$ 89,496	\$ 85,016
Services transferred over time	25,867	24,083	72,888	70,312
<b>Total Revenue</b>	<b>\$ 57,147</b>	<b>\$ 52,276</b>	<b>\$ 162,384</b>	<b>\$ 155,328</b>

**Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

<i>(In thousands)</i>	<u>September 30,</u>		<u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
Receivables, inclusive of trade and unbilled	\$ 43,736	\$ 43,736	\$ 56,612	\$ 56,612
Contract Assets (current and non-current)	\$ 4,712	\$ 4,712	\$ 4,889	\$ 4,889
Contract Liabilities (Deferred Revenue current and non-current)	\$ 50,814	\$ 50,814	\$ 63,742	\$ 63,742

Contract assets relate primarily to multi-year term license arrangements and the remaining contractual billings. These contract assets are transferred to receivables when the right to bill occurs, which is normally over 3-5 years. The contract liabilities primarily relate to the advance consideration received from customers for subscription and maintenance services. Revenue is recognized for these services over time.

As a practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component when it expects, at contract inception, that the period between the transfer of a promised product or service to a customer and when the customer pays for that product or service will be one year or less. Also, the Company does not typically include extended payment terms in its contracts with customers.

Revenue recognized during the nine months ended September 30, 2022 included \$40.3 million that was included on the December 31, 2021 balance sheet in contract liabilities. Deferred revenue decreased in the same period due to timing of annual renewals.

**Transaction price allocated to the remaining performance obligations**

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations that are unsatisfied, or partially unsatisfied, as of the end of the period. The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of September 30, 2022:

<i>(In thousands)</i>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Beyond 2024</u>	<u>Total</u>
Future revenue related to current unsatisfied performance obligations	\$ 11,238	\$ 28,617	\$ 15,823	\$ 8,375	\$ 64,053

The Company applies practical expedients and does not disclose information about remaining performance obligations (a) that have original expected durations of one year or less, or (b) where revenue is recognized as invoiced.

**Costs of obtaining a contract**

The Company incurs incremental costs related to commissions, which can be directly tied to obtaining a contract. The Company capitalizes commissions associated with certain new contracts and amortizes the costs over a period of benefit based on the transfer of goods or services that it has determined to be up to seven years. The Company determined the period of benefit by taking into consideration the customer contracts, its technology and other factors,

including customer attrition. Commissions are earned upon invoicing to the customer. For contracts with multiple year payment terms, because the commissions that are payable after year 1 are payable based on continued employment, they are expensed when incurred. Commissions and amortization expense are included in “Sales and Marketing” expense in the condensed consolidated statements of operations.

Applying the practical expedient, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period for the assets that the Company otherwise would have recognized is one year or less. These costs are included in “Sales and Marketing” expense in the condensed consolidated statements of operations.

The following tables provide information related to the capitalized costs and amortization recognized in the current and prior period:

<i>(In thousands)</i>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Capitalized costs to obtain contracts, current	\$ 2,632	\$ 2,134
Capitalized costs to obtain contracts, non-current	\$ 9,665	\$ 8,675

<i>(In thousands)</i>	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Amortization of capitalized costs to obtain contracts	\$ 641	\$ 419	\$ 1,731	\$ 1,090
Impairments of capitalized costs to obtain contracts	\$ —	\$ —	\$ —	\$ —

#### Note 4 – Inventories, net

Inventories, net, consisting principally of hardware and component parts, are stated at the lower of cost or net realizable value. Cost is determined using the FIFO method.

Inventories, net are comprised of the following:

<i>(In thousands)</i>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Component parts	\$ 4,793	\$ 3,841
Work-in-process and finished goods	4,674	6,504
Total	<u>\$ 9,467</u>	<u>\$ 10,345</u>

#### Note 5 – Goodwill

The following table presents the changes in goodwill allocated to the Company’s reportable segments during the nine months ended September 30, 2022:

<i>(In thousands)</i>	<u>Digital Agreements</u>	<u>Security Solutions</u>	<u>Total</u>
Net balance at December 31, 2021	\$ —	\$ —	\$ 96,174
Goodwill reallocation (1)	20,966	75,208	—
Foreign currency exchange rate effect	(2,175)	(7,805)	(9,980)
Net balance at September 30, 2022	<u>\$ 18,791</u>	<u>\$ 67,403</u>	<u>\$ 86,194</u>

*Goodwill reallocation:* As a result of the transformation plan and new reportable operating segments (see Note 1 - *Description of the Company*), the Company allocated the goodwill balance to each reporting unit and respective reportable operating segments on May 17, 2022. Additionally, the Company performed a goodwill impairment test on the goodwill balances of each of the reporting units of its reportable operating segments as of May 17, 2022, by

comparing the fair value of each reporting unit to its carrying value, including the allocated goodwill. The Company concluded that there was no indication of goodwill impairment for any of the reporting units as of May 17, 2022.

No impairment of goodwill was recorded during the nine months ended September 30, 2022.

**Note 6 – Intangible Assets**

Intangible assets as of September 30, 2022 and December 31, 2021 consist of the following:

<i>(In thousands)</i>	Useful Life (in years)	As of September 30, 2022		As of December 31, 2021	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Acquired technology	3 to 7	\$ 41,154	\$ 41,034	\$ 43,034	\$ 42,281
Customer relationships	5 to 12	33,732	22,107	39,814	20,653
Patents and trademarks	10 to 20	13,474	12,181	13,549	12,193
Total		\$ 88,360	\$ 75,322	\$ 96,397	\$ 75,127

Amortization expense was \$1.0 million and \$1.4 million for the three months ended September 30, 2022 and 2021, respectively; and \$3.6 million and \$4.5 million for the nine months ended September 30, 2022 and 2021, respectively.

Certain intangible assets are denominated in functional currencies besides the U.S. dollar and are subject to currency fluctuations.

During the nine months ended September 30, 2022, the Company performed an impairment review of the customer relationships intangible assets obtained in its 2018 acquisition of Dealflo Limited (“Dealflo”). The impairment review was triggered by the Company’s July 2022 notification to customers regarding its intent to gradually sunset its Dealflo solution in the months leading up to December 31, 2023. As a result, all Dealflo solution customer contracts will terminate on or before December 31, 2023. The results of the impairment review indicated that the carrying value of the Dealflo customer relationships exceeded the fair value, and the Company recorded a \$3.8 million impairment charge on the entire remaining value of the asset during the three months ended September 30, 2022. The charge is included in “Impairment of intangible assets” on the condensed consolidated statements of operations.

There were no additional impairments of intangible assets recorded during the nine months ended September 30, 2022 and 2021.

**Note 7 – Property and Equipment, net**

The following table presents the major classes of property and equipment as of September 30, 2022 and December 31, 2021:

<i>(In thousands)</i>	September 30, 2022	December 31, 2021
Office equipment and software	\$ 14,606	\$ 14,327
Leasehold improvements	9,885	10,296
Furniture and fixtures	4,171	4,223
Capitalized software	1,492	—
Total	30,154	28,846
Accumulated depreciation	(19,358)	(18,089)
Property and equipment, net	\$ 10,796	\$ 10,757

Depreciation expense was \$0.7 million and \$2.1 million for the three and nine months ended September 30, 2022, respectively, compared to \$0.8 million and \$2.3 million for the three and nine months ended September 30, 2021, respectively.

**Note 8 – Fair Value Measurements**

The following tables summarize the Company’s financial assets by level in the fair value hierarchy, which are measured at fair value on a recurring basis, as of September 30, 2022 and December 31, 2021:

<i>(In thousands)</i>	<b>September 30, 2022</b>	<b>Fair Value Measurement at Reporting Date Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
U.S. Treasury Notes	\$ 1,997	—	\$ 1,997	—
Corporate Notes / Bonds	\$ 2,312	—	\$ 2,312	—
Commercial Paper	\$ 4,496	—	\$ 4,496	—
U.S. Treasury Bills	\$ 2,977	—	\$ 2,977	—

<i>(In thousands)</i>	<b>December 31, 2021</b>	<b>Fair Value Measurement at Reporting Date Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
U.S. Treasury Notes	\$ 4,038	—	\$ 4,038	—
Corporate Notes / Bonds	\$ 9,585	—	\$ 9,585	—
Commercial Paper	\$ 8,996	—	\$ 8,996	—
U.S. Treasury Bills	\$ 9,990	—	\$ 9,990	—
U.S. Government Agencies	\$ 2,499	—	\$ 2,499	—

The Company classifies its investments in debt securities as available-for-sale. Unrealized gains and losses are recorded to other comprehensive income. The unrealized gains and losses on the available-for-sale debt securities were not material as of September 30, 2022 and December 31, 2021.

The Company did not have any transfers of assets between Level 1 and Level 2 or Level 3 of the fair value hierarchy during the three or nine months ended September 30, 2022. Also, the Company did not have any financial liabilities that are measured at fair value on a recurring basis as of September 30, 2022 and December 31, 2021.

The Company’s non-financial assets and liabilities, which include goodwill and long-lived assets held and used, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required, the Company would evaluate the non-financial assets and liabilities for impairment. If an impairment was to occur, the asset or liability would be recorded at its estimated fair value. During the three months ended September 30, 2022, the Company recorded an impairment of its Dealflo customer relationships intangible asset in the amount of \$3.8 million, which was the entire remaining value of the asset. No impairment was recorded in the three or nine months ended September 30, 2021.



**Note 9 – Allowance for credit losses**

The changes in the allowance for credit losses during the nine months ended September 30, 2022 were as follows:

*(In thousands)*

<b>Balance at December 31, 2021</b>	\$	1,419
Provision		1,092
Write-offs		50
Net foreign currency translation		(35)
<b>Balance at September 30, 2022</b>	<b>\$</b>	<b>2,526</b>

**Note 10 – Leases**

Operating lease cost details for the three and nine months ended September 30, 2022 and 2021 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<i>(In thousands)</i>				
Building rent	\$ 509	\$ 667	\$ 1,605	\$ 1,914
Automobile rentals	295	385	876	1,129
<b>Total net operating lease costs</b>	<b>\$ 804</b>	<b>\$ 1,052</b>	<b>\$ 2,481</b>	<b>\$ 3,043</b>

At September 30, 2022, the Company's weighted average remaining lease term for its operating leases is 6.1 years, and the weighted average discount rate for its operating leases is 5%.

During the nine months ended September 30, 2022, there were \$2.4 million of operating cash payments for lease liabilities, and \$0.6 million of right-of use assets obtained in exchange for new lease liabilities.

Maturities of the Company's operating leases are as follows:

	<u>As of September 30, 2022</u>
<i>(In thousands)</i>	
2022	\$ 703
2023	2,535
2024	1,849
2025	1,686
2026	1,630
Later years	4,201
Less imputed interest	(1,952)
<b>Total lease liabilities</b>	<b>\$ 10,652</b>

**Note 11 – Income Taxes**

The Company's estimated annual effective tax rate for 2022 before discrete items and excluding entities with a valuation allowance is expected to be approximately 22%. The Company's global effective tax rate is higher than the U.S. statutory tax rate of 21% primarily due to nondeductible expenses. The ultimate tax expense will depend on the mix of earnings in various jurisdictions. Income tax refunds, net of taxes paid, of \$0.3 million were received during the three months ended September 30, 2022. Income taxes, net of refunds, of \$1.7 million were paid during the nine months ended September 30, 2022.

Management assesses the need for a valuation allowance on a regular basis, weighing all positive and negative evidence to determine whether a deferred tax asset will be fully or partially realized. In evaluating the realizability of deferred tax assets, significant pieces of negative evidence such as 3-year cumulative losses are considered. Management

also reviews reversal patterns of temporary differences to determine if the Company would have sufficient taxable income due to the reversal of temporary differences to support the realization of deferred tax assets.

Certain operations have incurred net operating losses (NOLs), which are currently subject to a valuation allowance. These NOLs may become deductible to the extent these operations become profitable. For each of its operations, the Company evaluates whether it is more likely than not that the tax benefits related to NOLs will be realized. As part of this evaluation, the Company considers evidence such as tax planning strategies, historical operating results, forecasted taxable income, and recent financial performance. In the year that certain operations record a loss, the Company does not recognize a corresponding tax benefit, thus increasing its effective tax rate, or decreasing its effective tax rate when reporting income in a jurisdiction that has a valuation allowance. Upon determining that it is more likely than not that the NOLs will be realized, the Company will reduce the tax valuation allowances related to these NOLs, which will result in a reduction of its income tax expense and its effective tax rate in the period.

At December 31, 2021, the Company had deferred tax assets of \$43.7 million resulting from U.S., foreign and state NOL carryforwards of \$148.6 million and other foreign deductible carryforwards of \$97.5 million. At December 31, 2021, the Company had a valuation allowance of \$31.3 million against deferred tax assets related to certain carryforwards.

#### **Note 12 – Long-Term Compensation Plan and Stock Based Compensation (share counts in thousands)**

Under the OneSpan Inc. 2019 Omnibus Incentive Plan, the Company awards restricted stock units subject to time-based vesting, restricted stock units which are subject to the achievement of future performance criteria and restricted stock units that are subject to the achievement of market conditions. Other long-term incentive plan compensation expense includes cash incentives.

The Company awarded 2,330 restricted stock units during the nine months ended September 30, 2022, subject to time-based vesting. The fair value of the unissued time-based restricted stock unit grants was \$30.3 million at the dates of grant and the grants are being amortized over the vesting periods of one to four years.

The Company awarded restricted stock units subject to the achievement of service and future performance criteria during the nine months ended September 30, 2022, which allow for up to 200 shares to be earned if the performance criteria are achieved at the target level. The fair value of these awards was \$2.4 million at the dates of grant and the awards are being amortized over the vesting period of three years. The Company currently believes that all of these shares are expected to be earned.

During the three and nine months ended September 30, 2022, stock-based compensation and other long-term incentive plan compensation accruals were reversed for certain employees who were severed from the Company. The reversal of the accrued long-term incentive plan compensation for the severed employees largely offset the expense for the periods.

The following table presents stock-based compensation expense and other long-term incentive plan compensation expense for the three and nine months ended September 30, 2022 and 2021:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i>(In thousands)</i>				
Stock-based compensation	\$ 2,884	\$ 347	\$ 5,497	\$ 2,981
Other long-term incentive plan compensation	230	165	118	640
Total compensation	<u>\$ 3,114</u>	<u>\$ 512</u>	<u>\$ 5,615</u>	<u>\$ 3,621</u>

**Note 13 – Earnings per Share**

Basic earnings per share is based on the weighted average number of shares outstanding and excludes the dilutive effect of common stock equivalents. Diluted earnings per share is based on the weighted average number of shares outstanding and includes the dilutive effect of common stock equivalents to the extent they are not anti-dilutive. Because the Company was in a net loss position for the three and nine months ended September 30, 2022 and 2021, diluted net loss per share for these periods excludes the effects of common stock equivalents, which are anti-dilutive.

The details of the earnings per share calculations for the three and nine months ended September 30, 2022 and 2021 are as follows:

<i>(In thousands, except per share data)</i>	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net loss	<u>\$ (7,201)</u>	<u>\$ (975)</u>	<u>\$ (11,337)</u>	<u>\$ (16,811)</u>
Weighted average common shares outstanding:				
Basic	39,723	39,629	39,801	39,688
Incremental shares with dilutive effect:				
Restricted stock awards	—	—	—	—
Diluted	<u>39,723</u>	<u>39,629</u>	<u>39,801</u>	<u>39,688</u>
Net loss per share:				
Basic	<u>\$ (0.18)</u>	<u>\$ (0.02)</u>	<u>\$ (0.28)</u>	<u>\$ (0.42)</u>
Diluted	<u>\$ (0.18)</u>	<u>\$ (0.02)</u>	<u>\$ (0.28)</u>	<u>\$ (0.42)</u>

**Note 14 – Legal Proceedings and Contingencies**

The Company is subject to certain legal proceedings and claims incidental to the operations of its business. The Company is also subject to certain other legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully adjudicated. The Company currently does not anticipate that these matters, if resolved against the Company, will have a material adverse impact on its financial results or financial condition.

The Company accrues loss contingencies when losses become probable and are reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. As of September 30, 2022, the Company has recorded an accrual of \$1.3 million for loss contingencies, which represents the better estimate within the probable range of \$1.3 million and \$2.0 million, related to all probable losses where a reasonable estimate could be made.

The Company does not accrue for contingent losses that, in the judgment of the Company, are considered to be reasonably possible, but not probable. As of September 30, 2022, the Company does not have any reasonably possible losses for which an estimate can be made. Although the Company intends to defend its legal matters vigorously, the ultimate outcome of these matters is uncertain. However, the Company does not expect the potential losses, if any, to have a material adverse impact on its operating results, cash flows, or financial condition.

**Note 15 – Restructuring and Other Related Charges**

In December 2021, the Board approved a restructuring plan (“Plan”) designed to advance the Company’s operating model, streamline its business, improve efficiency, and enhance its capital resources. As part of the first phase of the Plan, the Company reduced headcount by eliminating positions in certain areas of its organization. The first phase of the Plan began and was substantially completed during the three months ended March 31, 2022.

In May 2022, the Board approved additional actions related to the Plan through the year ending December 31, 2025. This second phase of the Plan consists solely of headcount-related actions and is designed to continue to advance the Company's operating model, streamline its business, improve efficiency, and enhance its capital resources.

In connection with the Plan, the Company incurred severance, retention pay, and related benefit costs. The Company recorded \$2.7 million and \$8.0 million in "Restructuring and other related charges" in the condensed consolidated statements of operations for the three and nine months ended September 30, 2022, respectively.

In total, there were approximately 100 employees, across multiple functions, whose positions were made redundant.

The table below sets forth the changes in the carrying amount of the restructuring charge liability for the nine months ended September 30, 2022.

	<u>Restructuring Charge Liability</u>
<i>(In thousands)</i>	\$
Balance as of December 31, 2021	—
Additions	8,000
Payments	<u>(4,446)</u>
Balance as of September 30, 2022	<u>\$ 3,554</u>

The \$3.6 million restructuring charge liability at September 30, 2022 is included in "Accrued wages and payroll taxes" in the condensed consolidated balance sheet. The liability is entirely comprised of employee costs that are expected to be paid by September 30, 2023.

#### **Note 16 – Segment Information**

In May 2022, the Company announced a three-year strategic transformation plan that will enable it to build on its strong solution portfolio and market position, enhance its enterprise go-to-market strategy, accelerate revenue growth, and drive efficiencies to support margin expansion and increased profitability. In conjunction with the strategic transformation plan and to enable a more efficient capital deployment model, effective with the quarter ended June 30, 2022, the Company began reporting under the following two lines of business, which are its reportable operating segments: Digital Agreements and Security Solutions. The Company expects to manage Digital Agreements for accelerated growth and market share gains and Security Solutions for cash flow given its more modest growth profile.

Segments are defined as components of a company that engage in business activities from which they may earn revenues and incur expenses, and for which separate financial information is available and is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and in assessing performance. The Company's CODM is its Chief Executive Officer.

- **Digital Agreements.** Digital Agreements consists of solutions that enable clients to secure and automate business processes associated with their digital agreement and customer transaction lifecycles that require consent, non-repudiation and compliance. These solutions, which are largely cloud-based, include our e-signature solution and our Virtual Room solution. As the transformation plan progresses, the Company expects to include other cloud-based security modules associated with the secure transaction lifecycle of identity verification, authentication, virtual interaction, e-transactions and e-vaulting (storage) in the Digital Agreements segment. This segment also includes costs attributable to its transaction cloud platform.
- **Security Solutions.** Security Solutions consist of a broad portfolio of software products and/or software development kits (SDKs) that are used to build applications designed to defend against attacks on digital transactions across online environments, devices and applications. These solutions, which are largely on-premises software products, include identity verification, multi-factor authentication and transaction signing, such as mobile application security, mobile software tokens, and Digipass tokens that are not cloud-connected devices.

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Segment operating income consists of the revenues generated by a segment, less the direct costs of revenue, sales and marketing, and research and development expenses that are incurred directly by a segment. Unallocated corporate costs include costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment.

The tables below set forth information about the Company's operating segments for the three and nine months ended September 30, 2022 and 2021, along with the items necessary to reconcile the segment information to the totals reported in the accompanying consolidated financial statements.

<i>(In thousands, except percentages)</i>	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Digital Agreements</b>				
Revenue	\$ 12,200	\$ 10,129	\$ 35,955	\$ 29,720
Gross profit	\$ 9,736	\$ 7,280	\$ 27,669	\$ 21,303
Gross margin	80%	72%	77%	72%
Operating income (loss)	\$ 2,160	\$ 79	\$ 2,823	\$ (2,027)
<b>Security</b>				
Revenue	\$ 44,947	\$ 42,147	\$ 126,429	\$ 125,608
Gross profit	\$ 28,695	\$ 29,115	\$ 82,946	\$ 84,165
Gross margin	64%	69%	66%	67%
Operating income	\$ 5,711	\$ 10,689	\$ 21,399	\$ 25,610
<b>Total Company:</b>				
Revenue	\$ 57,147	\$ 52,276	\$ 162,384	\$ 155,328
Gross profit	\$ 38,431	\$ 36,395	\$ 110,615	\$ 105,468
Gross margin	67%	70%	68%	68%
<b>Statements of Operations reconciliation:</b>				
Segment operating income	\$ 7,871	\$ 10,768	\$ 24,222	\$ 23,583
Corporate operating expenses not allocated at the segment level	13,496	12,784	47,328	43,752
Total Company operating loss	<u>\$ (5,625)</u>	<u>\$ (2,016)</u>	<u>\$ (23,106)</u>	<u>\$ (20,169)</u>

The following tables illustrate the disaggregation of revenues by category and services, including a reconciliation of the disaggregated revenues to revenues from the Company's two operating segments for the three and nine months ended September 30, 2022 and 2021:

	<b>Three Months Ended</b>			
	<b>September 30, 2022</b>		<b>September 30, 2021</b>	
	<b>Digital Agreements</b>	<b>Security Solutions</b>	<b>Digital Agreements</b>	<b>Security Solutions</b>
<i>(In thousands)</i>				
Subscription	\$ 10,321	\$ 11,941	\$ 8,262	\$ 9,545
Maintenance and support	1,693	11,158	1,580	11,154
Professional services and other	186	2,034	267	3,560
Hardware products	—	19,814	20	17,888
Total Revenue	\$ 12,200	\$ 44,947	\$ 10,129	\$ 42,147

	<b>Nine Months Ended</b>			
	<b>September 30, 2022</b>		<b>September 30, 2021</b>	
	<b>Digital Agreements</b>	<b>Security Solutions</b>	<b>Digital Agreements</b>	<b>Security Solutions</b>
<i>(In thousands)</i>				
Subscription	\$ 30,728	\$ 34,632	\$ 24,201	\$ 25,734
Maintenance and support	4,453	32,522	4,469	33,822
Professional services and other	774	5,327	985	11,090
Hardware products	—	53,948	65	54,962
Total Revenue	\$ 35,955	\$ 126,429	\$ 29,720	\$ 125,608

The Company allocates goodwill by reporting unit, in accordance with ASC 350 – *Goodwill and Other*. Asset information by segment is not reported to or reviewed by the CODM to allocate resources, and therefore, the Company has not disclosed asset information for the segments.

**Item 2 - Management’s Discussion and Analysis of Financial Condition and Results of Operations (in thousands, except headcount, ratios, time periods and percentages)**

*Unless otherwise noted, references in this Quarterly Report on Form 10-Q to “OneSpan,” “Company,” “we,” “our,” and “us” refer to OneSpan Inc. and its subsidiaries.*

*This commentary should be read in conjunction with the condensed consolidated financial statements and related notes thereto of OneSpan for the three and nine months ended September 30, 2022 and 2021, as well as our consolidated financial statements and related notes thereto and management’s discussion and analysis of financial condition and results of operations in our Annual Report on Form 10-K for the year ended December 31, 2021 (the “Form 10-K”).*

**Cautionary Note Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding the outcomes we expect from our strategic transformation plan; the results we expect from the investments we are making in sales, marketing, and product development; our plans for managing our Digital Agreements and Security Solutions segments; our expected financial results for full year 2022; the potential benefits, performance and functionality of our products and solutions, including future offerings; our expectations, beliefs, plans, operations and strategies relating to our business and the future of our business; product enhancements and introductions; future sales and marketing expenditures; plans to expand our salesforce; foreign currency exchange rate impacts; the effects of supply chain disruptions; and our general expectations regarding our financial performance in the future. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", "expect", "intend", "continue", "outlook", "may", "will", "should", "could", or "might", and other similar expressions. These forward-looking statements involve risks and uncertainties, as well as assumptions that, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could materially affect our business and financial results include, but are not limited to: our ability to execute our strategic transformation plan; our ability to hire and train sales and other employees necessary to implement our strategic transformation plan; our ability to generate market demand and sales leads; market acceptance of our products and solutions; investments in new products or businesses that may not achieve expected returns; competition; changes in customer requirements; the potential effects of technological changes; economic recession, inflation, and political instability; the impact of the COVID-19 pandemic and actions taken to contain it; our ability to effectively manage acquisitions, divestitures, alliances, joint ventures and other portfolio actions; the increasing frequency and sophistication of cyber-attacks; claims that we have infringed the intellectual property rights of others; price competitive bidding; changing laws, government regulations or policies; pressures on price levels; component shortages; delays and disruption in global transportation and supply chains; reliance on third parties for certain products and data center services; impairment of goodwill or amortizable intangible assets causing a significant charge to earnings; actions of activist stockholders; and exposure to increased economic and operational uncertainties from operating a global business, as well as those factors described in the “Risk Factors” section of our Annual Report on Form 10-K, as updated by the “Risk Factors” section of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. Our filings with the Securities and Exchange Commission (the “SEC”) and other important information can be found in the Investor Relations section of our website at [investors.onespan.com](http://investors.onespan.com). We do not have any intent, and disclaim any obligation, to update the forward-looking information to reflect events that occur, circumstances that exist or changes in our expectations after the date of this Form 10-Q, except as required by law.

**Overview**

OneSpan designs, develops, and markets solutions that enable secure, compliant, and easy digital customer agreements and transaction experiences. We are a global leader in providing high-assurance identity and authentication security as well as simplified e-signature workflows. Our solutions enable trust that ensures the integrity of the people and artifacts associated with digital agreements and transactions across banking, financial services, healthcare, and professional services. Our solution portfolio includes a broad set of offerings across several categories, including identity

verification, authentication, transaction signing, mobile security, electronic signature, and secure video collaboration for virtual interactions and transactions.

We offer our solutions through cloud-based and, in select cases, on-premises solutions using both open standards and proprietary technologies. We offer our products primarily through a subscription licensing model, including our cloud-based service offerings. Our solutions are sold worldwide through our direct sales force, as well as through distributors, resellers, systems integrators, and original equipment manufacturers.

## **Business Transformation**

We are currently in the midst of a business transition and transformation. Our total revenue decreased on a year-over-year basis in 2020, and 2021, and we experienced negative operating income and net losses in both of those years. During 2021 and early 2022, our previous CEO, CFO, and several other senior executives left the company. In late November 2021, our current CEO joined us and has been building a new executive team over the course of 2022 to effect the transformation.

In May 2022, we announced a three-year strategic transformation plan that we believe will enable us to build on our strong solution portfolio and market position, enhance our enterprise go-to-market strategy, accelerate revenue growth, and drive efficiencies to support margin expansion and increased profitability. In conjunction with the strategic transformation plan and to enable a more efficient capital deployment model, effective with the quarter ended June 30, 2022, we began reporting under the following two lines of business, which are our reportable operating segments: Digital Agreements and Security Solutions.

- **Digital Agreements.** Digital Agreements consists of solutions that enable our clients to secure and automate business processes associated with their digital agreement and customer transaction lifecycles that require consent, non-repudiation and compliance. These solutions, which are largely cloud-based, include our e-signature solution and our Virtual Room solution. As our transformation plan progresses, we expect to include other cloud-based security modules associated with the secure transaction lifecycle of identity verification, authentication, virtual interaction, e-transactions and e-vaulting (storage) in the Digital Agreements segment. This segment also includes costs attributable to our transaction cloud platform.
- **Security Solutions.** Security Solutions consist of our broad portfolio of software products and/or software development kits (SDKs) that are used to build applications designed to defend against attacks on digital transactions across online environments, devices and applications. These solutions, which are largely on-premises software products, include identity verification, multi-factor authentication and transaction signing, such as mobile application security, mobile software tokens, and Digipass tokens that are not cloud connected devices.

We expect to manage Digital Agreements for accelerated growth and market share gains and Security Solutions for cash flows given its more modest growth profile. Across both segments, we are building on our strong foundation in both e-signature and cybersecurity by enhancing product features, developing new and next-generation solutions, and building out a new transaction cloud platform, which we expect will allow us to efficiently deliver security and e-signature solutions to our customers across their entire digital agreement lifecycle. We also plan to enhance our go-to-market strategy by prioritizing growth at large enterprise accounts, expanding our direct sales force, and accessing new routes to market through alliances and partnerships.

Our transformation plan involves numerous risks and uncertainties. Please see Item IA, Risk Factors.

## **Restructuring Plan**

In December 2021, our Board approved a restructuring plan designed to advance our operating model, streamline our business, improve efficiency, and enhance our capital resources. The first phase of this restructuring plan began and was substantially completed during the three months ended March 31, 2022.



In May 2022, our Board approved additional actions related to the restructuring plan through the year ending December 31, 2025. The additional actions consist solely of headcount-related reductions designed to continue to advance the same objectives as the first phase of the plan.

As part of the restructuring plan, we reduced headcount by eliminating approximately 100 positions. We incurred severance and related benefits costs, recorded in “Restructuring and other related charges” in the condensed consolidated statements of operations for the three and nine months ended September 30, 2022. See Note 15 - *Restructuring and Other Related Charges*, for additional detail.

## **Macroeconomic Events**

Macroeconomic events impacting our business are discussed below. During the third quarter of 2022, we continued to operate under uncertain market conditions, influenced by events such as the Russia-Ukraine conflict, the continuing impact of the COVID-19 pandemic, disruption to our supply chain and the inflationary cost environment.

### *Russia-Ukraine Conflict*

While we do not anticipate that the current posture of the Russia-Ukraine conflict will materially and adversely affect our results of operations, the conflict is still ongoing and future impacts are difficult to estimate. An escalation of the conflict’s current scope or expansion of the conflict’s economic disruption could materially and adversely affect our company and its operations. The conflict has and may continue to have a significant impact on the global macroeconomic and geopolitical environments, including increased volatility in capital and commodity markets, rapid changes to regulatory conditions (including the use of sanctions), supply chain and operational challenges for multinational corporations, inflationary pressures and an increased risk of cybersecurity incidents. For a more complete discussion of the risks we encounter in our business, please refer to Part II, Item 1A, “Risk Factors” in this Quarterly Report on Form 10-Q.

### *COVID-19, Supply Chain Disruption and Inflationary Cost Environment*

As we have progressed through 2022, our supply chain has been impacted by global issues related to the effects of the COVID-19 pandemic, the Russia-Ukraine conflict and the inflationary cost environment, particularly with respect to materials in the semiconductor market, including part shortages, increased freight costs, diminished transportation capacity and labor constraints. This has resulted in disruptions in our supply chain, as well as difficulties and delays in procuring certain semiconductor components. Since the latter part of the fourth quarter of 2021, cost increases have been driven by elevated lead times and increased material costs, in particular the need to purchase semiconductor components from alternative sources. We expect increased costs to procure materials within the semiconductor market to continue throughout 2022. Further, we anticipate the broader impact of inflationary pressures and increased material and supply chain costs and disruptions to continue throughout 2022. We are closely monitoring our supply chain, including impacts from manufacturing lockdowns related to the spread of COVID-19 in China which continue to disrupt the semiconductor supply market. Accordingly, in the first nine months of 2022 we focused on improving our supplier network, engineering alternative designs and working to reduce supply shortages. We are actively managing our inventory in an effort to minimize supply chain disruptions and enable continuity of supply and services to our customers, and we expect to maintain elevated levels of inventory for certain of our products until supply constraints have been remediated. We are also considering alternative manufacturing and supply arrangements to mitigate these supply chain risks in the future.

In order to combat rising inflation in the U.S., the Federal Reserve has raised interest rates multiple times since the beginning of 2022. The increase in U.S. dollar interest rates and overall market conditions have led to significant strengthening of the U.S. dollar against other global currencies in 2022. The strong U.S. dollar reduced the impact of cash generated from our foreign operations during the first three quarters of 2022, driven by revenues and costs that are denominated in foreign currencies, which has impacted, and which we expect to continue to impact, our operating cash flows and net income throughout 2022.

Although the macroeconomic environment continued to introduce challenges in 2022, we are encouraged by customer demand for our products and services, particularly in our e-signature solution in the Digital Agreements

segment and our mobile, authentication and Digipass solutions in our Security Solutions segment. We believe our existing balances of cash and cash equivalents, along with our short-term investments, will continue to be sufficient to satisfy our liquidity requirements associated with our existing operations.

## **Components of Operating Results**

### ***Revenue***

We generate revenue from the sale of on-premises and cloud subscriptions, maintenance and support, professional services, and our hardware products. Our revenue is heavily influenced by the timing of orders and shipments, which may affect the comparability of our period-to-period results, particularly over shorter timeframes.

- *Product and license revenue.* Product and license revenue includes hardware products and software licenses, which are provided on a perpetual or term basis subscription model.
- *Service and other revenue.* Service and other revenue includes solutions that are provided on a cloud-based subscription model, maintenance and support, and professional services.

### ***Cost of Goods Sold***

Our total cost of goods sold consists of cost of product and license revenue and cost of service and other revenue. We expect our cost of goods sold to increase in absolute dollars as our business grows, although it may fluctuate as a percentage of total revenue from period to period.

- *Cost of product and license revenue.* Cost of product and license revenue primarily consists of direct product and license costs, including personnel costs, production costs, and freight.
- *Cost of service and other revenue.* Cost of service and other revenue primarily consists of costs related to cloud solutions, including personnel and equipment costs, and personnel costs of employees providing professional services and maintenance and support.

### ***Gross Profit***

Gross profit is revenue net of the cost of goods sold. Gross profit as a percentage of total revenue, or gross margin, has been and will continue to be affected by a variety of factors, including our average selling price, manufacturing costs, the mix of products sold, and the mix of revenue among products, subscriptions and services. We expect our gross margins to fluctuate over time depending on these factors.

### ***Operating Expenses***

Our operating expenses are generally based on anticipated revenue levels and fixed over short periods of time. As a result, small variations in revenue may cause significant variations in the period-to-period comparisons of operating income or operating income as a percentage of revenue.

Generally, the most significant factor driving our operating expenses is headcount. Direct compensation and benefit plan expenses generally represent between 55% and 65% of our operating expenses, respectively. In addition, a number of other expense categories are directly related to headcount. We attempt to manage our headcount within the context of the economic environments in which we operate and the investments we believe we need to make for our infrastructure to support future growth and for our products to remain competitive.

The comparison of operating expenses can be impacted significantly by costs related to our stock-based and long-term incentive plans. Operating expenses for the three and nine months ended September 30, 2022 included \$3.1 million and \$5.6 million, respectively, of expenses related to stock-based and long-term incentive plan costs compared to

\$0.5 million and \$3.6 million of stock-based and long-term incentive plan cost for the three and nine months ended September 30, 2021, respectively. Stock-based compensation expense during the nine months ended September 30, 2022 included a significant number of new grants to our newly hired executives, as well as an overall expansion of the equity incentive program put in place for the long-term retention of our employees.

Our operating expenses consist of:

- *Sales and marketing.* Sales and marketing expenses consist primarily of personnel costs, commissions and bonuses, trade shows, marketing programs and other marketing activities, travel, outside consulting costs, and long-term incentive compensation. We expect sales and marketing expenses to increase in absolute dollars as we expand our salesforce and marketing activities to support our strategic transformation plan, although our sales and marketing expenses may fluctuate as a percentage of total revenue.
- *Research and development.* Research and development expenses consist primarily of personnel costs and long-term incentive compensation. We expect research and development costs to increase in absolute dollars as we continue to enhance and expand our product offerings and cloud platform. However, our research and development expenses may fluctuate as a percentage of total revenue due to expected growth of our team and continued capitalization of certain costs related to the expansion of our cloud product portfolio.
- *General and administrative.* General and administrative expenses consist primarily of personnel costs, legal, consulting and other professional fees, and long term incentive compensation. We expect general and administrative expenses to increase in absolute dollars to support the anticipated growth of our business, although our general and administrative expenses may fluctuate as a percentage of total revenue.
- *Amortization of intangible assets.* Acquired intangible assets are amortized over their respective amortization periods, and are periodically evaluated for impairment.
- *Impairment of intangible assets.* Impairment of intangible assets are incurred when we determine that the carrying value of an asset exceeds its fair value. We test annually, or when triggering events arise. During the nine months ended September 30, 2022, we performed an impairment review of the customer relationships intangible assets obtained in our 2018 acquisition of Dealflo Limited (“Dealflo”). The impairment review was triggered by the our July 2022 notification to customers regarding our intent to gradually sunset our Dealflo solution in the months leading up to December 31, 2023. The results of the impairment review indicated that the carrying value of the Dealflo customer relationships exceeded the fair value, and we recorded a \$3.8 million impairment charge on the entire remaining value of the asset during the three months ended September 30, 2022.
- *Restructuring and other related charges.* Restructuring and other related charges consists of severance and related benefits incurred from headcount reductions as part of our restructuring plan. We plan to incrementally incur additional restructuring costs through December 31, 2025, when the plan terminates. During the three months ended September 30, 2022, we began presenting restructuring charges, previously included in the sales and marketing, research and development, and general and administrative expense lines, on its own line item on the condensed consolidated statement of operations, in order to improve clarity and comparability of all operating expenses across periods.

### ***Segment Results***

Segment operating income consists of the revenue generated by a segment, less the direct costs of revenue, sales and marketing, research and development, and general and administrative expenses, amortization and impairment charges that are incurred directly by a segment. Unallocated corporate costs include companywide costs that are not attributable to a particular segment. Financial results by operating segment are included below under Results of Operations.

### ***Interest Income (Expense), Net***

Interest income (expense), net consists of income earned on our cash, cash equivalents and short-term investments. Our cash equivalents and short-term investments are invested in short-term instruments at current market rates.

### ***Other Expense (Income), Net***

Other expense (income), net primarily includes exchange gains (losses) on transactions that are denominated in currencies other than our subsidiaries' functional currencies, subsidies received from foreign governments in support of our research and development in those countries and other miscellaneous non-operational expenses.

### ***Income Taxes***

Our effective tax rate reflects our global structure related to the ownership of our intellectual property ("IP"). The majority of our IP in our Security Solutions business is owned by two subsidiaries, one in the U.S. and one in Switzerland. These two subsidiaries have entered into agreements with most of the other OneSpan entities under which those other entities provide services to our U.S. and Swiss subsidiaries on either a percentage of revenue or on a cost plus basis or both. Under this structure, the earnings of our service provider subsidiaries are relatively constant. These service provider companies tend to be in jurisdictions with higher effective tax rates. Fluctuations in earnings tend to flow to the U.S. company and Swiss company. In 2022, earnings flowing to the U.S. company are expected to be taxed at a rate of 21% to 25%, while earnings flowing to the Swiss company are expected to be taxed at a rate ranging from 11% to 15%, plus Swiss federal withholding tax of an additional 5%. A Canadian and UK subsidiary of the Company currently sell to and service global customers directly. In addition, many of our entities operate as distributors for all of our OneSpan products.

As the majority of our revenues are generated outside of the U.S., our consolidated effective tax rate is strongly influenced by the effective tax rate of our foreign operations. Changes in the effective rate related to foreign operations reflect changes in the geographic mix of earnings and the tax rates in each of the countries in which it is earned. The statutory tax rate for the primary foreign tax jurisdictions ranges from 11% to 35%.

### **Foreign Exchange Rate Impact**

We generate approximately 85% of our revenue and have substantial operations outside of the United States, and therefore changes in foreign currency exchange rates, particularly the Euro exchange rate, can have a significant impact on our revenue and operating expenses. Changes in foreign exchange rates negatively impacted revenue by \$4.5 million and \$9.3 million, and favorably impacted net income by \$1.4 million and \$2.1 million for the three and nine months ended September 30, 2022, respectively, as compared to the same periods in 2021.

### **Results of Operations**

In conjunction with our strategic transformation plan, effective with the quarter ended June 30, 2022, we began reporting under the following two lines of business, which are our reportable operating segments: Digital Agreements and Security Solutions.

The following table sets forth, for the periods indicated, selected segment and consolidated operating results.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
<i>(In thousands, except percentages)</i>				
<b>Digital Agreements</b>				
Revenue	\$ 12,200	\$ 10,129	\$ 35,955	\$ 29,720
Gross profit	\$ 9,736	\$ 7,280	\$ 27,669	\$ 21,303
Gross margin	80%	72%	77%	72%
Operating income (loss)	\$ 2,160	\$ 79	\$ 2,823	\$ (2,027)
<b>Security</b>				
Revenue	\$ 44,947	\$ 42,147	\$ 126,429	\$ 125,608
Gross profit	\$ 28,695	\$ 29,115	\$ 82,946	\$ 84,165
Gross margin	64%	69%	66%	67%
Operating income	\$ 5,711	\$ 10,689	\$ 21,399	\$ 25,610
<b>Total Company:</b>				
Revenue	\$ 57,147	\$ 52,276	\$ 162,384	\$ 155,328
Gross profit	\$ 38,431	\$ 36,395	\$ 110,615	\$ 105,468
Gross margin	67%	70%	68%	68%
<b>Statements of Operations reconciliation:</b>				
Segment operating income	\$ 7,871	\$ 10,768	\$ 24,222	\$ 23,583
Corporate operating expenses not allocated at the segment level	13,496	12,784	47,328	43,752
Total Company operating loss	\$ (5,625)	\$ (2,016)	\$ (23,106)	\$ (20,169)

**Revenue**

Revenue by products and services allocated to the segments for the three and nine months ended September 30, 2022 and 2021 is as follows:

	Three Months Ended			
	September 30, 2022		September 30, 2021	
	Digital Agreements	Security Solutions	Digital Agreements	Security Solutions
<i>(In thousands)</i>				
Subscription (1)	\$ 10,321	\$ 11,941	\$ 8,262	\$ 9,545
Maintenance and support	1,693	11,158	1,580	11,154
Professional services and other (2)	186	2,034	267	3,560
Hardware products	—	19,814	20	17,888
Total Revenue	\$ 12,200	\$ 44,947	\$ 10,129	\$ 42,147

	Nine Months Ended			
	September 30, 2022		September 30, 2021	
	Digital Agreements	Security Solutions	Digital Agreements	Security Solutions
<i>(In thousands)</i>				
Subscription (1)	\$ 30,728	\$ 34,632	\$ 24,201	\$ 25,734
Maintenance and support	4,453	32,522	4,469	33,822
Professional services and other (2)	774	5,327	985	11,090
Hardware products	—	53,948	65	54,962
Total Revenue	\$ 35,955	\$ 126,429	\$ 29,720	\$ 125,608

- (1) Subscription includes cloud and on-premises subscription revenue, previously referred to as “subscription” and “term-based software licenses”.
- (2) Professional services & other includes perpetual software licenses revenue, which was less than 3% of total revenue for both the three and nine months ended September 30, 2022, and less than 6% of total revenue for both the three and nine months ended September 30, 2021.

Total revenue increased by \$4.9 million, or 9%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. Changes in foreign exchange rates as compared to the same period in 2021 negatively impacted revenue by approximately \$4.5 million.

For the nine months ended September 30, 2022, total revenue increased by \$7.1 million, or 5%, compared to the nine months ended September 30, 2021. Changes in foreign exchange rates as compared to the same period in 2021 negatively impacted revenue by approximately \$9.3 million.

Additional information on our revenue by segment follows.

- **Digital Agreements** revenue increased \$2.1 million, or 20%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. For the nine months ended September 30, 2022, revenue increased \$6.2 million, or 21%, compared to the same period in the prior year. The increase in Digital Agreements revenue for the three and nine month year-over-year periods was driven by new customer revenue and existing customer expansion, partially offset primarily by delays in certain customer renewals, the non-renewal of several contracts, and contraction due to certain existing customers reducing their purchase volumes as compared to the height of the COVID-19 pandemic. Year-over-year growth in Digital Agreements for the three and nine months ended September 30, 2022 was also positively impacted by a significantly higher proportion of cloud subscription revenue relative to on-premises revenue for both periods.
- **Security Solutions** revenue increased \$2.8 million, or approximately 7%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. This increase was driven by higher subscription and hardware revenues. For the three months ended September 30, 2022, our on-premises subscription revenue increased as a result of higher customer demand from existing customers and the conversion of perpetual license to term license deals. The increase in hardware revenue was primarily attributable to a higher average selling price for our hardware as a result of customer mix (higher volume sales from customers with a higher average selling price), partially offset by lower customer purchase volumes due to the timing of certain clients restocking their inventories and project delays for certain of our customers. For the nine months ended September 30, 2022, Security Solutions revenue increased \$0.8 million, or 1%, compared to the same period in the prior year. This increase was primarily related to expansion of business from existing customers and the conversion of perpetual license to term license deals, partially offset by lower hardware purchase volumes by existing customers. During the three and nine months ended September 30, 2022, our hardware revenue was also impacted by electronic component shortages, particularly microprocessors, as a result of the global supply chain disruption.

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Our revenue is heavily influenced by the timing of orders and shipments. As a result, we believe that the overall strength of our business is best evaluated over a longer term where the impact of transactions in any given period is not as significant as in a quarter-over-quarter comparison.

*Revenue by Geographic Regions:* We classify our sales by customer location in three geographic regions: 1) EMEA, which includes Europe, Middle East and Africa; 2) the Americas, which includes sales in North, Central, and South America; and 3) Asia Pacific (APAC), which includes Asia as well as Australia and New Zealand. The breakdown of revenue in each of our major geographic areas was as follows:

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>(In thousands, except percentages)</i>				
<b>Revenue</b>				
EMEA	\$ 25,999	\$ 21,965	\$ 74,396	\$ 73,784
Americas	20,394	17,621	56,972	51,160
APAC	10,754	12,690	31,016	30,384
Total revenue	<u>\$ 57,147</u>	<u>\$ 52,276</u>	<u>\$ 162,384</u>	<u>\$ 155,328</u>
<b>% of Total Revenue</b>				
EMEA	45%	42%	46%	48%
Americas	36%	34%	35%	33%
APAC	19%	24%	19%	20%

Revenue generated in EMEA during the three months ended September 30, 2022 was \$4.0 million, or 18%, higher than the three months ended September 30, 2021, driven primarily by a higher volume of term-based license sales, including the transition of certain customers from perpetual licenses to term-based licenses. Higher hardware revenue as a result of a favorable average selling price from customer mix was also a factor in the increase. For the nine months ended September 30, 2022, revenue generated in EMEA was \$0.6 million, or 1%, higher than the same period in 2021.

Revenue generated in the Americas during the three months ended September 30, 2022 was \$2.8 million, or 16%, higher than the three months ended September 30, 2021. This increase was primarily driven by higher cloud subscription revenue due to both new customers and expansion of services to existing customers as a result of higher usage of our products. Also contributing to the increase was higher hardware revenue driven by both higher customer purchase volumes and a higher average selling price due to customer mix. For the nine months ended September 30, 2022, revenue generated in the Americas was \$5.8 million, or 11%, higher than the same period in 2021, driven primarily by higher cloud subscription revenue as a result of both new customers and expansion of services to existing customers.

Revenue generated in the Asia Pacific region during the three months ended September 30, 2022 was \$2.0 million, or 15%, lower than the three months ended September 30, 2021, driven by lower hardware revenue. For the nine months ended September 30, 2022, revenue generated in the Asia Pacific region was \$0.6 million, or 2%, higher than the same period in 2021, driven by higher customer demand for our on-premises and cloud subscription products, partially offset by lower hardware revenue.

#### ***Cost of Goods Sold and Gross Margin***

The following table presents cost of goods sold for our products and services for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
<i>(In thousands, except percentages)</i>				
<b>Cost of goods sold</b>				
Product and license	\$ 12,646	\$ 9,502	\$ 32,672	\$ 30,819
Services and other	6,070	6,379	19,097	19,041
<b>Total cost of goods sold</b>	<b>\$ 18,716</b>	<b>\$ 15,881</b>	<b>\$ 51,769</b>	<b>\$ 49,860</b>
<b>Gross profit</b>	<b>\$ 38,431</b>	<b>\$ 36,395</b>	<b>\$ 110,615</b>	<b>\$ 105,468</b>
<b>Gross margin</b>				
Product and license	60%	66%	63%	64%
Services and other	77%	74%	74%	73%
<b>Total gross margin</b>	<b>67%</b>	<b>70%</b>	<b>68%</b>	<b>68%</b>

The cost of product and license revenue increased by \$3.1 million, or 33%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. During the nine months ended September 30, 2022, the cost of product and license revenue increased \$1.9 million, or 6%, compared to the nine months ended September 30, 2021. Cost of goods sold for both the three and nine months ended September 30, 2022 were primarily impacted by price increases for our hardware components, supply chain disruption, and higher freight costs than the prior year. In addition, and to a lesser extent, the cost of goods sold was impacted by product mix.

The cost of services and other revenue decreased by \$0.3 million, or 5%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021, driven by lower maintenance and professional services revenue, as well as a one-time incentive credit from our cloud services provider. For the nine months ended September 30, 2022, the cost of services and other revenue increased by less than \$0.1 million.

Gross profit increased \$2.0 million, or 6%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. During the nine months ended September 30, 2022 gross profit increased by \$5.1 million, or 5%, compared to the nine months ended September 30, 2021. Gross profit margin was 67% and 68% for the three and nine months ended September 30, 2022, respectively, compared to 70% and 68% for the three and nine months ended September 30, 2021, respectively. The decrease in profit margin for the three months ended September 30, 2022 was primarily driven by higher costs for our hardware materials and freight.

The majority of our inventory purchases are denominated in U.S. Dollars. Our sales are denominated in various currencies, including the Euro. The impact of changes in currency rates are estimated to have had a favorable impact on overall cost of goods sold of \$0.2 million and \$0.4 million for the three and nine months ended September 30, 2022, respectively. Had currency rates in 2022 been equal to rates in the comparable period of 2021, the gross profit margin would have been approximately 3 and 2 percentage points higher for the three and nine months ended September 30, 2022, respectively.



Additional information on our gross profit by segment follows.

- **Digital Agreements** gross profit increased \$2.5 million, or 34%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. For the nine months ended September 30, 2022, Digital Agreements gross profit increased \$6.4 million, or 30%, compared to the same period in the prior year. The increase in gross profit for both periods is driven by higher revenues and lower outside services costs for operating our cloud platform due to higher usage tier discounts, including a one-time incentive credit. Digital Agreements gross margin for the three and nine months ended September 30, 2022 was 80% and 77%, respectively, compared to 72% for the three and nine months ended September 30, 2021.
- **Security Solutions** gross profit decreased \$0.5 million, or approximately 2%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. For the nine months ended September 30, 2022, Security Solutions gross profit decreased \$1.2 million, or 1%, compared to the same period in the prior year. Security Solutions gross margin for the three and nine months ended September 30, 2022 was 64% and 66%, respectively, compared to 69% and 67% for the three and nine months ended September 30, 2021, respectively. The decrease in profitability and margins was primarily driven by higher hardware materials and logistics costs relative to the average selling price of the units.

### Operating expenses

Operating expenses increased by \$5.6 million, or 15%, during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. Changes in foreign exchange rates favorably impacted operating expenses by approximately \$3.0 million as compared to the same period in 2021.

For the nine months ended September 30, 2022, operating expenses increased by \$8.1 million, or 6%, compared to the nine months ended September 30, 2021. Changes in foreign exchange rates favorably impacted operating expenses by approximately \$6.2 million as compared to the same period in 2021.

The following table presents the breakout of operating expenses by category as of September 30, 2022 and 2021:

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>(In thousands)</i>				
<b>Operating costs</b>				
Sales and marketing	\$ 15,265	\$ 14,449	\$ 45,193	\$ 46,638
Research and development	9,541	11,359	33,596	35,699
General and administrative	11,813	11,207	39,549	38,797
Impairment of intangible assets	3,828	—	3,828	—
Restructuring and other related charges	2,653	—	8,000	—
Amortization of intangible assets	956	1,396	3,555	4,503
Total operating costs	<u>\$ 44,056</u>	<u>\$ 38,411</u>	<u>\$ 133,721</u>	<u>\$ 125,637</u>

### *Sales and Marketing Expenses*

Sales and marketing expenses for the three months ended September 30, 2022 were \$15.3 million, an increase of \$0.8 million, or 6%, from the three months ended September 30, 2021. This increase was driven by higher commissions and higher stock-based compensation expense associated with grants issued during the third quarter of 2022, partially offset by some cost reductions due to a lower overall headcount and other payroll related expenses. Sales and marketing expenses for the nine months ended September 30, 2022 were \$45.2 million, a decrease of \$1.4 million or approximately 3% from the same period in 2021. The decrease is primarily related to lower headcount and associated payroll related expenses during the nine months ended September 30, 2022 compared to the same period in 2021.

Average full-time sales, marketing, support, and operating employee headcount for the three and nine months ended September 30, 2022 was 331 and 346, respectively, compared to 363 and 368 for the three and nine months ended September 30, 2021, respectively. Average headcount was 9% and 6% lower for the three and nine months ended September 30, 2022, respectively, compared to the same periods in 2021.

In future periods, we expect sales and marketing spend to increase as we enhance our enterprise go-to-market strategy. We are focused on new logo growth through building brand awareness, as well as expanding offerings to our existing customers. We expect to expand our sales force and add new distribution channels.

#### *Research and Development Expenses*

Research and development expenses for the three months ended September 30, 2022, were \$9.5 million, a decrease of \$1.8 million, or 16%, from the three months ended September 30, 2021. Research and development expenses for the nine months ended September 30, 2022 were \$33.6 million, a decrease of \$2.1 million, or 6%, from the nine months ended September 30, 2021. The decrease in expense for both periods was driven primarily by the capitalization of expanded research and development costs to enhance our Digital Agreements product offerings. Personnel costs were also lower during the three and nine months ended September 30, 2022 compared to the same periods in 2021 as a result of restructuring actions that reduced headcount.

Average full-time research and development employee headcount for the three and nine months ended September 30, 2022 was 328 and 347, compared to 364 and 359 for the three and nine months ended September 30, 2021, respectively. Average headcount was approximately 10% and 3% lower for the three and nine months ended September 30, 2022, respectively, when compared to the same periods in 2021.

#### *General and Administrative Expenses*

General and administrative expenses for the three months ended September 30, 2022, were \$11.8 million, an increase of \$0.6 million, or 5%, from the three months ended September 30, 2021. General and administrative expenses for the nine months ended September 30, 2022 were \$39.5 million, an increase of \$0.8 million, or 2%, from the nine months ended September 30, 2021. This increase in expense for both periods was due to higher average compensation per employee, higher stock-based compensation expense, and higher travel costs. The increases were partially offset by lower outside services costs.

Average full-time general and administrative employee headcount for the three and nine months ended September 30, 2022 was 139 and 138, respectively, compared to 134 for the three and nine months ended September 30, 2021. Average headcount was approximately 3% higher for the three and nine months ended September 30, 2022 when compared to the same periods in 2021.

#### *Impairment of Intangible Assets*

During the three and nine months ended September 30, 2022, we recorded \$3.8 million of impairment of intangible assets charges. The impaired intangible assets were customer relationships associated with our Dealflo product, which was purchased in connection with a 2018 acquisition.

#### *Amortization of Intangible Assets*

Amortization of intangible assets for the three months ended September 30, 2022 was \$1.0 million, compared to \$1.4 million for the three months ended September 30, 2021. Amortization expense for the nine months ended September 30, 2022 was \$3.6 million compared to \$4.5 million for the nine months ended September 30, 2021. The decrease in both periods was driven by certain intangible assets acquired in prior years becoming fully amortized.

*Restructuring and Other Related Charges*

Restructuring and other related charges were \$2.7 million and \$8.0 million for the three and nine months ended September 30, 2022. The charges include severance, retention pay, and related benefit costs incurred in conjunction with our restructuring plans.

*Segment Operating Income (Loss)*

Information on our operating income (loss) by segment follows.

- **Digital Agreements** operating income for the three months ended September 30, 2022 was \$2.2 million, compared to less than \$0.1 million for the comparable period in the prior year. Operating income for the nine months ended September 30, 2022 was \$2.8 million, compared to operating loss of \$2.0 million for the comparable period in the prior year. Operating income increases for both periods reflect our strategic transformation plan to accelerate growth in this operating segment, which drove higher revenues. A one-time incentive credit from our cloud services provider also contributed to these increases.
- **Security Solutions** operating income for the three months ended September 30, 2022 was \$5.7 million, which was a year-over-year decrease of \$5.0 million, or 46%, from the three months ended September 30, 2021. This decrease was driven primarily by the \$3.8 million intangible asset impairment, a decline in perpetual software license revenue, and an increase in material and freight costs. For the nine months ended September 30, 2022, Security Solutions operating income was \$21.4 million, which was \$4.2 million, or 16%, lower than the comparable period of the prior year.

*Interest income (expense), net*

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>(In thousands)</i>				
Interest income (expense), net	\$ 179	(\$ 4)	\$ 197	\$ 2

Interest income, net was less than \$0.2 million for the three months ended September 30, 2022 compared to an expense of less than \$0.1 million for the three months ended September 30, 2021. Interest income was \$0.2 million for the nine months ended September 30, 2022 compared to less than \$0.1 million for the nine months ended September 30, 2021. Fluctuations in interest income (expense), net, are reflective of changes in interest rates.

*Other income (expense), net*

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>(In thousands)</i>				
Other income (expense), net	(\$ 1,155)	\$ 283	\$ 13,817	\$ 950

Other income (expense), net primarily includes subsidies received from foreign governments in support of our research and development in those countries, exchange gains (losses) on transactions that are denominated in currencies other than our subsidiaries' functional currencies, and other miscellaneous non-operational, non-recurring expenses.

Other income (expense), net for the three months ended September 30, 2022 was \$(1.2) million, compared to \$0.3 million for the comparable period of 2021, driven primarily by currency fluctuations. For the nine months ended September 30, 2022, other income (expense), net was \$13.8 million, compared to \$1.0 million for the nine months ended September 30, 2021. The fluctuation was primarily driven by the \$14.8 million gain on sale of our investment in Promon AS.

**Provision for Income Taxes**

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>(In thousands)</i>				
Provision (benefit) for income taxes	\$ 600	(\$ 762)	\$ 2,245	(\$ 2,406)

We recorded income tax expense for the three months ended September 30, 2022 of \$0.6 million, compared to income tax benefit of \$0.8 million for the three months ended September 30, 2021. The expense recorded during three months ended September 30, 2022 was primarily attributable to earnings at subsidiaries without a valuation allowance. We recorded income tax expense for the nine months ended September 30, 2022 of \$2.2 million compared to income tax benefit of \$2.4 million for the nine months ended September 30, 2021. The expense recorded for the nine months ended September 30, 2022 was primarily attributable to the gain recognized on the sale of our investment in Promon AS and income taxes on earnings at subsidiaries without a valuation allowance.

**Liquidity and Capital Resources**

At September 30, 2022, we had cash balances (total cash and cash equivalents) of \$81.8 million and short-term investments of \$11.8 million. Short-term investments consist of U.S. treasury notes and bills, corporate notes and bonds, and high quality commercial paper with maturities at acquisition of more than three months and less than twelve months.

At December 31, 2021, we had cash balances of \$63.4 million and short-term investments of \$35.1 million.

We are party to lease agreements that require letters of credit to secure the obligations. The restricted cash related to these letters of credit is recorded in other non-current assets on the condensed consolidated balance sheet in the amount of \$0.8 million at each of September 30, 2022 and December 31, 2021.

Our working capital at September 30, 2022 was \$89.8 million compared to \$98.0 million at December 31, 2021.

As of September 30, 2022, we held \$55.5 million of cash and cash equivalents in subsidiaries outside of the United States. Of that amount, \$54.9 million is not subject to repatriation restrictions, but may be subject to taxes upon repatriation.

We believe that our financial resources are adequate to meet our operating needs over the next twelve months.

Our cash flows are as follows:

	<u>Nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
<i>(In thousands)</i>		
Cash provided by (used in):		
Operating activities	(\$ 13,679)	(\$ 4,429)
Investing activities	39,548	(14,299)
Financing activities	(6,799)	(10,253)
Effect of foreign exchange rate changes on cash and cash equivalents	(616)	(760)

**Operating Activities**

Cash generated by operating activities is primarily comprised of net loss, as adjusted for non-cash items, and changes in operating assets and liabilities. Non-cash adjustments consist primarily of amortization of intangible assets, depreciation of property and equipment, deferred tax benefit, and stock-based compensation. We expect cash inflows

from operating activities to be affected by increases or decreases in sales and timing of collections. Our primary uses of cash from operating activities have been for personnel costs.

For the nine months ended September 30, 2022, net cash used in operating activities was \$13.7 million, compared to net cash used in operating activities of \$4.4 million during the nine months ended September 30, 2021. This was primarily driven by the sale of our equity investment in Promon AS.

#### ***Investing Activities***

The changes in cash flows from investing activities primarily relate to timing of purchases, maturities and sales of investments, purchases of property and equipment, and activity in connection with acquisitions. We expect to continue to purchase property and equipment to support the growth of our business as well as to continue to invest in our infrastructure.

For the nine months ended September 30, 2022, net cash provided by investing activities was \$39.5 million, compared to net cash used in investing activities of \$14.3 million for the nine months ended September 30, 2021. Cash provided by investing activities during the nine months ended September 30, 2022 was driven by the \$18.9 million sale of our investment in Promon AS and timing of the maturities and purchases of certain short-term investments, partially offset by purchases of property and equipment. Cash used in investing activities during the nine months ended September 30, 2021 was driven by the timing of the purchases and maturities of our short-term investments and purchases of property and equipment.

#### ***Financing Activities***

The changes in cash flows from financing activities is primarily related to the purchases of common stock under our share repurchase program and tax payments for restricted stock issuances.

For the nine months ended September 30, 2022, net cash used in financing activities was \$6.8 million, compared to net cash used in financing activities of \$10.3 million for the nine months ended September 30, 2021. The decrease is primarily driven by a lower volume of share repurchases during the first nine months of 2022 compared to 2021, as well as lower tax payments for restricted stock issuances.

#### **Critical Accounting Policies**

Our accounting policies are fully described in Note 1 - *Summary of Significant Accounting Policies*, to our Consolidated Financial Statements in our Form 10-K for the year ended December 31, 2021 and Note 2 – *Summary of Significant Accounting Policies* to our Interim Unaudited Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022. We believe our most critical accounting policies include revenue recognition, credit losses, and accounting for income taxes.

#### **Item 3 - Quantitative and Qualitative Disclosures about Market Risk**

There have been no material changes in our market risk during the three months ended September 30, 2022. For additional information, refer to “Item 7A. Quantitative and Qualitative Disclosures about Market Risk”, included in our Form 10-K for the fiscal year ended December 31, 2021.

#### **Item 4 - Controls and Procedures**

##### **Management’s Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of September 30, 2022. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September

30, 2022, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports we file or submit under the Exchange Act, and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

### Changes in Internal Controls

There have been no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended September 30, 2022.

## PART II. OTHER INFORMATION

### Item 1 - Legal Proceedings

We are subject to certain legal proceedings and claims incidental to the operation of our business. We are also subject to certain other legal proceedings and claims that have arisen in the ordinary course of business that have not been fully adjudicated. We currently do not anticipate that these matters, if resolved against us, will have a material adverse impact on our financial results.

For further information regarding our legal proceedings and claims, see Note 14 - *Legal Proceedings and Contingencies*, included in Part I, Item 1, Unaudited Consolidated and Condensed Financial Statements, of this Quarterly Report on Form 10-Q.

### Item 1A – Risk Factors

There were no material changes to the risk factors disclosed in Part I, Item 1A of our Form 10-K for the year ended December 31, 2021, filed with the SEC on February 22, 2022, as updated by the disclosures in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed with the SEC on August 4, 2022.

### Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases by the Company of its shares of common stock during the third quarter of 2022:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2022 through July 31, 2022	—	\$ —	—	44,278,939
August 1, 2022 through August 31, 2022	—	\$ —	—	44,278,939
September 1, 2022 through September 30, 2022	—	\$ —	—	44,278,939

(1.) On May 12, 2022, the Board of Directors terminated the stock repurchase program adopted on September 10, 2020 and adopted a new stock repurchase program under which the Company is authorized to repurchase up to \$50 million of our issued and outstanding shares of common stock. Share purchases under the program will take place in open market transactions or in privately negotiated transactions and may be made from time to time depending on market conditions, share price, trading volume, and other factors. The timing of the repurchases and the amount of stock repurchased in each transaction is subject to our sole discretion and will depend upon market and business

conditions, applicable legal and credit requirements and other corporate considerations. The authorization is effective until May 11, 2024 unless the total amount has been used or the authorization has been cancelled.

**Item 6 - Exhibits**

- Exhibit 10.1 – [Employment Agreement between the Registrant and Jorge Martell\\*](#)
- Exhibit 10.2 – [Employment Agreement between the Registrant and Lara Mataac\\*](#)
- Exhibit 10.3 – [Performance-Based RSU Agreement between the Registrant and Matthew Moynahan\\*](#)
- Exhibit 10.4 – [Time-Based RSU Agreement between the Registrant and Matthew Moynahan\\*](#)
- Exhibit 10.5 – [Form of Performance-Based RSU Agreement under the Registrant’s 2019 Omnibus Incentive Plan\\*](#)
- Exhibit 10.6 – [Form of Time-Based RSU Agreement \(Executive\) under the Registrant’s 2019 Omnibus Incentive Plan\\*](#)
- Exhibit 10.7 – [Form of Time-Based RSU Agreement \(General\) under the Registrant’s 2019 Omnibus Incentive Plan\\*](#)
- Exhibit 31.1 – [Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated November 1, 2022.](#)
- Exhibit 31.2 – [Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated November 1, 2022.](#)
- Exhibit 32.1 – [Section 1350 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated November 1, 2022.](#)
- Exhibit 32.2 – [Section 1350 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated November 1, 2022.](#)
- Exhibit 101.INS – Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
- Exhibit 101.SCH – Inline XBRL Taxonomy Extension Schema Document
- Exhibit 101.CAL – Inline XBRL Taxonomy Extension Calculation Linkbase Document
- Exhibit 101.LAB – Inline XBRL Taxonomy Extension Label Linkbase Document
- Exhibit 101.PRE – Inline XBRL Taxonomy Extension Presentation Linkbase Document
- Exhibit 101.DEF – Inline XBRL Taxonomy Extension Definition Linkbase Document
- Exhibit 104 – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

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\*Compensatory plan or management contract.

**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, on November 1, 2022.

OneSpan Inc.

/s/ Matthew P. Moynahan

Matthew P. Moynahan  
Chief Executive Officer  
(Principal Executive Officer)

/s/ Jorge Martell

Jorge Martell  
Chief Financial Officer  
(Principal Financial Officer)

/s/ John Bosshart

John Bosshart  
Chief Accounting Officer  
(Principal Accounting Officer)



## Executive Employment Agreement

This **EMPLOYMENT AGREEMENT** (this “**Agreement**”) is made and entered into as of August 8, 2022 by and between OneSpan North America, Inc. (the “**Company**”), and Jorge Garcia Martell (“**you**”).

WHEREAS the Company desires to employ you, and you desire to be employed by the Company, as the Company’s Chief Financial Officer, as of and following the Effective Date and on the terms outlined in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, the Company and you agree as follows:

### ARTICLE I EMPLOYMENT SERVICES

**1.1 Term of Employment; Effective Date.** The term of your employment under this Agreement shall commence on the first day of your employment with the Company (the “**Effective Date**”) and continue until the second anniversary of such date (the “**Initial Term**”), which shall automatically renew on the second and each following anniversary of the Effective Date for successive one (1) year terms (each, a “**Successive Term**”) (the Initial Term, together with all Successive Terms, if any, are collectively referred to herein as the “**Employment Period**”), unless either party provides the other party with written notice at least ninety (90) days prior to the expiration of the Initial Term, or any Successive Term, of its or their intent not to renew the Initial Term, or any Successive Term, respectively. The Employment Period may be terminated earlier under the terms of Article III below. The Effective Date is expected to be September 6, 2022, and shall not be later than September 12, 2022, unless you and the Company mutually agree in writing to a later date. Your commencement of employment with the Company (and therefore the occurrence of the Effective Date) is contingent upon satisfactory completion of a background check, the Company’s receipt of satisfactory references, and verification of your right to work in the United States.

**1.2 Position and Duties.** On the terms and subject to the conditions set forth in this Agreement, commencing on the Effective Date and thereafter during the Employment Period, you shall hold the position of Chief Financial Officer and shall report to the Chief Executive Officer. You shall perform such duties and responsibilities as are consistent with your position and as may be reasonably assigned to you from time to time. You shall devote your full business time, attention, skill, and energy to the business and affairs of the Company and shall use your

reasonable best efforts to perform such responsibilities in a diligent, loyal, and businesslike manner so as to advance the best interests of the Company.

**1.3 Other Activities.** Notwithstanding Section 1.2, you shall be permitted to devote a reasonable amount of time and effort to professional, industry, civic and charitable organizations and managing personal investments but only to the extent that such activities, individually or as a whole, do not materially interfere with the execution of your duties hereunder, or otherwise violate any provision of this Agreement or the Company's Code of Conduct and Ethics (or similar successor document) as in effect from time to time (the "**Code of Conduct**"). You shall not become involved in the management of any for-profit corporation, partnership, or other for-profit entity, including serving on the board of directors (or similar governing body) of any such entity, without the prior consent of the Chief Executive Officer; provided, however, that this restriction shall not apply to any affiliate of the Company. You agree to serve without additional compensation as an officer and director of any of the Company's affiliates if requested by the Company. If you do receive any compensation or other remuneration for such service, the Company may offset it against the amounts due hereunder.

**1.4 Location.** You will perform your services for the Company primarily from your home office, provided that you agree to be reasonably available to travel for business purposes (including to any offices or other premises used by the Company), which may include significant travel, including internationally.

**1.5 Compliance with Policies.** As an employee of the Company, you will be required to comply with all Company written policies and procedures, including the Code of Conduct. Violations of the Company's policies may lead to immediate termination of your employment. Further, the Company's premises, including all workspaces, furniture, documents, and other tangible materials, and all information technology resources of the Company (including computers, data and other electronic files, and all internet and email) are subject to oversight and inspection by the Company at any time. Company employees should have no expectation of privacy with regard to any Company premises, materials, resources, or information.

## **ARTICLE II COMPENSATION**

**2.1 Base Salary.** Beginning on the Effective Date, the Company shall pay you a base salary at a semi-monthly rate of \$16,666.67 (annualizing to \$400,000) ("**Base Salary**"), payable in accordance with payroll practices in effect for employees of the Company generally. Base Salary shall be subject to review in accordance with the Company's normal practice for executive salary review from time to time in effect, and may be increased, but will not be reduced, without your prior consent except for a reduction that is commensurate with and part of a general salary reduction program applicable to all similar level executives of the Company.

**2.2 Annual Incentive Compensation.** During the Employment Period, you will be eligible to participate in an annual bonus plan or program established from time to time by the

Company (the “**Annual Bonus Plan**”) in accordance with the terms and conditions thereof and on the same basis as other executives of the Company. Subject to and in accordance with the terms of the Annual Bonus Plan, you shall be eligible for a target bonus equal to 65% of your Base Salary. Your annual target bonus for 2022 will be prorated for the period from and including the Effective Date through December 31, 2022.

**2.3 Long-Term Incentive Compensation.** During the Employment Period, you shall participate in the Company’s equity incentive plan (currently the 2019 Omnibus Incentive Plan) and any successor thereto (as applicable, the “**Long-Term Incentive Plan**”) in accordance with the terms and conditions thereof and on the same basis as other senior executives of the Company.

Contingent and effective on the Effective Date, in connection with the commencement of your employment, the Company will award you the following equity grants under the Long-Term Incentive Plan:

- (i) a sign-on time-based grant (the “**Sign-On Grant**”) for \$250,000 of the Company’s restricted stock units, which will vest in equal semi-annual installments over four years, provided that you remain employed by the Company.
- (ii) a time-based grant (the “**Time-Based Grant**”) for \$625,000 of the Company’s restricted stock units, which will vest in equal semi-annual installments over three years, provided that you remain employed by the Company.
- (iii) a performance-based grant for \$625,000 of the Company’s restricted stock units (the “**Performance Grant**”), which will be earned based upon the Company’s achievement against 2022 Company metrics established by the Board or a committee of the Board. Any performance-based restricted stock units earned under the Performance Grant will vest on December 31, 2024, provided that you remain employed by the Company.

The terms and conditions of the Sign-On Grant, Time-Based Grant and the Performance Grant (together, the “**Grants**”) shall be governed by the Long-Term Incentive Plan and the applicable award agreements, which will be substantially in the form of Schedule 1, 2, and 3 hereto for the Sign-On Grant, Time-Based Grant and Performance Grant, respectively.

**2.4 Employee Benefit Plans.** During the Employment Period, You will be eligible to participate on substantially the same basis as the Company’s other executive officers in any other employee benefit plans offered by the Company, currently including medical, dental, short-term and long-term disability, life insurance, and 401(k) savings plan (in each case, subject to the eligibility requirements of such plans). The Company reserves the right to modify, suspend or discontinue any and all of its employee benefit plans, practices, policies, and

programs at any time without recourse by you, so long as the Company takes such action generally with respect to other similarly situated senior executive officers.

**2.5 Flexible Time-Away Policy.** You will participate in the Company's FlexTime Policy or such successor or replacement program that the Company adopts.

**2.6 Business Expenses.** The Company will reimburse you for all reasonable and necessary business expenses incurred during the Employment Period in the performance of services with the Company, according to Company's policies and upon your presentation of an itemized written statement and such verification as the Company may require, in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv).

### **ARTICLE III TERMINATION OF EMPLOYMENT**

**3.1 Payments on Termination.** When your employment ends for any reason, you (or your designated beneficiary, as applicable) will be entitled to receive (in addition to any compensation and benefits you may receive under Section 3.4): (i) any earned but unpaid Base Salary through your termination date, to be paid in accordance with applicable law, (ii) any incentive compensation payment(s) previously approved by the Company's Board (or a committee of the Board) for the prior calendar year but not yet paid, (iii) unreimbursed business expenses incurred through your termination date in accordance with the Company's policies for which expenses you have provided or do provide appropriate documentation within the time limits of such policies, to be paid in accordance with Section 409A of the Internal Revenue Code of 1986 ("**Section 409A**" of the "**Code**"), and (iv) any amounts or benefits to which you are then entitled under the terms of the benefit plans then sponsored by the Company in accordance with their terms (and not accelerated to the extent acceleration does not satisfy Section 409A). The compensation and other payments described above are the "**Accrued Obligations.**"

**3.2 Cessation of Employment by Resignation without Good Reason or on Death or Disability.** If your employment ends because of your resignation without Good Reason or as a result of your death or Disability (as defined below), you will not receive compensation or benefits beyond the Accrued Obligations.

**3.3 Termination By Company for Cause.** The Company may terminate your employment for Cause (as defined below) at any time during the Employment Period by giving written notice to you designating an immediate or future termination date. Such notice shall indicate the specific provisions of this Agreement relied upon as the basis of such termination. In the event of a termination for Cause, the Company shall provide the Accrued Obligations but no other compensation, except as may be provided in its discretion under the applicable Restrictive Covenant Agreement (as defined below).

For purposes of this Agreement, “Cause” means:

- (i) You materially breach your obligations under this Agreement, the Code of Conduct or an established policy of the Company and such breach continues after you have received written notice by the Company that specifies such breach and a period of 10 days in which to cure such breach (but only to the extent that such breach is capable of being cured);
- (ii) You engage in conduct prohibited by law (other than minor violations), commit an act of dishonesty, fraud, or serious or willful misconduct in connection with your job duties, or engage in unethical or immoral conduct that, in the reasonable judgment of the Company, could injure the integrity, character or reputation of Company;
- (iii) You fail or refuse to perform, or habitually neglect, your duties and responsibilities hereunder other than on account of Disability (as defined below), and continue such failure, refusal or neglect after having been given written notice by the Company that specifies what duties you failed to perform and an opportunity to cure of ten days;
- (iv) You use or disclose confidential information or trade secrets other than in the furtherance of the Company’s (or its subsidiaries’) business interests, or commit another violation of a fiduciary duty to the Company (including entering into any transaction or contractual relationship causing diversion of business opportunity from the Company (other than with the prior written consent of the Board)), or otherwise breach either of the Restrictive Covenant Agreements; or
- (v) You fail to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies your failure to cooperate and an opportunity to cure of five days.

**3.4 Termination By Company Without Cause or Termination by You for Good Reason.** The Company may terminate your employment without Cause at any time during the Employment Period by giving written notice to you designating an immediate or future termination date.

You may resign from employment during the Employment Period due to:

- (i) The Company’s material breach of this Agreement;
- (ii) A reduction in your Base Salary below the Base Salary in effect during the immediately preceding year, unless such reduction is commensurate

with and part of a general salary reduction program applicable to all senior executives of the Company (such reduction not to exceed 20%) or agreed to in writing by you;

(iii) A requirement that you relocate your primary place of work by more than 45 miles (including a requirement that you work primarily at a Company office that is located more than 45 miles from the location of your home office), provided that the travel requirements described in Section 1.4 above will not be treated as a violation of this clause (iii);

(iv) Any material diminution of your authority, duties or responsibilities (provided that a diminution in connection with a Change in Control (as defined below) that results in your having authority, duties, or responsibilities with respect to the business represented by the Company that are reasonably comparable to those in effect before the Change in Control shall not be treated as Good Reason);

(each of which shall constitute “**Good Reason**” for resignation) and such resignation shall be treated as a termination by you for Good Reason; *provided* that, (a) you have provided written notice describing such Good Reason in reasonable detail to the Company within 90 days of the initial occurrence of such Good Reason, (b) the Company failed to cure such Good Reason within 30 days of receipt of such written notice from you, and (c) your resignation occurs within 60 days following the end of the cure period; *and provided, further*, that in the case of clauses (ii) and (iv), an act or omission shall not constitute Good Reason if you have incurred a Disability (as defined below).

Your election to not renew the Initial Term or any Successive Terms pursuant to Section 1.1 shall not be a termination for Good Reason and shall not entitle you to Severance Pay. However, the election by the Company to not renew the Initial Term or any Successive Terms pursuant to Section 1.1 shall be deemed to be a termination without Cause effective as of the termination of the Initial Term or Successive Term as applicable and shall entitle you to Severance Pay as hereinafter provided.

In the event of a termination by the Company without Cause or a termination by you for Good Reason, the Company shall provide your Accrued Obligations. In addition, subject to the requirements set forth in Section 3.7, Section 3.8, and Section 3.9, the Company will provide the following compensation and benefits to you (collectively, the “**Severance Pay**”):

(a) An amount equal to 12 months of your then current Base Salary, less applicable withholdings, payable in equal installments on each regularly scheduled payroll pay date during the 12-month period that begins on the first day immediately after the Release Effective Date (as defined in Section 3.7); and

(b) Awards, if any, under the Long-Term Incentive Plan shall be paid in accordance with the terms and conditions of the Long-Term Incentive Plan and the applicable awards;

(c) A prorated portion of your target bonus based on the period during the year in which you were employed, payable in full with the first installment of the salary-based severance; and

(d) If you elect to continue health care coverage, the Company will pay your monthly COBRA premiums as part of your severance benefits until the earliest of (i) 12 months after your last day of employment with the Company; (ii) the date you become eligible for group health insurance coverage through a new employer; or (iii) the date your COBRA continuation coverage would terminate in accordance with the provisions of COBRA. Thereafter, medical, dental and vision insurance coverage shall be continued only to the extent required by COBRA and only to the extent you timely pay the premium payments yourself. Notwithstanding the foregoing, the Company may end the payment of premiums earlier (but not your eligibility for COBRA) if it reasonably determines that applicable laws or regulations are reasonably likely to cause the payment of these premiums to trigger taxes or penalties on the Company or other participants or, to the extent you would be taxed on more than the amount of the premiums, to you.

**3.5 Disability.** “Disability” means your being unable to perform your duties to the Company as provided in this Agreement (Section 1.2) for a period of at least 120 continuous days as a result of a mental or physical condition. The Company may terminate your employment for Disability during the Employment Period by giving written notice to you designating a termination date that is at least 30 days after the date of the notice of termination if you do not return to work on a substantially full-time basis within 30 days after notice of termination on account of Disability is provided to you. A return to work of less than 30 continuous days on a substantially full-time basis shall not interrupt a continuous period of Disability.

**3.6 Change in Control.** “Change in Control” has the meaning assigned to such term in the Long-Term Incentive Plan as in effect from time to time. Notwithstanding anything in this Agreement to the contrary, a Change in Control will have occurred only if such change in ownership also constitutes a change in control under Section 409A.

If contemporaneous with or within 18 months after a Change in Control that occurred during the Employment Period (a) the Company terminates your employment without Cause or (b) you terminate your employment for Good Reason, then, provided you comply with the requirements set forth in Section 3.7, Section 3.8, and Section 3.9, you will be eligible to receive the benefits set forth in Section 3.4 above, except that (i) the installment payment of the salary-based portion of the Severance Pay will be accelerated and paid within 10 days following the Release Effective Date and (ii) instead of a prorated portion of your target bonus as contemplated by Section 3.4(c) above, you will be paid an amount equal to your annual target

bonus within 10 days following the Release Effective Date. The treatment of each of the Grants in connection with a Change in Control is set forth in the applicable award agreements.

**3.7 Execution of Separation Agreement.** As a condition to receiving Severance Pay (whether or not accelerated), you must execute and return to the Company, and not revoke any part of, a general release and waiver of claims against the Company and its officers, directors, stockholders, employees and affiliates with respect to your employment, and other customary terms, on a form provided by the Company on or around your date of employment termination (the “**Release**”). You must deliver the executed Release within 60 days following your termination (or such shorter period as the Company specifies in providing the Release (which will be provided not more than 15 days after your termination of Employment)). The Release will become effective on the date the revocation period of the ADEA Release expires without your revoking the ADEA Release (the “**Release Effective Date**”). Payment of the Severance Pay will begin (or be made, as applicable) in the first payroll whose cutoff date follows the Release Effective Date, provided that if the 60<sup>th</sup> day following your termination of employment is in the calendar year subsequent to termination, the payment will not be made earlier than the first business day of such subsequent year unless earlier payment can be made without violation of Section 409A. Any obligation of the Company to provide the Severance Pay shall cease: (i) if you materially breached or breach your contractual obligations to the Company, including those set forth in Article IV or Article V herein, or in the Release or (ii) if, within 90 days after your termination, the Company discovers facts and circumstances that would have justified a termination for Cause during the Employment Period.

**3.8 Timing of Payments; Section 409A.** All payments in a series of payments will be treated for purposes of Section 409A as separate payments. Notwithstanding any other provision of this Agreement, in the event of a payment to be made, or a benefit to be provided, pursuant to this Agreement based upon your “separation from service” (as defined below) for a reason other than death at a time when you are a Specified Employee (as defined below) and such payment or provision of such benefit is not exempt or otherwise permitted under Section 409A without the imposition of any Section 409A Penalty (as defined below), such payment shall not be made, and such benefit shall not be provided, before the earlier of the date which is the first day of the seventh month after your separation from service or 30 days after your death or such later date as is required to permit the Company to reasonably determine the recipient(s) of the payments, but no longer than is permitted by Section 409A. All payments or benefits delayed pursuant to this Section 3.8 shall be aggregated into one lump sum payment to be made as of the Company’s first business day following the first day of the seventh month after your separation from service (or if earlier, as of 30 days after your death or such later date as is described above).

(a) For purposes of this Agreement:

(i) “**Separation from service**” has the meaning provided under Code Section 409A and Treas. Reg. 1.409A-1(h);



(ii) “**Specified Employee**” has the meaning given that term in Code Section 409A and Treas. Reg. 1.409A-1(c)(i) as determined in accordance with the Company’s policy for determining Specified Employees; and

(iii) “**Section 409A Penalty**” means any increase in tax or any other penalty pursuant to Section 409A

(b) This Agreement is intended not to result in the imposition of any Section 409A Penalty and shall be administered, interpreted, and construed in a manner consistent with such intent.

(c) You and the Company agree to cooperate to amend this Agreement from time to time as appropriate to avoid the imposition of any Section 409A Penalty.

(d) In no event shall the Company be required to provide a tax gross-up payment to you with respect to any Section 409A Penalty.

(e) Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to be exempt from or, in the alternative, comply with Section 409A and the interpretive guidance in effect thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. The Agreement shall be construed and interpreted in accordance with such intent.

**3.9 Excess Parachute Payments; No Excise Tax Gross-Up.** Notwithstanding any provision of this Agreement to the contrary, if it is determined by the Company’s independent auditors or its counsel that any amount or benefit to be paid or provided under this Agreement or otherwise, whether or not in connection with a Change in Control, would be an “Excess Parachute Payment” within the meaning of Code Section 280G but for the application of this sentence, then the payments and benefits to be paid or provided under this Agreement or otherwise will be reduced to the minimum extent necessary (but in no event to less than zero under this Agreement) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; *provided, however*, that the foregoing reduction will be made only if and to the extent that such reduction would result in an increase in the aggregate payment and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Code Section 4999, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income and employment taxes).

The fact that your right to payments or benefits may be reduced by reason of the limitations contained in this Section 3.9 will not of itself limit or otherwise affect any other rights of yours other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 3.9, the Company will effect such reduction by first reducing the lump sum cash payment related to Base Salary (a “**Reduction**”). In the event that, after such

Reduction any payment or benefit intended to be provided under this Agreement or otherwise is still required to be reduced pursuant to this Section 3.9, the Company will effect such reduction by reducing other consideration due to you.

**3.10 Removal from any Boards and Positions.** If your employment ends for any reason under this Agreement, you agree that you are automatically resigning from (i) if a member, the board of directors of any subsidiary or affiliate of the Company or any other board to which you have been appointed or nominated by or on behalf of the Company, (ii) any position with the Company or any subsidiary of the Company, including as an officer of the Company or any of its subsidiaries, and (iii) any fiduciary positions with respect to the Company's benefit plans.

#### ARTICLE IV RESTRICTIVE COVENANTS

**4.1 Restrictive Covenants.** You will be required to execute an Invention and Non-Disclosure Agreement and a Non-Competition and Non-Solicitation Agreement in the forms attached as Exhibit A and Exhibit B, as a condition of your employment (together, the "**Restrictive Covenant Agreements**").

#### ARTICLE V POST-TERMINATION OBLIGATIONS

**5.1 Return of Company Materials.** No later than three business days following the cessation of your employment for any reason, you shall return to the Company all manuals, policies, building keys and passes, parking passes, credit cards, telephone lists or directories, equipment and other assets, and any other property owned by, provided by, prepared on behalf of the Company or purchased with the Company's funds in your possession or control, including any containing or summarizing Company confidential information. You agree that you will return such property without making or keeping any copies of such property. You further agree that, if you discover after such date any other confidential and proprietary information or property owned by, prepared for, purchased by or provided to you by the Companies, you will immediately return such material to the Company. You will leave intact with, or deliver intact to, the Company all electronic Company documents and internal and external websites including those that you developed or helped to develop during your employment, and destroy or delete any copies of all electronic files or hard copies relating to Company that were in your possession or control, including any that were located on any of your personal computers, cell phones, tablets, or external or cloud storage.

**5.2 Executive Assistance.** During your employment with the Company and for a period of two years after the termination of such employment, you shall, upon reasonable notice, furnish the Company with such information as may be in your possession or control, and cooperate with the Company in any reasonable manner that the Company may request, including conferring with the Company with regard to any litigation, claim, or other dispute in which the Company is or may become a party. Your obligation to cooperate shall be

reasonably limited so as not to unreasonably interfere with your other business or personal obligations. The Company shall reimburse you for all reasonable out-of-pocket expenses incurred by you in fulfilling your obligations under this Section 5.2. The Company will make any such reimbursement within 30 days of the date you provide the Company with documentary evidence of such expense consistent with the policies of the Company. The Company will also pay you a reasonable fee per hour for your assistance during the year commencing on the first anniversary of the termination of your employment with the Company. Notwithstanding anything to the contrary, any such reimbursement shall be administered so as to comply with Treasury Regulation Section 1.409A-3(i)(1)(iv).

## **ARTICLE VI MISCELLANEOUS**

**6.1 Notices.** Any notices, consents or other communications required or permitted to be sent or given hereunder shall be in writing and shall be deemed properly served if (a) delivered personally, in which case the date of such notice shall be the date of delivery; (b) delivered prepaid to a nationally recognized overnight courier service, in which case the date of delivery shall be the next business day; or (c) sent by electronic transmission (with a copy sent by first-class mail), in which case the date of delivery shall be the next business day. If not personally delivered, notice shall be sent using the addresses set forth below:

If to you, to the last address on file in the records of the Company.

If to the Company:

OneSpan  
121 West Wacker Drive  
20th Floor  
Chicago, IL 60601  
Attention: General Counsel

or such other address as may hereafter be specified by notice given by either party to the other party. You shall promptly notify the Company of any change in your address set forth on the signature page.

**6.2 Withholding.** The Company may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state or local law, as well as any other amounts due and owing to the Company from you.

**6.3 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; *provided* that you may not assign any of their rights or obligations under this Agreement without the Company's prior written consent.

**6.4 Nonalienation of Benefits.** Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by you, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

**6.5 Amendment; Waiver.** No failure or delay by the Company or you in enforcing or exercising any right or remedy hereunder will operate as a waiver thereof. No modification, amendment or waiver of this Agreement or consent to any departure by you from any of the terms or conditions thereof, will be effective unless in writing and signed by the Company. Any such waiver or consent will be effective only in the specific instance and for the purpose for which given.

**6.6 Severability; Survivability.** If any term or provision of this Agreement shall be held to be invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby and shall be enforced to the fullest extent permitted under law. Your obligations in Articles IV and V shall survive and continue in full force notwithstanding the termination of this Agreement or your employment for any reason.

**6.7 Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement and may be executed by electronic signature.

**6.8 Governing Law and Dispute Resolution.** This Agreement shall in all respects be subject to, governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without reference to the principles of conflicts of laws thereof. Except as noted below, all disputes arising with respect to your employment relationship, this Agreement, and/or the equity referenced in this letter agreement, including whether the dispute is arbitrable, shall be resolved exclusively through final and binding arbitration in Boston, Massachusetts in accordance with the Employment Rules of the American Arbitration Association then in effect (the "**Employment Rules**") and the Federal Arbitration Act, 9 U.S.C. §1 et seq. Neither party will invoke arbitration until after it has given the other party written notice of the dispute and a ten-day period to resolve the dispute. The parties will in good faith attempt to settle any disputes through direct or attorney-led negotiations before participating in an arbitration hearing. Arbitration under this section will require a neutral arbitrator, will permit appropriate and adequate discovery, and will permit the parties to the arbitration to seek relief that would otherwise be available if the matter were brought in an appropriate court with civil jurisdiction over the parties. The Company will pay the entire amount of the arbitration filing fees and related expenses (less any amounts that may be charged to you under the then applicable version of the Employment Rules), including the arbitrator's fees and costs (but excluding, for the avoidance of doubt, your attorneys' fees and related costs), for any dispute described in this section, provided that you acknowledge that some or all of the arbitration and arbitrator fees and expenses may be reallocated and charged to you by the arbitrator if a claim or counterclaim was filed by you for purposes of harassment or is patently

frivolous (or as otherwise permitted under the Employment Rules). For the avoidance of doubt, this arbitration provision does not apply to any disputes arising under or relating to the Restrictive Covenant Agreements, which shall instead be brought in court and in accordance with the terms thereof.

**6.9 Construction.** The language used in this Agreement will be deemed to be the language chosen by you and the Company to express their mutual intent, and no rule of strict construction will be applied against you or the Company. The heading in this Agreement is for convenience of reference only and will not limit or otherwise affect the meaning of the provision. References to “including” or similar forms are to be read as “including, without limitation” or similar forms other than where the meaning would not make sense.

**6.10 Entire Agreement; Amendments.** This Agreement contains the entire understanding of the parties hereto with regard to the subject matter contained herein, and supersedes all prior agreements, understandings, offer letters or letters of intent, between you and the Company, with regard to the subject matter contained herein between the parties hereto. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by each of the parties hereto.

*[Signature Page to Jorge Garcia Martell Employment Agreement]*

**IN WITNESS WHEREOF**, each of the parties hereto has duly executed this Employment Agreement.

OneSpan North America Inc.

/s/ Jorge Martell

/s/ Lara Mataac

Signature

By: Lara Mataac  
Its: General Counsel

Date August 10, 2022

Date August 8, 2022

## **EXHIBIT A**

### **ONESPAN NORTH AMERICA, INC.**

#### **INVENTION AND NON-DISCLOSURE AGREEMENT**

This Invention and Non-Disclosure Agreement (this “**Agreement**”) is made by and between OneSpan North America, Inc. (hereinafter referred to as the “**Company**”), and Jorge Garcia Martell (“**you**”).

In consideration of your employment or continued employment by the Company, the Company and you agree as follows:

1. **Condition of Employment.**

You acknowledge that your employment and/or the continuance of that employment with the Company is contingent upon your agreement to sign and adhere to the provisions of this Agreement. You further acknowledge that the nature of the Company’s business is such that protection of its proprietary and confidential information is critical to the survival and success of the Company’s business.

2. **Proprietary and Confidential Information.**

(a) You agree that all information and know-how, whether or not in writing, of a private, secret or confidential nature concerning the Company’s business or financial affairs (collectively, “**Proprietary Information**”) is and shall be the exclusive property of the Company. By way of illustration, but not limitation, Proprietary Information may include discoveries, ideas, inventions, products, product improvements, product enhancements, processes, methods, techniques, negotiation strategies and positions, projects, developments, plans (including business and marketing plans), research data, financial data (including sales costs, profits, pricing methods), personnel data obtained pursuant to your duties and responsibilities, computer programs (including software used pursuant to a license agreement), customer, prospect and supplier lists, and contacts at or knowledge of customers or prospective customers of the Company. Except as otherwise permitted by Section 5 below, you will not disclose any Proprietary Information to any person or entity other than employees of the Company or use the same for any purposes (other than in the performance of your duties as an employee of the Company) without written approval by an officer of the Company, either during or after your employment with the Company, unless and until such Proprietary Information has become public knowledge without your fault; provided that this prohibition does not prevent your use of your general knowledge, education, training and/or experience or generally known or used by persons with the general knowledge, education, training or experience comparable to yours. While employed by the Company, you will use your best efforts to prevent unauthorized publication or disclosure of any of the Company’s Proprietary Information. References to the

“Company” in this Agreement include the subsidiaries of, parent of, and companies related to OneSpan North America, Inc.

(b) You agree that all files, documents, letters, memoranda, reports, records, data, sketches, drawings, models, laboratory notebooks, program listings, computer equipment or devices, computer programs or other written, photographic, or other tangible or intangible material containing Proprietary Information, whether created by you or others, that come into your custody or possession, shall be and are the exclusive property of the Company to be used by you only in the performance of your duties for the Company and shall not be copied or removed from the Company’s premises except in the pursuit of the business of the Company. All such materials or copies thereof and all tangible property of the Company in your custody or possession shall be delivered to the Company, upon the earlier of (i) a request by the Company or (ii) termination of your employment for any reason, provided that electronic materials on personal devices that are merely copies of originals maintained on the Company’s servers or in other Company records may be permanently deleted rather than returned. After such delivery and/or deletion, you shall not retain any such materials or copies thereof or any such tangible property.

(c) You agree that your obligation not to disclose or to use information and materials of the types set forth in Sections 2(a) and 2(b) above, and your obligation to return materials and tangible property, set forth in Section 2(b) above, also extends to such types of information, materials and tangible property of customers of the Company or suppliers to the Company or other third parties who may have disclosed or entrusted the same to the Company or to you in the course of the Company’s business.

### 3. **Developments.**

(a) You have attached hereto, as Exhibit A, a list describing all discoveries, ideas, inventions, improvements, enhancements, processes, methods, techniques, developments, software, and works of authorship, whether patentable or not, which you created, made, conceived or reduced to practice prior to your employment by the Company and that you own, and that are not assigned to the Company hereunder (collectively, “**Prior Developments**”); or, if no such list is attached, you represent that there are no Prior Developments. You agree not to incorporate any Prior Developments into any Company product, material, process or service without prior written consent of an officer of the Company. If you do incorporate or have incorporated any Prior Development into any Company product, material, process or service, you hereby grant to the Company a non-exclusive, worldwide, perpetual, transferable, irrevocable, royalty-free, fully-paid right and license to make, have made, use, offer for sale, sell, import, reproduce, modify, prepare derivative works, display, perform, transmit, distribute and otherwise exploit such Prior Development and to practice any method related thereto.

(b) You will make full and prompt disclosure to the Company of all discoveries, ideas, inventions, improvements, enhancements, processes, methods, techniques,



developments, software, and works of authorship, whether patentable or not, that are created, made, conceived or reduced to practice by you or under your direction or jointly with others during your employment by the Company, whether or not during normal working hours or on the premises of the Company (all of which are collectively referred to in this Agreement as “**Developments**”). You acknowledge that each original work of authorship that you make (solely or jointly with others) within the scope of and during the period of your employment with the Company and that is protectable by copyright is a “work made for hire,” as that term is defined in the United States Copyright Act. You agree to assign and do hereby assign to the Company (or any person or entity designated by the Company) all your rights, titles and interests in and to all Developments (other than Prior Developments listed on Exhibit A, if any) and all related patents, patent applications, copyrights and copyright applications. However, this Section 3(b) shall not apply to Developments that: (a) by law you cannot be required to so assign; and/or (b) do not relate to the business or research and development conducted or planned to be conducted by the Company at the time such Development is created, made, conceived or reduced to practice and that you made and conceived not during normal working hours, not on the Company’s premises and not using the Company’s tools, devices, equipment or Proprietary Information. You understand that, to the extent this Agreement shall be construed in accordance with the laws of any state that precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 3(b) shall be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. You also hereby waive all claims to moral rights in any Developments.

(c) You agree to cooperate with the Company, both during and after your employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and foreign countries) relating to Developments. You shall sign all papers, including copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, that the Company may deem necessary or desirable to protect its rights and interests in any Development. You further agree that if the Company is unable, after reasonable effort, to secure your signature on any such papers, after prior written notice has been sent to you at the address on the Company’s personnel records, any executive officer of the Company shall be entitled to execute any such papers as your agent and attorney-in-fact, and you hereby irrevocably designate and appoint each executive officer of the Company as your agent and attorney-in-fact to execute any such papers on your behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

4. **Obligations to Third Parties.**

You represent that, except as you have disclosed in writing to the Company on Exhibit A attached hereto, you are not bound by the terms of any agreement with any other party (aside from standard employee non-disclosure agreements with previous employers) to refrain from using or disclosing any trade secret or confidential or proprietary information in the

course of your employment with the Company, to refrain from competing, directly or indirectly, with the business of any previous employer or any other party or to refrain from soliciting employees, customers or suppliers of such previous employer or other party. You further represent that your performance of all the terms of this Agreement and the performance of your duties as an employee of the Company do not and will not conflict with or breach any agreement with any prior employer or other party (including any nondisclosure or non-competition agreement), and that you will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

5. **Scope of Disclosure Restrictions.**

Nothing in this Agreement prohibits you from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies, filing a complaint with government agencies, or participating in government agency investigations or proceedings. You are not required to notify the Company of any such communications; provided, however, that nothing herein authorizes the disclosure of information you obtained through a communication that was subject to the attorney-client privilege. Further, notwithstanding your confidentiality and nondisclosure obligations, you are hereby advised as follows pursuant to the Defend Trade Secrets Act: “An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.”

6. **United States Government Obligations.**

You acknowledge that the Company from time to time may have agreements with other persons or with the United States Government, or agencies thereof, which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. You agree to be bound by all such obligations and restrictions which are made known to you and to discharge the obligations of the Company under such agreements.

7. **Miscellaneous.**

(a) **Equitable Remedies.** You acknowledge that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company, and you consider them to be reasonable for such purpose. You agree that any breach or

threatened breach of this Agreement is likely to cause the Company substantial and irrevocable damage that is difficult to measure. Therefore, in the event of any such breach or threatened breach, you agree that the Company, in addition to such other remedies that may be available, shall have the right to obtain an injunction from a court restraining such a breach or threatened breach without posting a bond and the right to specific performance of the provisions of this Agreement and you hereby waive the adequacy of a remedy at law as a defense to such relief.

(b) Disclosure of this Agreement. You hereby authorize the Company to notify others, including customers of the Company and any of your future employers or prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

(c) Not Employment Contract. You acknowledge that this Agreement does not constitute a contract of employment, does not imply that the Company will continue your employment for any period of time and does not change the at-will nature of your employment.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business, provided, however, that your obligations are personal and shall not be assigned by you. You expressly consent to be bound by the provisions of this Agreement for the benefit of the Company or any subsidiary or affiliate thereof to whose employ you may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

(e) Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(f) Waivers. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof). Any action, suit, or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Massachusetts (or, if appropriate, a federal court located within the Commonwealth of Massachusetts), and the Company and you each consent to the jurisdiction of such a court.

(h) Entire Agreement; Amendment. This Agreement supersedes all prior agreements, written or oral, between you and the Company relating to the subject matter of

this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by you and the Company. You agree that any change or changes in your duties, authority, title, reporting relationship, territory, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(i) Interpretation. References to “including” or similar forms are to be read as “including, without limitation” or similar forms other than where the meaning would not make sense.

(j) Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

[Remainder of Page Intentionally Left Blank]

YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS AGREEMENT AND UNDERSTAND AND AGREE TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

ONESPAN NORTH AMERICA, INC.

Date: August 8, 2022

By: /s/ Lara Mataac  
General Counsel

JORGE GARCIA MARTELL

Date: August 10, 2022

/s/ Jorge Martell

## **EXHIBIT B**

### **NON-COMPETITION AND NON-SOLICITATION AGREEMENT**

This Non-Competition and Non-Solicitation Agreement (the “***Agreement***”) is made by and between OneSpan North America, Inc, a Delaware corporation (hereinafter referred to collectively with its parent and subsidiaries as the “***Company***”), and the undersigned employee (“***you***”).

For good consideration, including your employment by the Company and, with respect to the non-competition restrictions, the additional consideration set forth in Section 1(c), the Company and you agree as follows:

8. **Non-Competition.**

(a) During the Restricted Period (as defined below), you will not, in the Applicable Territory (as defined below), directly or indirectly, whether as an owner, partner, officer, director, employee, consultant, investor, lender or otherwise engage or assist others in engaging in any business or enterprise that is competitive with the Company’s business (consisting, as of the date of this Agreement, of the digital agreements and security solutions business and other businesses as described in the Company’s most recently filed reports with the United States Securities and Exchange Commission), including any business or enterprise that researches, develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service researched, developed, manufactured, marketed, licensed, sold or provided, or planned to be researched, developed, manufactured, marketed, licensed, sold or provided by the Company (a “***Competitive Company***”), if you would be performing job duties or services for the Competitive Company that are of a similar type that you performed for the Company at any time during the last two years of your employment. Notwithstanding the foregoing, you may be the passive holder of less than 2% of the outstanding stock of a publicly-held company. As a senior executive for the Company, you acknowledge and agree that, in the performance of your duties for the Company (including, assisting the Company with its overall business strategy), you are or will be involved in all aspects of the Company’s business and operations. Accordingly, you acknowledge and agree that undertaking any leadership role in a Competitive Company would constitute performing job duties or services of a similar type that you performed for the Company and its affiliates.

(b) **Certain Definitions.** Solely for purposes of this Section 1:

i. the “***Restricted Period***” shall include the duration of your employment with the Company and the 12-month period thereafter; provided, however, that the Restricted Period shall automatically be extended to two years following the cessation of your employment if you breach a fiduciary duty to the Company or you unlawfully take, physically or electronically, any property belonging to the Company. Notwithstanding the foregoing, the Restricted Period shall end

immediately upon your last day of employment with the Company if: (x) the Company terminates your employment other than for Cause (as defined below); or (y) the Company notifies you in writing that it is waiving the post-employment restrictions set forth in this Section 1 (such notice to be provided no later than your last day of employment or by the seventh business day following your notice of resignation, if later).

ii. “**Applicable Territory**” shall mean the geographic areas in which you provided services or had a material presence or influence at any time during your last two years of employment. As a senior leader for the Company, you acknowledge that your duties and responsibilities require you to have a material presence and/or influence anywhere that the Company does business.

iii. “**Cause**” shall mean any of (a) your conviction of, or plea of guilty or nolo contendere to, any crime involving dishonesty or moral turpitude, or any felony; or (b) a good faith finding by the Company in its sole discretion that you have (i) engaged in dishonesty, misconduct or gross negligence; (ii) committed an act that injures or would reasonably be expected to injure the reputation, business or business relationships of the Company; (iii) breached the terms of this Agreement or any other restrictive covenant or confidentiality agreement with or policy of the Company; (iv) failed or refused to comply with any of the Company’s policies or procedures and such failure or refusal continues after you have received written notice by the Company that specifies such failure or refusal and a period of 10 days in which to cure such failure or refusal (but only to the extent such failure or refusal is capable of being cured); or (v) failed to perform your duties and/or responsibilities to the Company’s satisfaction.

(c) Additional Consideration for Non-Competition Restrictions. In exchange for your compliance with the restrictions set forth in this Section 1, the Company will award you the Sign-On Grant (as defined in the Employment Agreement between you and the Company dated on or about the date hereof). You understand and agree that the foregoing consideration has been mutually agreed upon by the Company and you, is fair and reasonable, and is sufficient consideration in exchange for the restrictions set forth in this Section 1.

9. **Non-Solicitation.**

(a) While you are employed by the Company and for a period of 12 months after the termination or cessation of such employment for any reason, you will not directly or indirectly:

**6.11** (i) Either alone or in association with others, solicit, divert or take away, or attempt to divert or take away, the business or patronage of any of the actual or prospective clients, customers, accounts or business partners of the Company that were contacted, solicited, or served by the Company during your employment with the Company; or

**6.12** (ii) Either alone or in association with others (I) solicit, induce or attempt to induce, any employee or independent contractor of the Company to terminate such individual's employment or other engagement with the Company, or (II) hire or recruit, or attempt to hire or recruit, or engage or attempt to engage as an independent contractor, any person who was employed or otherwise engaged by the Company at any time during the term of your employment with the Company; provided, that this clause (II) shall not apply to the recruitment or hiring or other engagement of any individual whose employment or other engagement with the Company ended at least six months before the recruitment, hiring, or other engagement.

(b) If you violate the provisions of any of the preceding paragraphs of this Section 2, you shall continue to be bound by the restrictions set forth in such paragraph until a period of 12 months has expired without any violation of such provisions. Further, the 12 month post-employment restrictions set forth in this Section 2 shall be extended to two years if you breach a fiduciary duty to the Company or you unlawfully take, physically or electronically, any property belonging to the Company.

10. **Notice of New Business Activities.** You agree that during any period of time when you are subject to restrictions pursuant to Section 1 or Section 2, you will notify any prospective employer or business associate of the terms and existence of this Agreement and your continuing obligations to the Company hereunder. You also agree to provide the Company with other pertinent information concerning such business activity as the Company may reasonably request to determine your continued compliance with your obligations under this Agreement. You hereby authorize the Company to notify others, including customers of the Company and any of your future employers or prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

11. **Miscellaneous.**

(a) **Equitable Remedies.** You acknowledge that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company, and you consider them to be reasonable for such purpose. You agree that any breach or threatened breach of this Agreement is likely to cause the Company substantial and irrevocable damage that is difficult to measure. Therefore, in the event of any such breach or threatened breach, you agree that the Company, in addition to such other remedies that may be available, shall have the right to obtain an injunction from a court restraining such a breach or threatened breach without posting a bond and the right to specific performance of the provisions of this Agreement and you hereby waive the adequacy of a remedy at law as a defense to such relief. Additionally, you acknowledge and agree that, while any non-solicitation obligations you may have are essential to the protection of the Company's legitimate business interests, such interests cannot be adequately protected without the non-competition obligations set forth in Section 1.



(b) Obligations to Third Parties. You represent that, except as you have disclosed in writing to the Company, you are not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of your employment with the Company, to refrain from competing, directly or indirectly, with the business of such previous employer or any other party, or to refrain from soliciting employees, customers or suppliers of such previous employer or other party. You further represent that your performance of all the terms of this Agreement and the performance of your duties as an employee of the Company does not and will not conflict with or breach any agreement with any prior employer or other party (including any nondisclosure or non-competition agreement), and that you will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

(c) Not Employment Contract. You acknowledge that this Agreement does not constitute a contract of employment, does not imply that the Company will continue your employment for any period of time, and does not change the at-will nature of your employment.

(d) Acknowledgments; Waiver. You acknowledge that you have the right to consult with counsel prior to signing this Agreement. You further acknowledge that you were provided this Agreement and given at least ten business days prior to the commencement of your employment to consider whether to enter into this Agreement and that the Agreement is supported by fair and reasonable consideration independent from your employment. You hereby waive any obligation on the part of the Company to provide you with a copy of this agreement on the date of the Company's initial offer of employment to you.

(e) Successors and Assigns. Your obligations under this Agreement are personal and shall not be assigned by you. This Agreement shall, however, be binding upon and inure to the benefit of the Company and its successors and assigns, including any corporation or entity with which or into which the Company may be merged or that may succeed to all or substantially all of its assets or business. You expressly consent to be bound by the provisions of this Agreement for the benefit of any successor or assign of the Company without the necessity that this Agreement be re-signed, in which event "**Company**" shall be interpreted to include any successor or assign of the Company.

(f) Interpretation. If any restriction or definition set forth in Section 1 or Section 2 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of conduct, activities, or geographic area, it shall be interpreted to extend only over the maximum period of time, range of conduct, activities or geographic area as to which it may be enforceable. References to "**including**" or similar forms are to be read as "including, without limitation" or similar forms other than where the meaning would not make sense.

(g) Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(h) Waivers. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(i) Tax Withholding; Section 409A. Any compensatory payments under or referred to in this Agreement will be subject to all required tax and other withholdings. This Agreement is intended to comply with or be exempt from the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (“**Section 409A**”) and the Agreement will, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement will have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A and a termination of employment will mean a “separation from service” as defined in Section 409A. For purposes of this Agreement, each amount to be paid or benefit to be provided as a series of installment payments will be construed as a separate identified payment for purposes of Section 409A. If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your separation from service (as defined in Section 409A) is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A and you are a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit will not be paid before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Section 409A) or (ii) as soon as practicable after the date of your death (as applicable, the “**New Payment Date**”). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date will be paid to you in a lump sum in the first payroll period beginning after such New Payment Date (or, with respect to payment after death, as soon as reasonably practicable and within the time limits permitted by Section 409A), and any remaining payments will be paid on their original schedule. *In any event, the Company makes no representations or warranty and will have no liability to you or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Section 409A but not to satisfy the conditions of that section.*

(j) Governing Law and Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof). Any action, suit, or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court in Suffolk County, Massachusetts (or, if appropriate, a federal court located within Massachusetts), and the Company and you each consent to the jurisdiction of such courts. The Company and you each

hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

(k) Entire Agreement; Amendment. This Agreement supersedes all prior agreements, written or oral, between you and the Company relating to the subject matter of this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by you and the Company. You agree that any change or changes in your duties, authority, title, reporting relationship, territory, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(l) Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS AGREEMENT AND UNDERSTAND AND AGREE TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

EMPLOYEE

Date: August 10, 2022

/s/ Jorge Martell

\_\_\_\_\_  
Name: Jorge Garcia Martell

ONESPAN NORTH AMERICA, INC.

Date: August 8, 2022

By: /s/ Lara Mataac

\_\_\_\_\_  
Name: Lara Mataac

Title: General Counsel

# Executive Employment Agreement

This **EMPLOYMENT AGREEMENT** (this “**Agreement**”) is made effective as of June 13, 2022 (the “**Effective Date**”), by and between OneSpan North America, Inc. (the “**Company**”), and Lara Mataac (“**you**”).

WHEREAS the Company desires to continue to employ you, and you desire to continue to be employed by the Company, as Chief Information Officer, on the terms outlined in this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, the Company and you agree as follows:

## ARTICLE I EMPLOYMENT SERVICES

**1.1 Term of Employment.** The term of your employment under this Agreement shall commence on the Effective Date and continue until the second anniversary of such date (the “**Initial Term**”), which shall automatically renew on the second and each following anniversary of the Effective Date for successive one (1) year terms (each, a “**Successive Term**”) (the Initial Term, together with all Successive Terms, if any, are collectively referred to herein as the “**Employment Period**”), unless either party provides the other party with written notice at least ninety (90) days prior to the expiration of the Initial Term, or any Successive Term, of its or their intent not to renew the Initial Term, or any Successive Term, respectively. The Employment Period may be terminated earlier under the terms of Article III below.

**1.2 Position and Duties.** On the terms and subject to the conditions set forth in this Agreement, commencing on the Effective Date and thereafter during the Employment Period, you shall hold the position of Chief Information Officer or a similar title and shall report to the Chief Executive Officer. You shall perform such duties and responsibilities as are consistent with your position and as may be reasonably assigned to you from time to time. You shall devote your full business time, attention, skill, and energy to the business and affairs of the Company and shall use your reasonable best efforts to perform such responsibilities in a diligent, loyal, and businesslike manner so as to advance the best interests of the Company.

**1.3 Other Activities.** Notwithstanding Section 1.2, you shall be permitted to devote a reasonable amount of time and effort to professional, industry, civic and charitable organizations and managing personal investments but only to the extent that such activities, individually or as a whole, do not materially interfere with the execution of your duties hereunder, or otherwise violate any provision of this Agreement or the Company’s Code of Conduct and Ethics (or similar successor document) as in effect from time to time (the “**Code of Conduct**”). You shall not become involved in the management of any for-profit corporation,

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partnership, or other for-profit entity, including serving on the board of directors (or similar governing body) of any such entity, without the prior consent of the Chief Executive Officer; provided, however, that this restriction shall not apply to any affiliate of the Company. You agree to serve without additional compensation as an officer and director of any of the Company's affiliates if requested by the Company. If you do receive any compensation or other remuneration for such service, the Company may offset it against the amounts due hereunder.

**1.4 Location.** You will perform your services for the Company primarily from your home office, provided that you agree to be reasonably available to travel for business purposes (including to any offices or other premises used by the Company), which may include significant travel, including internationally.

**1.5 Compliance with Policies.** As an employee of the Company, you will be required to comply with all Company written policies and procedures, including the Code of Conduct. Violations of the Company's policies may lead to immediate termination of your employment. Further, the Company's premises, including all workspaces, furniture, documents, and other tangible materials, and all information technology resources of the Company (including computers, data and other electronic files, and all internet and email) are subject to oversight and inspection by the Company at any time. Company employees should have no expectation of privacy with regard to any Company premises, materials, resources, or information.

## ARTICLE II COMPENSATION

**2.1 Base Salary.** The Company shall pay you a base salary at a semi-monthly rate of \$13,750.00 (annualizing to \$330,000) ("**Base Salary**"), payable in accordance with payroll practices in effect for employees of the Company generally. Base Salary shall be subject to review in accordance with the Company's normal practice for executive salary review from time to time in effect, and may be increased, but will not be reduced, without your prior consent except for a reduction that is commensurate with and part of a general salary reduction program applicable to all similar level executives of the Company.

**2.2 Annual Incentive Compensation.** During the Employment Period, you will be eligible to participate in an annual bonus plan or program established from time to time by the Company (the "**Annual Bonus Plan**") in accordance with the terms and conditions thereof and on the same basis as other executives of the Company. Subject to and in accordance with the terms of the Annual Bonus Plan, you shall be eligible for a target bonus equal to 50% of your Base Salary. Your annual target bonus for 2022 will be prorated for the period from and including the Effective Date through December 31, 2022.

**2.3 Long-Term Incentive Compensation.** During the Employment Period, you shall participate in the Company's equity incentive plan (currently the 2019 Omnibus Incentive Plan) and any successor thereto (as applicable, the "**Long-Term Incentive Plan**") in accordance

with the terms and conditions thereof and on the same basis as other senior executives of the Company.

In connection with the commencement of your employment, the Company will award you the following equity grants under the Long-Term Incentive Plan:

- (i) a time-based grant (the “**Time-Based Grant**”) for \$300,000 of the Company’s restricted stock units, which will vest in equal semi-annual installments over three years, provided that you remain employed by the Company.
- (ii) a performance-based grant for \$300,000 of the Company’s restricted stock units (the “**Performance Grant**”), which will be earned based upon the Company’s achievement against 2022 Company metrics established by the Board or a committee of the Board. Any performance-based restricted stock units earned under the Performance Grant will vest on December 31, 2024, provided that you remain employed by the Company.

The terms and conditions of the Time-Based Grant and the Performance Grant (together, the “**Grants**”) shall be governed by the Long-Term Incentive Plan and the applicable award agreements.

**2.4 Employee Benefit Plans.** You will be eligible to participate on substantially the same basis as the Company’s other executive officers in any other employee benefit plans offered by the Company, currently including medical, dental, short-term and long-term disability, life insurance, and 401(k) savings plan (in each case, subject to the eligibility requirements of such plans). The Company reserves the right to modify, suspend or discontinue any and all of its employee benefit plans, practices, policies, and programs at any time without recourse by you, so long as the Company takes such action generally with respect to other similarly situated senior executive officers.

**2.5 Flexible Time-Away Policy.** You will participate in the Company’s FlexTime Policy or such successor or replacement program that the Company adopts.

**2.6 Business Expenses.** The Company will reimburse you for all reasonable and necessary business expenses incurred in the performance of services with the Company, according to Company’s policies and upon your presentation of an itemized written statement and such verification as the Company may require, in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv).

### ARTICLE III TERMINATION OF EMPLOYMENT

**3.1 Payments on Termination.** When your employment ends for any reason, you (or your designated beneficiary, as applicable) will be entitled to receive (in addition to any

compensation and benefits you may receive under Section 3.4): (i) any earned but unpaid Base Salary through your termination date, to be paid in accordance with applicable law, (ii) any incentive compensation payment(s) previously approved by the Company's Board (or a committee of the Board) for the prior calendar year but not yet paid, (iii) unreimbursed business expenses incurred through your termination date in accordance with the Company's policies for which expenses you have provided or do provide appropriate documentation within the time limits of such policies, to be paid in accordance with Section 409A of the Internal Revenue Code of 1986 ("**Section 409A**" of the "**Code**"), and (iv) any amounts or benefits to which you are then entitled under the terms of the benefit plans then sponsored by the Company in accordance with their terms (and not accelerated to the extent acceleration does not satisfy Section 409A). The compensation and other payments described above are the "**Accrued Obligations.**"

**3.2 Cessation of Employment by Resignation without Good Reason or on Death or Disability.** If your employment ends because of your resignation without Good Reason or as a result of your death or Disability (as defined below), you will not receive compensation or benefits beyond the Accrued Obligations.

**3.3 Termination By Company for Cause.** The Company may terminate your employment for Cause (as defined below) by giving written notice to you designating an immediate or future termination date. Such notice shall indicate the specific provisions of this Agreement relied upon as the basis of such termination. In the event of a termination for Cause, the Company shall provide the Accrued Obligations but no other compensation, except as may be provided in its discretion under the applicable Restrictive Covenant Agreement (as defined below).

For purposes of this Agreement, "**Cause**" means:

- (i) You materially breach your obligations under this Agreement, the Code of Conduct or an established policy of the Company
- (ii) You engage in conduct prohibited by law (other than minor violations), commit an act of dishonesty, fraud, or serious or willful misconduct in connection with your job duties, or engage in unethical or immoral conduct that, in the reasonable judgment of the Company, could injure the integrity, character or reputation of Company;
- (iii) You fail or refuse to perform, or habitually neglect, your duties and responsibilities hereunder other than on account of Disability (as defined below), and continue such failure, refusal or neglect after having been given written notice by the Company that specifies what duties you failed to perform and an opportunity to cure of ten days;
- (iv) You use or disclose confidential information or trade secrets other than in the furtherance of the Company's (or its subsidiaries') business interests, or commit another violation of a fiduciary duty to the Company



(including entering into any transaction or contractual relationship causing diversion of business opportunity from the Company (other than with the prior written consent of the Board)), or otherwise breach either of the Restrictive Covenant Agreements; or

(v) You fail to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies your failure to cooperate and an opportunity to cure of five days.

### 3.4 **Termination By Company Without Cause or Termination by You for Good**

**Reason.** The Company may terminate your employment without Cause at any time during the Employment Period by giving written notice to you designating an immediate or future termination date.

You may resign from employment during the Employment Period due to:

- (i) The Company's material breach of this Agreement, provided that a change in reporting relationship is not a material breach;
- (ii) A reduction in your Base Salary below the Base Salary in effect during the immediately preceding year, unless such reduction is commensurate with and part of a general salary reduction program applicable to all senior executives of the Company or agreed to in writing by you;
- (iii) A requirement that you relocate your primary place of work by more than 45 miles (including a requirement that you work primarily at a Company office that is located more than 45 miles from the location of your home office), provided that the travel requirements described in Section 1.4 above will not be treated as a violation of this clause (iii);
- (iv) Any material diminution of your authority, duties or responsibilities (provided that a diminution in connection with a Change in Control (as defined below) that results in your having authority, duties, or responsibilities with respect to the business represented by the Company that are reasonably comparable to those in effect before the Change in Control shall not be treated as Good Reason);

(each of which shall constitute "**Good Reason**" for resignation) and such resignation shall be treated as a termination by you for Good Reason; *provided* that, (a) you have provided written notice describing such Good Reason in reasonable detail to the Company within 90 days of the initial occurrence of such Good Reason, (b) the Company failed to cure such Good Reason within 30 days of receipt of such written notice from you, and (c) your resignation occurs within 60 days following the end of the cure period; *and provided, further*, that in the case of

clauses (ii) and (iv), an act or omission shall not constitute Good Reason if you have incurred a Disability (as defined below).

Your election to not renew the Initial Term or any Successive Terms pursuant to Section 1.1 shall not be a termination for Good Reason and shall not entitle you to Severance Pay. However, the election by the Company to not renew the Initial Term or any Successive Terms pursuant to Section 1.1 shall be deemed to be a termination without Cause effective as of the termination of the Initial Term or Successive Term as applicable and shall entitle you to Severance Pay as hereinafter provided.

In the event of a termination by the Company without Cause or a termination by you for Good Reason, the Company shall provide your Accrued Obligations. In addition, subject to the requirements set forth in Section 3.7, Section 3.8, and Section 3.9, the Company will provide the following compensation and benefits to you (collectively, the “**Severance Pay**”):

- (a) An amount equal to 12 months of your then current Base Salary, less applicable withholdings, payable in equal installments on each regularly scheduled payroll pay date during the 12-month period that begins on the first day immediately after the Release Effective Date (as defined in Section 3.7); and
- (b) Awards, if any, under the Long-Term Incentive Plan shall be paid in accordance with the terms and conditions of the Long-Term Incentive Plan and the applicable awards;
- (c) A prorated portion of your target bonus based on the period during the year in which you were employed, payable in full with the first installment of the salary-based severance; and
- (d) If you elect to continue health care coverage, the Company will pay your monthly COBRA premiums as part of your severance benefits until the earliest of (i) 12 months after your last day of employment with the Company; (ii) the date you become eligible for group health insurance coverage through a new employer; or (iii) the date your COBRA continuation coverage would terminate in accordance with the provisions of COBRA. Thereafter, medical, dental and vision insurance coverage shall be continued only to the extent required by COBRA and only to the extent you timely pay the premium payments yourself. Notwithstanding the foregoing, the Company may end the payment of premiums earlier (but not your eligibility for COBRA) if it reasonably determines that applicable laws or regulations are reasonably likely to cause the payment of these premiums to trigger taxes or penalties on the Company or other participants or, to the extent you would be taxed on more than the amount of the premiums, to you.

**3.5 Disability.** “**Disability**” means your being unable to perform your duties to the Company as provided in this Agreement (Section 1.2) for a period of at least 120 continuous days as a result of a mental or physical condition. The Company may terminate

your employment for Disability during the Employment Period by giving written notice to you designating a termination date that is at least 30 days after the date of the notice of termination if you do not return to work on a substantially full-time basis within 30 days after notice of termination on account of Disability is provided to you. A return to work of less than 30 continuous days on a substantially full-time basis shall not interrupt a continuous period of Disability.

**3.6 Change in Control.** “Change in Control” has the meaning assigned to such term in the Long-Term Incentive Plan as in effect from time to time. Notwithstanding anything in this Agreement to the contrary, a Change in Control will have occurred only if such change in ownership also constitutes a change in control under Section 409A.

If contemporaneous with or within 18 months after a Change in Control that occurred during the Employment Period (a) the Company terminates your employment without Cause or (b) you terminate your employment for Good Reason, then, provided you comply with the requirements set forth in Section 3.7, Section 3.8, and Section 3.9, you will be eligible to receive the benefits set forth in Section 3.4 above, but the installment payment of the salary-based portion of the Severance Pay will be accelerated and paid within 10 days following the Release Effective Date. The treatment of each of the Grants in connection with a Change in Control is set forth in the applicable award agreements.

**3.7 Execution of Separation Agreement.** As a condition to receiving Severance Pay (whether or not accelerated), you must execute and return to the Company, and not revoke any part of, a general release and waiver of claims against the Company and its officers, directors, stockholders, employees and affiliates with respect to your employment, and other customary terms, on a form provided by the Company on or around your date of employment termination (the “**Release**”). You must deliver the executed Release within 60 days following your termination (or such shorter period as the Company specifies in providing the Release (which will be provided not more than 15 days after your termination of Employment)). The Release will become effective on the date the revocation period of the ADEA Release expires without your revoking the ADEA Release (the “**Release Effective Date**”). Payment of the Severance Pay will begin (or be made, as applicable) in the first payroll whose cutoff date follows the Release Effective Date, provided that if the 60<sup>th</sup> day following your termination of employment is in the calendar year subsequent to termination, the payment will not be made earlier than the first business day of such subsequent year unless earlier payment can be made without violation of Section 409A. Any obligation of the Company to provide the Severance Pay shall cease: (i) if you materially breached or breach your contractual obligations to the Company, including those set forth in Article IV or Article V herein, or in the Release or (ii) if, within 90 days after your termination, the Company discovers facts and circumstances that would have justified a termination for Cause during the Employment Period.

**3.8 Timing of Payments; Section 409A.** All payments in a series of payments will be treated for purposes of Section 409A as separate payments. Notwithstanding any other provision of this Agreement, in the event of a payment to be made, or a benefit to be provided, pursuant to this Agreement based upon your “separation from service” (as defined below) for

a reason other than death at a time when you are a Specified Employee (as defined below) and such payment or provision of such benefit is not exempt or otherwise permitted under Section 409A without the imposition of any Section 409A Penalty (as defined below), such payment shall not be made, and such benefit shall not be provided, before the earlier of the date which is the first day of the seventh month after your separation from service or 30 days after your death or such later date as is required to permit the Company to reasonably determine the recipient(s) of the payments, but no longer than is permitted by Section 409A. All payments or benefits delayed pursuant to this Section 3.8 shall be aggregated into one lump sum payment to be made as of the Company's first business day following the first day of the seventh month after your separation from service (or if earlier, as of 30 days after your death or such later date as is described above).

(a) For purposes of this Agreement:

(i) “**Separation from service**” has the meaning provided under Code Section 409A and Treas. Reg. 1.409A-1(h);

(ii) “**Specified Employee**” has the meaning given that term in Code Section 409A and Treas. Reg. 1.409A-1(c)(i) as determined in accordance with the Company's policy for determining Specified Employees; and

(iii) “**Section 409A Penalty**” means any increase in tax or any other penalty pursuant to Section 409A

(b) This Agreement is intended not to result in the imposition of any Section 409A Penalty and shall be administered, interpreted, and construed in a manner consistent with such intent.

(c) You and the Company agree to cooperate to amend this Agreement from time to time as appropriate to avoid the imposition of any Section 409A Penalty.

(d) In no event shall the Company be required to provide a tax gross-up payment to you with respect to any Section 409A Penalty.

(e) Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to be exempt from or, in the alternative, comply with Section 409A and the interpretive guidance in effect thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. The Agreement shall be construed and interpreted in accordance with such intent.

**3.9 Excess Parachute Payments; No Excise Tax Gross-Up.** Notwithstanding any provision of this Agreement to the contrary, if it is determined by the Company's independent auditors or its counsel that any amount or benefit to be paid or provided under this Agreement or otherwise, whether or not in connection with a Change in Control, would be an “Excess Parachute Payment” within the meaning of Code Section 280G but for the

application of this sentence, then the payments and benefits to be paid or provided under this Agreement or otherwise will be reduced to the minimum extent necessary (but in no event to less than zero under this Agreement) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; *provided, however*, that the foregoing reduction will be made only if and to the extent that such reduction would result in an increase in the aggregate payment and benefits to be provided, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Code Section 4999, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income and employment taxes).

The fact that your right to payments or benefits may be reduced by reason of the limitations contained in this Section 3.9 will not of itself limit or otherwise affect any other rights of yours other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 3.9, the Company will effect such reduction by first reducing the lump sum cash payment related to Base Salary (a “**Reduction**”). In the event that, after such Reduction any payment or benefit intended to be provided under this Agreement or otherwise is still required to be reduced pursuant to this Section 3.9, the Company will effect such reduction by reducing other consideration due to you.

**3.10 Removal from any Boards and Positions.** If your employment ends for any reason under this Agreement, you agree that you are automatically resigning from (i) if a member, the board of directors of any subsidiary or affiliate of the Company or any other board to which you have been appointed or nominated by or on behalf of the Company, (ii) any position with the Company or any subsidiary of the Company, including as an officer of the Company or any of its subsidiaries, and (iii) any fiduciary positions with respect to the Company’s benefit plans.

#### ARTICLE IV RESTRICTIVE COVENANTS

**4.1 Restrictive Covenants.** You will be required to execute an Invention and Non-Disclosure Agreement and a Non-Competition and Non-Solicitation Agreement in the forms attached as Exhibit A and Exhibit B, as a condition of your continued employment (together, the “**Restrictive Covenant Agreements**”).

#### ARTICLE V POST-TERMINATION OBLIGATIONS

**5.1 Return of Company Materials.** No later than three business days following the cessation of your employment for any reason, you shall return to the Company all manuals, policies, building keys and passes, parking passes, credit cards, telephone lists or directories, equipment and other assets, and any other property owned by, provided by, prepared on behalf of the Company or purchased with the Company’s funds in your possession or control, including any containing or summarizing Company confidential information. You

agree that you will return such property without making or keeping any copies of such property. You further agree that, if you discover after such date any other confidential and proprietary information or property owned by, prepared for, purchased by or provided to you by the Companies, you will immediately return such material to the Company. You will leave intact with, or deliver intact to, the Company all electronic Company documents and internal and external websites including those that you developed or helped to develop during your employment, and destroy or delete any copies of all electronic files or hard copies relating to Company that were in your possession or control, including any that were located on any of your personal computers, cell phones, tablets, or external or cloud storage.

**5.2 Executive Assistance.** During your employment with the Company and for a period of two years after the termination of such employment, you shall, upon reasonable notice, furnish the Company with such information as may be in your possession or control, and cooperate with the Company in any reasonable manner that the Company may request, including conferring with the Company with regard to any litigation, claim, or other dispute in which the Company is or may become a party. Your obligation to cooperate shall be reasonably limited so as not to unreasonably interfere with your other business or personal obligations. The Company shall reimburse you for all reasonable out-of-pocket expenses incurred by you in fulfilling your obligations under this Section 5.2. The Company will make any such reimbursement within 30 days of the date you provide the Company with documentary evidence of such expense consistent with the policies of the Company. The Company will also pay you a reasonable fee per hour for your assistance during the year commencing on the first anniversary of the termination of your employment with the Company. Notwithstanding anything to the contrary, any such reimbursement shall be administered so as to comply with Treasury Regulation Section 1.409A-3(i)(1)(iv).

## ARTICLE VI MISCELLANEOUS

**6.1 Notices.** Any notices, consents or other communications required or permitted to be sent or given hereunder shall be in writing and shall be deemed properly served if (a) delivered personally, in which case the date of such notice shall be the date of delivery; (b) delivered prepaid to a nationally recognized overnight courier service, in which case the date of delivery shall be the next business day; or (c) sent by electronic transmission (with a copy sent by first-class mail), in which case the date of delivery shall be the next business day. If not personally delivered, notice shall be sent using the addresses set forth below:

If to you, to the last address on file in the records of the Company.

If to the Company:

OneSpan  
121 West Wacker Drive  
20th Floor

or such other address as may hereafter be specified by notice given by either party to the other party. You shall promptly notify the Company of any change in your address set forth on the signature page.

**6.2 Withholding**. The Company may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state or local law, as well as any other amounts due and owing to the Company from you.

**6.3 Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; *provided* that you may not assign any of their rights or obligations under this Agreement without the Company's prior written consent.

**6.4 Nonalienation of Benefits**. Benefits payable under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, prior to actually being received by you, and any such attempt to dispose of any right to benefits payable hereunder shall be void.

**6.5 Amendment; Waiver**. No failure or delay by the Company or you in enforcing or exercising any right or remedy hereunder will operate as a waiver thereof. No modification, amendment or waiver of this Agreement or consent to any departure by you from any of the terms or conditions thereof, will be effective unless in writing and signed by the Company. Any such waiver or consent will be effective only in the specific instance and for the purpose for which given.

**6.6 Severability; Survivability**. If any term or provision of this Agreement shall be held to be invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby and shall be enforced to the fullest extent permitted under law. Your obligations in Articles IV and V shall survive and continue in full force notwithstanding the termination of this Agreement or your employment for any reason.

**6.7 Execution in Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement and may be executed by electronic signature.

**6.8 Governing Law and Dispute Resolution**. This Agreement shall in all respects be subject to, governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without reference to the principles of conflicts of laws thereof. Except as noted below, all disputes arising with respect to your employment relationship, this Agreement, and/or the equity referenced in this letter agreement, including whether the dispute is arbitrable, shall be resolved exclusively through final and binding

arbitration in Boston, Massachusetts in accordance with the Employment Rules of the American Arbitration Association then in effect (the “**Employment Rules**”) and the Federal Arbitration Act, 9 U.S.C. §1 et seq. Neither party will invoke arbitration until after it has given the other party written notice of the dispute and a ten-day period to resolve the dispute. The parties will in good faith attempt to settle any disputes through direct or attorney-led negotiations before participating in an arbitration hearing. Arbitration under this section will require a neutral arbitrator, will permit appropriate and adequate discovery, and will permit the parties to the arbitration to seek relief that would otherwise be available if the matter were brought in an appropriate court with civil jurisdiction over the parties. The Company will pay the entire amount of the arbitration filing fees and related expenses (less any amounts that may be charged to you under the then applicable version of the Employment Rules), including the arbitrator’s fees and costs (but excluding, for the avoidance of doubt, your attorneys’ fees and related costs), for any dispute described in this section, provided that you acknowledge that some or all of the arbitration and arbitrator fees and expenses may be reallocated and charged to you by the arbitrator if a claim or counterclaim was filed by you for purposes of harassment or is patently frivolous (or as otherwise permitted under the Employment Rules). For the avoidance of doubt, this arbitration provision does not apply to any disputes arising under or relating to the Restrictive Covenant Agreements, which shall instead be brought in court and in accordance with the terms thereof.

**6.9 Construction.** The language used in this Agreement will be deemed to be the language chosen by you and the Company to express their mutual intent, and no rule of strict construction will be applied against you or the Company. The heading in this Agreement is for convenience of reference only and will not limit or otherwise affect the meaning of the provision. References to “including” or similar forms are to be read as “including, without limitation” or similar forms other than where the meaning would not make sense.

**6.10 Entire Agreement; Amendments.** This Agreement contains the entire understanding of the parties hereto with regard to the subject matter contained herein, and supersedes all prior agreements, understandings or letters of intent (including without limitation the offer letter dated June 13, 2022 between you and the Company) with regard to the subject matter contained herein between the parties hereto. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by each of the parties hereto.

*[Signature Page to Lara Mataac Employment Agreement]*



**IN WITNESS WHEREOF**, each of the parties hereto has duly executed this Employment

Agreement.

OneSpan North America Inc.

/s/ Lara Mataac

Signature

/s/ Tom Aurelio

Tom Aurelio  
Chief People Officer

August 19, 2022

August 19, 2022

**INVENTION AND NON-DISCLOSURE AGREEMENT**

This Invention and Non-Disclosure Agreement (this “**Agreement**”) is made by and between OneSpan North America, Inc. (hereinafter referred to as the “**Company**”), and Lara Mataac (“**you**”).

In consideration of your employment or continued employment by the Company, the Company and you agree as follows:

1. Condition of Employment.

You acknowledge that your employment and/or the continuance of that employment with the Company is contingent upon your agreement to sign and adhere to the provisions of this Agreement. You further acknowledge that the nature of the Company’s business is such that protection of its proprietary and confidential information is critical to the survival and success of the Company’s business.

2. Proprietary and Confidential Information.

(a) You agree that all information and know-how, whether or not in writing, of a private, secret or confidential nature concerning the Company’s business or financial affairs (collectively, “**Proprietary Information**”) is and shall be the exclusive property of the Company. By way of illustration, but not limitation, Proprietary Information may include discoveries, ideas, inventions, products, product improvements, product enhancements, processes, methods, techniques, negotiation strategies and positions, projects, developments, plans (including business and marketing plans), research data, financial data (including sales costs, profits, pricing methods), personnel data obtained pursuant to your duties and responsibilities, computer programs (including software used pursuant to a license agreement), customer, prospect and supplier lists, and contacts at or knowledge of customers or prospective customers of the Company. Except as otherwise permitted by Section 5 below, you will not disclose any Proprietary Information to any person or entity other than employees of the Company or use the same for any purposes (other than in the performance of your duties as an employee of the Company) without written approval by an officer of the Company, either during or after your employment with the Company, unless and until such Proprietary Information has become public knowledge without your fault; provided that this prohibition does not prevent your use of your general knowledge, education, training and/or experience or generally known or used by persons with the general knowledge, education, training or experience comparable to yours. While employed by the Company, you will use your best efforts to prevent unauthorized publication or disclosure of any of the Company’s Proprietary Information. References to the “**Company**” in this Agreement include the subsidiaries of, parent of, and companies related to OneSpan North America, Inc.

(b) You agree that all files, documents, letters, memoranda, reports, records, data, sketches, drawings, models, laboratory notebooks, program listings, computer equipment

or devices, computer programs or other written, photographic, or other tangible or intangible material containing Proprietary Information, whether created by you or others, that come into your custody or possession, shall be and are the exclusive property of the Company to be used by you only in the performance of your duties for the Company and shall not be copied or removed from the Company's premises except in the pursuit of the business of the Company. All such materials or copies thereof and all tangible property of the Company in your custody or possession shall be delivered to the Company, upon the earlier of (i) a request by the Company or (ii) termination of your employment for any reason, provided that electronic materials on personal devices that are merely copies of originals maintained on the Company's servers or in other Company records may be permanently deleted rather than returned. After such delivery and/or deletion, you shall not retain any such materials or copies thereof or any such tangible property.

(c) You agree that your obligation not to disclose or to use information and materials of the types set forth in Sections 2(a) and 2(b) above, and your obligation to return materials and tangible property, set forth in Section 2(b) above, also extends to such types of information, materials and tangible property of customers of the Company or suppliers to the Company or other third parties who may have disclosed or entrusted the same to the Company or to you in the course of the Company's business.

### 3. Developments.

(a) You have attached hereto, as Exhibit A, a list describing all discoveries, ideas, inventions, improvements, enhancements, processes, methods, techniques, developments, software, and works of authorship, whether patentable or not, which you created, made, conceived or reduced to practice prior to your employment by the Company and that you own, and that are not assigned to the Company hereunder (collectively, "**Prior Developments**"); or, if no such list is attached, you represent that there are no Prior Developments. You agree not to incorporate any Prior Developments into any Company product, material, process or service without prior written consent of an officer of the Company. If you do incorporate or have incorporated any Prior Development into any Company product, material, process or service, you hereby grant to the Company a non-exclusive, worldwide, perpetual, transferable, irrevocable, royalty-free, fully-paid right and license to make, have made, use, offer for sale, sell, import, reproduce, modify, prepare derivative works, display, perform, transmit, distribute and otherwise exploit such Prior Development and to practice any method related thereto.

(b) You will make full and prompt disclosure to the Company of all discoveries, ideas, inventions, improvements, enhancements, processes, methods, techniques, developments, software, and works of authorship, whether patentable or not, that are created, made, conceived or reduced to practice by you or under your direction or jointly with others during your employment by the Company, whether or not during normal working hours or on the premises of the Company (all of which are collectively referred to in this Agreement as "**Developments**"). You acknowledge that each original work of authorship that you make (solely or jointly with others) within the scope of and during the period of your employment

with the Company and that is protectable by copyright is a “work made for hire,” as that term is defined in the United States Copyright Act. You agree to assign and do hereby assign to the Company (or any person or entity designated by the Company) all your rights, titles and interests in and to all Developments (other than Prior Developments listed on Exhibit A, if any) and all related patents, patent applications, copyrights and copyright applications. However, this Section 3(b) shall not apply to Developments that: (a) by law you cannot be required to so assign; and/or (b) do not relate to the business or research and development conducted or planned to be conducted by the Company at the time such Development is created, made, conceived or reduced to practice and that you made and conceived not during normal working hours, not on the Company’s premises and not using the Company’s tools, devices, equipment or Proprietary Information. You understand that, to the extent this Agreement shall be construed in accordance with the laws of any state that precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 3(b) shall be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. You also hereby waive all claims to moral rights in any Developments.

(c) You agree to cooperate with the Company, both during and after your employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and foreign countries) relating to Developments. You shall sign all papers, including copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, that the Company may deem necessary or desirable to protect its rights and interests in any Development. You further agree that if the Company is unable, after reasonable effort, to secure your signature on any such papers, after prior written notice has been sent to you at the address on the Company’s personnel records, any executive officer of the Company shall be entitled to execute any such papers as your agent and attorney-in-fact, and you hereby irrevocably designate and appoint each executive officer of the Company as your agent and attorney-in-fact to execute any such papers on your behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Development, under the conditions described in this sentence.

4. Obligations to Third Parties.

You represent that, except as you have disclosed in writing to the Company on Exhibit A attached hereto, you are not bound by the terms of any agreement with any other party (aside from standard employee non-disclosure agreements with previous employers) to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of your employment with the Company, to refrain from competing, directly or indirectly, with the business of any previous employer or any other party or to refrain from soliciting employees, customers or suppliers of such previous employer or other party. You further represent that your performance of all the terms of this Agreement and the performance of your duties as an employee of the Company do not and will not conflict with or breach any agreement with any prior employer or other party (including any nondisclosure or non-competition agreement), and that you will not disclose to the Company or induce the

Company to use any confidential or proprietary information or material belonging to any previous employer or others.

5. Scope of Disclosure Restrictions.

Nothing in this Agreement prohibits you from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies, filing a complaint with government agencies, or participating in government agency investigations or proceedings. You are not required to notify the Company of any such communications; provided, however, that nothing herein authorizes the disclosure of information you obtained through a communication that was subject to the attorney-client privilege. Further, notwithstanding your confidentiality and nondisclosure obligations, you are hereby advised as follows pursuant to the Defend Trade Secrets Act: “An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.”

6. United States Government Obligations.

You acknowledge that the Company from time to time may have agreements with other persons or with the United States Government, or agencies thereof, which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. You agree to be bound by all such obligations and restrictions which are made known to you and to discharge the obligations of the Company under such agreements.

7. Miscellaneous.

(a) Equitable Remedies. You acknowledge that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company, and you consider them to be reasonable for such purpose. You agree that any breach or threatened breach of this Agreement is likely to cause the Company substantial and irrevocable damage that is difficult to measure. Therefore, in the event of any such breach or threatened breach, you agree that the Company, in addition to such other remedies that may be available, shall have the right to obtain an injunction from a court restraining such a breach or threatened breach without posting a bond and the right to specific performance of the provisions of this Agreement and you hereby waive the adequacy of a remedy at law as a defense to such relief.

(b) Disclosure of this Agreement. You hereby authorize the Company to notify others, including customers of the Company and any of your future employers or

prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

(c) Not Employment Contract. You acknowledge that this Agreement does not constitute a contract of employment, does not imply that the Company will continue your employment for any period of time and does not change the at-will nature of your employment.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business, provided, however, that your obligations are personal and shall not be assigned by you. You expressly consent to be bound by the provisions of this Agreement for the benefit of the Company or any subsidiary or affiliate thereof to whose employ you may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

(e) Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(f) Waivers. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof). Any action, suit, or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Massachusetts (or, if appropriate, a federal court located within the Commonwealth of Massachusetts), and the Company and you each consent to the jurisdiction of such a court.

(h) Entire Agreement; Amendment. This Agreement supersedes all prior agreements, written or oral, between you and the Company relating to the subject matter of this Agreement (including without limitation your employee confidential information and invention agreement with the Company dated on or about May 15, 2022). This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by you and the Company. You agree that any change or changes in your duties, authority, title, reporting relationship, territory, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(i) Interpretation. References to "including" or similar forms are to be read as "including, without limitation" or similar forms other than where the meaning would not make sense.

(j) Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

[Remainder of Page Intentionally Left Blank]

YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS AGREEMENT AND UNDERSTAND AND AGREE TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

ONESPAN NORTH AMERICA, INC.

Date: August 19, 2022

By: /s/ Tom Aurelio  
Chief People Officer

LARA MATAAC

Date: August 19, 2022

/s/ Lara Mataac



# NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Non-Competition and Non-Solicitation Agreement (the “*Agreement*”) is made by and between OneSpan North America, Inc, a Delaware corporation (hereinafter referred to collectively with its parent and subsidiaries as the “*Company*”), and the undersigned employee (“*you*”).

For good consideration, including your employment by the Company and, with respect to the non-competition restrictions, the additional consideration set forth in Section 1(d), the Company and you agree as follows:

1. Non-Competition.

(a) During the Restricted Period (as defined below), you will not, in the Applicable Territory (as defined below), directly or indirectly, whether as an owner, partner, officer, director, employee, consultant, investor, lender or otherwise engage or assist others in engaging in any business or enterprise that is competitive with the Company’s business (consisting, as of the date of this Agreement, of the digital agreements and security solutions business and other businesses as described in the Company’s most recently filed reports with the United States Securities and Exchange Commission), including any business or enterprise that researches, develops, manufactures, markets, licenses, sells or provides any product or service that competes with any product or service researched, developed, manufactured, marketed, licensed, sold or provided, or planned to be researched, developed, manufactured, marketed, licensed, sold or provided by the Company (a “*Competitive Company*”), if you would be performing job duties or services for the Competitive Company that are of a similar type that you performed for the Company at any time during the last two years of your employment. Notwithstanding the foregoing, you may be the passive holder of less than 2% of the outstanding stock of a publicly-held company. As a senior executive for the Company, you acknowledge and agree that, in the performance of your duties for the Company (including, assisting the Company with its overall business strategy), you are or will be involved in all aspects of the Company’s business and operations. Accordingly, you acknowledge and agree that undertaking any leadership role in a Competitive Company would constitute performing job duties or services of a similar type that you performed for the Company and its affiliates.

(b) Certain Definitions. Solely for purposes of this Section 1:

i. the “*Restricted Period*” shall include the duration of your employment with the Company and the 12-month period thereafter; provided, however, that the Restricted Period shall automatically be extended to two years following the cessation of your employment if you breach a fiduciary duty to the Company or you unlawfully take, physically or electronically, any property belonging to the Company. Notwithstanding the foregoing, the Restricted Period shall end immediately upon your last day of employment with the Company if: (x) the Company terminates your employment other than for Cause (as defined below); or (y) the Company notifies you in writing that it is waiving the post-employment restrictions set forth in this Section 1 (such notice to be provided no later than your last day of employment or by the seventh business day following your notice of resignation, if later).

ii. **“Applicable Territory”** shall mean the geographic areas in which you provided services or had a material presence or influence at any time during your last two years of employment. As a senior leader for the Company, you acknowledge that your duties and responsibilities require you to have a material presence and/or influence anywhere that the Company does business.

iii. **“Cause”** shall mean any of (a) your conviction of, or plea of guilty or nolo contendere to, any crime involving dishonesty or moral turpitude, or any felony; or (b) a good faith finding by the Company in its sole discretion that you have (i) engaged in dishonesty, misconduct or gross negligence; (ii) committed an act that injures or would reasonably be expected to injure the reputation, business or business relationships of the Company; (iii) breached the terms of this Agreement or any other restrictive covenant or confidentiality agreement with or policy of the Company; (iv) failed or refused to comply with any of the Company’s policies or procedures and such failure or refusal continues after you have received written notice by the Company that specifies such failure or refusal and a period of 10 days in which to cure such failure or refusal (but only to the extent such failure or refusal is capable of being cured); or (v) failed to perform your duties and/or responsibilities to the Company’s satisfaction.

(c) **Rules of Professional Conduct.** Nothing in this Agreement shall be deemed to limit or waive your professional duties and responsibilities under the Massachusetts Rules of Professional Conduct for Lawyers, including those arising from your service as a lawyer for the Company, its subsidiaries and affiliates and including duties and responsibilities relating to maintaining client confidences, limitations on the use of client information, and prohibitions on conflicts of interest. Nothing in this Agreement is intended to be or shall serve as a restriction in violation of such Rules of Professional Conduct relating to your right to practice.

(d) **Additional Consideration for Non-Competition Restrictions.** In exchange for your compliance with the restrictions set forth in this Section 1, the Company will award you the Time-Based Grant (as defined in the Employment Agreement between you and the Company dated on or about the date hereof). You understand and agree that the foregoing consideration has been mutually agreed upon by the Company and you, is fair and reasonable, and is sufficient consideration in exchange for the restrictions set forth in this Section 1.

## 2. Non-Solicitation.

(a) While you are employed by the Company and for a period of 12 months after the termination or cessation of such employment for any reason, you will not directly or indirectly:

(i) Either alone or in association with others, solicit, divert or take away, or attempt to divert or take away, the business or patronage of any of the actual or prospective clients, customers, accounts or business

partners of the Company that were contacted, solicited, or served by the Company during your employment with the Company; or

(ii) Either alone or in association with others (I) solicit, induce or attempt to induce, any employee or independent contractor of the Company to terminate such individual's employment or other engagement with the Company, or (II) hire or recruit, or attempt to hire or recruit, or engage or attempt to engage as an independent contractor, any person who was employed or otherwise engaged by the Company at any time during the term of your employment with the Company; provided, that this clause (II) shall not apply to the recruitment or hiring or other engagement of any individual whose employment or other engagement with the Company ended at least six months before the recruitment, hiring, or other engagement.

(b) If you violate the provisions of any of the preceding paragraphs of this Section 2, you shall continue to be bound by the restrictions set forth in such paragraph until a period of 12 months has expired without any violation of such provisions. Further, the 12 month post-employment restrictions set forth in this Section 2 shall be extended to two years if you breach a fiduciary duty to the Company or you unlawfully take, physically or electronically, any property belonging to the Company.

3. Notice of New Business Activities. You agree that during any period of time when you are subject to restrictions pursuant to Section 1 or Section 2, you will notify any prospective employer or business associate of the terms and existence of this Agreement and your continuing obligations to the Company hereunder. You also agree to provide the Company with other pertinent information concerning such business activity as the Company may reasonably request to determine your continued compliance with your obligations under this Agreement. You hereby authorize the Company to notify others, including customers of the Company and any of your future employers or prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

4. Miscellaneous.

(a) Equitable Remedies. You acknowledge that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company, and you consider them to be reasonable for such purpose. You agree that any breach or threatened breach of this Agreement is likely to cause the Company substantial and irrevocable damage that is difficult to measure. Therefore, in the event of any such breach or threatened breach, you agree that the Company, in addition to such other remedies that may be available, shall have the right to obtain an injunction from a court restraining such a breach or threatened breach without posting a bond and the right to specific performance of the provisions of this Agreement and you hereby waive the adequacy of a remedy at law as a defense to such relief. Additionally, you acknowledge and agree that, while any non-solicitation obligations you may have are essential to the protection of the Company's legitimate business interests, such

interests cannot be adequately protected without the non-competition obligations set forth in Section 1.

(b) Obligations to Third Parties. You represent that, except as you have disclosed in writing to the Company, you are not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of your employment with the Company, to refrain from competing, directly or indirectly, with the business of such previous employer or any other party, or to refrain from soliciting employees, customers or suppliers of such previous employer or other party. You further represent that your performance of all the terms of this Agreement and the performance of your duties as an employee of the Company does not and will not conflict with or breach any agreement with any prior employer or other party (including any nondisclosure or non-competition agreement), and that you will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

(c) Not Employment Contract. You acknowledge that this Agreement does not constitute a contract of employment, does not imply that the Company will continue your employment for any period of time, and does not change the at-will nature of your employment.

(d) Acknowledgments; Waiver. You acknowledge that you have the right to consult with counsel prior to signing this Agreement. You further acknowledge that you were provided this Agreement and given at least ten business days prior to the commencement of your employment to consider whether to enter into this Agreement and that the Agreement is supported by fair and reasonable consideration independent from your employment. You hereby waive any obligation on the part of the Company to provide you with a copy of this agreement on the date of the Company's initial offer of employment to you.

(e) Successors and Assigns. Your obligations under this Agreement are personal and shall not be assigned by you. This Agreement shall, however, be binding upon and inure to the benefit of the Company and its successors and assigns, including any corporation or entity with which or into which the Company may be merged or that may succeed to all or substantially all of its assets or business. You expressly consent to be bound by the provisions of this Agreement for the benefit of any successor or assign of the Company without the necessity that this Agreement be re-signed, in which event "**Company**" shall be interpreted to include any successor or assign of the Company.

(f) Interpretation. If any restriction or definition set forth in Section 1 or Section 2 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of conduct, activities, or geographic area, it shall be interpreted to extend only over the maximum period of time, range of conduct, activities or geographic area as to which it may be enforceable. References to "**including**" or similar forms are to be read as "including, without limitation" or similar forms other than where the meaning would not make sense.

(g) Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

(h) Waivers. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(i) Tax Withholding; Section 409A. Any compensatory payments under or referred to in this Agreement will be subject to all required tax and other withholdings. This Agreement is intended to comply with or be exempt from the provisions of Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**") and the Agreement will, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement will have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A and a termination of employment will mean a "separation from service" as defined in Section 409A. For purposes of this Agreement, each amount to be paid or benefit to be provided as a series of installment payments will be construed as a separate identified payment for purposes of Section 409A. If and to the extent any portion of any payment, compensation or other benefit provided to you in connection with your separation from service (as defined in Section 409A) is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and you are a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination you hereby agree that you are bound, such portion of the payment, compensation or other benefit will not be paid before the earlier of (i) the day that is six months plus one day after the date of separation from service (as determined under Section 409A) or (ii) as soon as practicable after the date of your death (as applicable, the "**New Payment Date**"). The aggregate of any payments that otherwise would have been paid to you during the period between the date of separation from service and the New Payment Date will be paid to you in a lump sum in the first payroll period beginning after such New Payment Date (or, with respect to payment after death, as soon as reasonably practicable and within the time limits permitted by Section 409A), and any remaining payments will be paid on their original schedule. *In any event, the Company makes no representations or warranty and will have no liability to you or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Section 409A but not to satisfy the conditions of that section.*

(j) Governing Law and Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof). Any action, suit, or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court in Suffolk County, Massachusetts (or, if appropriate, a federal court located within Massachusetts), and the Company and you each consent to the jurisdiction of such courts. The Company and you each

hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

(k) Entire Agreement; Amendment. This Agreement supersedes all prior agreements, written or oral, between you and the Company relating to the subject matter of this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by you and the Company. You agree that any change or changes in your duties, authority, title, reporting relationship, territory, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(l) Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS AGREEMENT AND UNDERSTAND AND AGREE TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

Date: August 19, 2022

EMPLOYEE  
/s/ Lara Mataac

Name: Lara Mataac

ONESPAN NORTH AMERICA, INC.

Date: August 19, 2022

By: /s/ Tom Aurelio

Name: Tom Aurelio

Title: Chief People Officer

**AWARD AGREEMENT FOR PERFORMANCE-BASED RESTRICTED STOCK  
UNITS UNDER THE  
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

**THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS** (this “**Agreement**”) is made as of June 23, 2022 (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

**WHEREAS**, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

**WHEREAS**, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

**NOW, THEREFORE**, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

**1. Grant of Restricted Stock Units.** Pursuant to Article IV of the Plan, the Company hereby grants to the Grantee an award of performance-based restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

**2. Vesting of Restricted Stock Units.** The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Performance Period. The number of Restricted Stock Units that are earned (the “**Earned RSUs**”) shall be determined by the Compensation Committee of the Company’s Board of Directors (the “**Committee**”) based upon the Company’s achievement relative to Performance Targets established by the Committee during three annual performance periods (each, a “**Performance Period**”), with one-third of the target Restricted Stock Units (set forth on Exhibit A) allocated to each Performance Period and the first Performance Period commencing on **January 1, 2022** and ending on **December 31, 2022** (the “**First Performance Period**”), the second Performance Period commencing on **January 1, 2023** and ending on **December 31, 2023** (the “**Second Performance**

**Period**”) and the third Performance Period commencing on **January 1, 2024** and ending on **December 31, 2024** (the “**Third Performance Period**”). The Grantee shall vest in the Earned PSUs with respect to each Performance Period subject to the Grantee’s continued service to the Company through the last day of the applicable Performance Period (the “**Vesting Date**”). The Performance Targets for the First Performance Period are set forth on Exhibit A attached hereto and the Performance Targets for the Second Performance Period and the Third Performance Period shall be determined by the Committee within a reasonable amount of time after the commencement of such Performance Periods. Upon the determination that some number of the RSUs are Earned RSUs and the Participant’s continued service to the Company through the applicable Vesting Date, all of the Earned RSUs shall become vested. For the avoidance of doubt, the RSUs shall be automatically forfeited in their entirety if the Performance Target is not achieved at least at the minimum threshold level or if the Grantee does not remain in the service of the Company through the applicable Vesting Date, except as otherwise provided for herein.

(b) In the event of the occurrence of a Change in Control that is a Company Transaction prior to the expiration of the Performance Periods and there is a termination of employment as described in Section 2(c) below, any remaining Restricted Stock Units outstanding as of the date of the Change in Control shall be prorated (based on the ratio of (x) the number of days that have elapsed in the Performance Periods to (y) the total number of days in the Performance Periods) at the target (100%) payout level up to and including the date of such Change in Control reduced by the target number of Restricted Stock Units for Performance Periods that concluded prior to the Change in Control (the “**Prorated RSUs**”) and the Grantee shall be vested in the Prorated RSUs; provided, however, that if the Company Transaction is a sale of assets or otherwise does not result in direct receipt of consideration by the holders of Common Stock, the Grantee shall receive, in exchange for and in lieu of shares of Common Stock in respect of the Prorated RSUs, a cash payment equal to the product of (1) the value of the deemed per share consideration received by the Company in the Company Transaction, in each case as determined by the Committee, multiplied by (2) the number of shares of Common Stock that would have otherwise been delivered in respect of the Prorated RSUs. For the avoidance of doubt, if the Change in Control occurs following the conclusion of the Performance Periods, then the number of Earned RSUs under this Agreement shall be determined based on actual performance through the date of such Change in Control and shall not be reduced on a prorated basis.

(c) If, on or within 18 months following a Change in Control and prior to the Vesting Date, either (x) the Grantee’s employment is terminated by the Company other than for Cause or (y) the Grantee resigns from employment with the Company for Good Reason, and subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the number of RSUs determined in accordance with Section 2(b) shall become vested immediately prior to (and contingent upon) such termination of employment.

(d) If the Grantee’s service with the Company ceases by reason of the Grantee’s death or termination by the Company due to Disability prior to the expiration of the Performance Period, 100% of the Restricted Stock Units based upon the target (100%) payout level shall



become vested immediately prior to (and contingent on) the occurrence of such death or termination by the Company due to Disability, reduced by the target number of Restricted Stock Units for Performance Periods that concluded prior to the Grantee's death or termination by the Company due to Disability.

Notwithstanding the foregoing, a Disability shall not qualify if it is the result of (A) a willfully self-inflicted injury or willfully self-induced sickness; or (B) an injury or disease contracted, suffered, or incurred while participating in a criminal offense. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(e) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(f) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(g) For purposes of this Agreement, "**Good Reason**" has the meaning given to it in the employment agreement in effect as of the Effective Date between the Grantee and Company, including, for avoidance of doubt, the written notice, cure period, and resignation timing requirements applicable to a termination due to Good Reason under the employment agreement; provided, however, in the event the Grantee is not subject to an employment agreement as of the Effective Date or if an employment agreement in effect as of the Effective Date does not define "Good Reason" or a similar term, then "**Good Reason**" means, without the Grantee's consent:

- (i) The Company materially breaches the Company's obligations under any employment, consulting, or other agreement between the Grantee and the Company (each, a "**Company Agreement**"), provided that a change in reporting relationship shall not be deemed a material breach;
- (ii) A reduction in Grantee's base salary below the base salary in effect during the immediately preceding year, unless such reduction is commensurate with and part of a general salary reduction program applicable to all senior executives of the Company;
- (iii) A requirement that Grantee relocate Grantee's primary place of work by more than 45 miles (including a requirement that Grantee work primarily at a Company office that is located more than 45 miles from the location of Grantee's home office), provided that travel required in connection with the Grantee's performance of Grantee's duties will not be treated as a violation of this clause (iii); and

- (iv) Any material diminution of Grantee's authority, duties or responsibilities (provided that a diminution that results in Grantee having authority, duties, or responsibilities with respect to the business represented by the Company that are reasonably comparable to those in effect before the Change in Control shall not be treated as Good Reason);

provided, however, that, (a) Grantee has provided written notice describing such Good Reason in reasonable detail to the Company within 90 days of the initial occurrence of such Good Reason event, (b) the Company failed to cure such Good Reason within 30 days of receipt of such written notice from Grantee, and (c) Grantee's resignation occurs within 60 days following the end of the cure period; provided, further, that in the case of clauses (ii) and (iv), an act or omission shall not constitute Good Reason if Grantee has incurred a Disability.

(h) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" mean:

- (i) Grantee materially breaches Grantee's obligations under any Company Agreement;
- (ii) Grantee materially breaches Grantee's obligations under the Company's Code of Ethics and Conduct (or any successor thereto) or an established policy of the Company;
- (iii) Grantee engages in conduct prohibited by law (other than minor violations), commits an act of dishonesty, fraud, or serious or willful misconduct in connection with Grantee's job duties, or engages in unethical or immoral conduct that, in the reasonable judgment of the Committee, could injure the integrity, character or reputation of Company;
- (iv) Grantee fails or refuses to perform, or habitually neglects, Grantee's duties and responsibilities under any Company Agreement (other than on account of Disability), and continues such failure, refusal or neglect after having been given written notice by the Company that specifies what duties Grantee failed to perform and an opportunity to cure of 30 days;
- (v) Subject to Section 10, use or disclosure by Grantee of confidential information or trade secrets other than in the furtherance of the Company's (or its Subsidiaries') business interests, or other violation of a fiduciary duty to the Company (including, without limitation, entering into any transaction or contractual relationship causing diversion of business opportunity from the Company or any of its Subsidiaries (other than with the prior written consent of the Board));
- (vi) Grantee fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies Grantee's failure to cooperate and an opportunity to cure of ten days; or

(vii) Any other act or omission on the part of the Grantee that would constitute just cause for termination under applicable law.

(i) For purposes of this Agreement, “**Disability**” means a mental or physical impairment of Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Committee, whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

**3. Delivery of Common Stock Underlying Restricted Stock Units.** Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”)), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of the Earned RSUs to Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to Grantee of the shares of Common Stock subject to the Restricted Stock Units, Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

**4. Adjustments.** In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation— Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

**5. Rights as a Stockholder.** The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock becomes vested pursuant to Section 2 and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive dividend equivalents related to the Restricted Stock Units equal in amount to the dividends declared on the underlying shares of Common Stock that become vested pursuant to this Agreement. Dividend equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to Grantee in

accordance with Section 3.

**6. Tax Consequences.**

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee's income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to the Grantee.

(c) The obligation to advance the Required Tax Payments by the Grantee shall by default take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

**7. Nontransferability of Award.** The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 2; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. Grantee's "family group" means Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of Grantee and/or Grantee's spouse and/or descendants during Grantee's lifetime.

**8. Securities Laws.** The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended, and otherwise complies with applicable rules and laws.

**9. Recoupment of Award.** Notwithstanding anything in this Agreement to the contrary, if the Company determines that the Grantee's Wrongful Act was a significant contributing factor to the Company or a Subsidiary having to restate all or a portion of its financial statements, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the period beginning on the date the financial statements requiring restatement were originally released to the public or submitted to the Securities and Exchange Commission (whichever is earlier) and ending on the date the restated financial statements are filed with the Securities and Exchange Commission.

**10. Protected Rights.** Grantee understands that nothing contained in this Agreement limits Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). Grantee further understands that this Agreement does not limit Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**11. Compliance with Section 409A.** The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if Grantee is a specified employee (within the meaning of Section 409A) as of the date of Grantee's separation from service, each such payment that is payable upon Grantee's separation from service and would have been paid prior to the six-month anniversary of Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's

separation from service or (ii) the date of Grantee's death.

**12. General Provisions**

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.

(b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to Grantee under this Agreement will be made to Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or such other address or person as the Company may hereafter specify in writing.

(c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

(d) The Grantee has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan.

(e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.

(f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's

right to assert all other legal remedies available to it under the circumstances.

(g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.

(h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

*[Signature Page Follows]*

*[SIGNATURE PAGE TO AWARD AGREEMENT FOR PERFORMANCE-BASED RESTRICTED STOCK UNITS]*

**IN WITNESS WHEREOF**, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

**ONESPAN INC.**

By: /s/ Tom Aurelio  
8/19/2022

Name: Tom Aurelio

Its: Chief People Officer

**GRANTEE**

Name: Matthew Moynahan

Signature: /s/ Matthew Moynahan  
8/19/2022



**Exhibit A**

## GRANTEE SPECIFIC INFORMATION:

Grantee	Target \$ USD	Grant Date	Grant Date Price	Target # of Restricted Stock Units
Matthew Moynahan	\$ 1,250,012.12	June 23, 2022	\$ 12.46	100,322 <sup>1</sup>

**First Performance Period Performance Targets**

The number of Earned RSUs for the First Performance Period, if any, will be dependent on the Company's achievement of the Performance Targets as defined below:

The "Performance Target" for the RSUs is comprised of the following metrics and weightings:

<i>Metric</i>	<i>Weighting</i>	<i>Awarded RSUs (First Performance Period)</i>
2022 Average of Subscription plus Term License Revenue	75%	25,081
2022 Adjusted EBITDA	25%	8,360
<b>Total</b>	100%	33,441

Metrics follow the Company's published financial statements and earnings disclosures. Inclusion of revenue from acquisitions shall be determined by the Company in accordance with U.S. Generally Accepted Accounting Principles and approved by the Committee.

The Performance Target metrics shall be subject to a minimum threshold, a maximum achievement and linear interpolation between various performance levels as follows:

2022 Subscription plus Term License Revenue	Earned RSUs as a percentage of Awarded RSUs	2022 Target	Earned RSUs
Threshold	50%		12,541
Target	100%		25,081
Maximum	200%		50,162

<sup>1</sup> 100,322 Target RSUs will be allocated as follows: 33,441 to First Performance Period, 33,441 to Second Performance Period, and 33,440 to Third Performance Period.

<b>2022 ADJUSTED EBITDA</b>	<b>Earned RSUs as a percentage of Awarded RSUs</b>	<b>2022 Target</b>	<b>Earned RSUs</b>
Target (Floor)	100%		8,360
Maximum	150%		12,540

**Second and Third Performance Period Performance Targets**

The number of Earned RSUs for the Second Performance Period and Third Performance Period, if any, will be dependent on the Company's achievement of the Performance Targets established by the Committee for each of the Second Performance Period and Third Performance Period.

**AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS  
UNDER THE  
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

**THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS** (this “**Agreement**”) is made as of February 17, 2022 (the **Effective Date**), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

**WHEREAS**, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

**WHEREAS**, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

**NOW, THEREFORE**, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

**1. Grant of Restricted Stock Units.** Pursuant to Article III of the Plan, the Company hereby grants to the Grantee an award of restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of

\$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

**2. Vesting of Restricted Stock Units.** The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Restricted Stock Units will become vested in accordance with the following schedule, provided that on each vesting date, the Grantee has, from the date hereof, continuously provided services to the Company:

(i) 16.67% of the Restricted Stock Units will vest on the six month anniversary date of the Effective Date;

(ii) An additional 16.67% of the Restricted Stock Units will vest on the first annual anniversary date of the Effective Date;

(iii) An additional 16.67% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Effective Date;

(iv) An additional 16.67% of the Restricted Stock Units will vest on the second annual anniversary date of the Effective Date;

(v) An additional 16.67% of the Restricted Stock Units will vest on the thirty month anniversary date of the Effective Date; and

- (vi) The final 16.67% of the Awarded Shares will vest on the third annual anniversary date of the Effective Date.
- (b) If Grantee's employment with the Company terminates as a result of death or by the Company due to Disability, the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested.
- (c) If Grantee's employment with the Company terminates on or within one year following a Change in Control for reasons other than (i) resignation without Good Reason or (ii) by the Company for Cause, then the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested.
- (d) Except as provided in this Agreement, by the Company's Compensation Committee (the "**Committee**") or in any other agreement between the Grantee and the Company or any of its Subsidiaries, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).
- (e) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.
- (f) For purposes of this Agreement, "**Disability**" means a mental or physical impairment of Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Committee, whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.
- (g) For purposes of this Agreement, "**Good Reason**" means:
- (i) The assignment to Grantee of any duties inconsistent in any respect with Grantee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities or any other action by the Company or its affiliates that results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith;
- (ii) Any failure by the Company or its affiliates to comply with any provision of any employment agreement entered into between Grantee and the Company

or an affiliate other than an isolated, insubstantial and inadvertent failure not occurring in bad faith;

(iii) The Company or any of its affiliates requiring Grantee to be based at any office or location other than the office occupied by Grantee as of the date of this Agreement or a reasonably comparable office located within a 40-mile radius of such current office; or

(iv) A material adverse change in Grantee's base salary.

provided, however, that a Good Reason termination will have occurred only if (1) Grantee terminates his or her employment during the one year following the initial existence of a Good Reason event; (b) Grantee provided notice to Company within 90 days of the initial existence of a Good Reason condition; and (c) the Company failed to cure the Good Reason event within 30 days of such notice from Grantee; provided that these notice and cure periods may extend the termination date beyond one year if the Grantee provides notice within one year following the initial existence of a Good Reason event. Further, the amount, time and form of payment must be substantially identical to the amount, time and form of payments made due to an involuntary termination.

(h) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" mean:

(i) Grantee materially breaches Grantee's obligations under any employment, consulting, or other agreement between the Grantee and the Company (each, a "**Company Agreement**");

(ii) Grantee materially breaches Grantee's obligations under the Company's Code of Ethics and Conduct (or any successor thereto) or an established policy of the Company;

(iii) Grantee engages in conduct prohibited by law (other than minor violations), commits an act of dishonesty, fraud, or serious or willful misconduct in connection with Grantee's job duties, or engages in unethical or immoral conduct that, in the reasonable judgment of the Committee, could injure the integrity, character or reputation of Company;

(iv) Grantee fails or refuses to perform, or habitually neglects, Grantee's duties and responsibilities under any Company Agreement (other than on account of Disability), and continues such failure, refusal or neglect after having been given written notice by the Company that specifies what duties Grantee failed to perform and an opportunity to cure of 30 days;

(v) Subject to Section 10, use or disclosure by Grantee of confidential information or trade secrets other than in the furtherance of the Company's (or its Subsidiaries') business interests, or other violation of a fiduciary duty to the Company (including, without limitation, entering into any transaction or contractual relationship causing diversion of business opportunity from the Company (other than with the prior written consent of the Board)); or

(vi) Grantee fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies Grantee's failure to cooperate and an opportunity to cure of ten days.

(vii) Any other act or omission on the part of the Grantee that would constitute just cause for termination under applicable law.

**3. Delivery of Common Stock Underlying Restricted Stock Units.** Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**")), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of such vested Restricted Stock Units to Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to Grantee of the shares of Common Stock subject to the Restricted Stock Units, Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

**4. Adjustments.** In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

**5. Rights as a Stockholder.** The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock becomes vested pursuant to Section 2 and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive dividend equivalents related to the Restricted Stock Units equal in amount to the dividends declared on the underlying shares of Common Stock. Dividend equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to Grantee in accordance with Section 3.

**6. Tax Consequences.**

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee's income tax liability in connection with the grant or vesting of the

Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the

**Required Tax Payments**) with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to the Grantee.

(c) The obligation to advance the Required Tax Payments by the Grantee shall by default take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

7. **Nontransferability of Award**. The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested in accordance with Section 2; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. Grantee's "family group" means Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of Grantee and/or Grantee's spouse and/or descendants during Grantee's lifetime.

8. **Securities Laws**. The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934 and otherwise complies with applicable rules and laws.

9. **Recoupment of Award**. Notwithstanding anything in this Agreement to the contrary, if the Company determines that the Grantee's Wrongful Act was a significant contributing

factor to the Company or a Subsidiary having to restate all or a portion of its financial statements, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the period beginning on the date the financial statements requiring restatement were originally released to the public or submitted to the Securities and Exchange Commission (whichever is earlier) and ending on the date the restated financial statements are filed with the Securities and Exchange Commission.

**10. Protected Rights.** Grantee understands that nothing contained in this Agreement limits Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). Grantee further understands that this Agreement does not limit Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**11. Compliance with Section 409A.** The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's separation from service, within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if Grantee is a specified employee (within the meaning of Section 409A) as of the date of Grantee's separation from service, each such payment that is payable upon Grantee's separation from service and would have been paid prior to the six-month anniversary of Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of Grantee's death.

**12. General Provisions.**

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a writing signed by both parties.



- (b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to Grantee under this Agreement will be made to Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or to such other address or person as the Company may hereafter specify in writing.
- (c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.
- (d) The Grantee has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan.
- (e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.
- (f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.
- (g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.
- (h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

*[Signature Page Follows]*

*[SIGNATURE PAGE TO AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS]*

**IN WITNESS WHEREOF**, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

**ONESPAN INC.**

By: /s/ Tom Aurelio  
8/19/2022

Name: Tom Aurelio

Its: Chief People Officer

**GRANTEE**

Name: Matthew Moynahan

Signature: /s/ Matthew Moynahan  
8/19/2022

**Exhibit A**

GRANTEE SPECIFIC INFORMATION:

<b>Grantee</b>	<b>Target \$</b>	<b>Share Price</b>	<b># of RSUs</b>
Matthew Moynahan	1,250,000 USD	\$16.28	76,782

**AWARD AGREEMENT FOR PERFORMANCE-BASED RESTRICTED STOCK  
UNITS UNDER THE  
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

**THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS** (this “**Agreement**”) is made as of \_\_\_\_\_ (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

**WHEREAS**, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

**WHEREAS**, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

**NOW, THEREFORE**, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

**1. Grant of Restricted Stock Units**. Pursuant to Article IV of the Plan, the Company hereby grants to the Grantee an award of performance-based restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

**2. Vesting of Restricted Stock Units**. The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Performance Period. The number of Restricted Stock Units that are earned (the “**Earned RSUs**”) shall be determined by the Compensation Committee of the Company’s Board of Directors (the “**Committee**”), in its sole and absolute discretion, in accordance with Exhibit A, based upon the Company’s achievement relative to the applicable Performance Targets (as described on Exhibit A) for the Restricted Stock Units during the period commencing on \_\_\_\_\_<sup>1</sup> and ending on \_\_\_\_\_<sup>2</sup> (the “**Performance Period**”) and the Grantee shall vest in the Earned PSUs subject to the Grantee’s continued service to the Company through \_\_\_\_\_<sup>3</sup> (the “**Vesting**”).

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<sup>1</sup> Beginning of year 1.

<sup>2</sup> End of year 1.

<sup>3</sup> End of year 3.

**Date**”). Upon the determination that some number of the RSUs are Earned RSUs and the Participant’s continued service to the Company through the Vesting Date, all of the Earned RSUs shall become vested. For the avoidance of doubt, the RSUs shall be automatically forfeited in their entirety if the Performance Target is not achieved at least at the minimum threshold level or if the Grantee does not remain in the service of the Company through the Vesting Date, except as otherwise provided for herein.

(b) In the event of the occurrence of a Change in Control that is a Company Transaction prior to the expiration of the Performance Period and there is a termination of employment as described in Section 2(c) below, any remaining Restricted Stock Units outstanding as of the date of the Change in Control shall be prorated (based on the ratio of (x) the number of days that have elapsed in the Performance Period to (y) the total number of days in the Performance Period) at the target (100%) payout level up to and including the date of such Change in Control (the “**Prorated RSUs**”) and the Grantee shall be vested in the Prorated RSUs; provided, however, that if the Company Transaction is a sale of assets or otherwise does not result in direct receipt of consideration by the holders of Common Stock, the Grantee shall receive, in exchange for and in lieu of shares of Common Stock in respect of the Prorated RSUs, a cash payment equal to the product of (1) the value of the deemed per share consideration received by the Company in the Company Transaction, in each case as determined by the Committee, multiplied by (2) the number of shares of Common Stock that would have otherwise been delivered in respect of the Prorated RSUs. For the avoidance of doubt, if the Change in Control occurs following the conclusion of the Performance Period, then the number of Earned RSUs under this Agreement shall be determined based on actual performance through the date of such Change in Control and shall not be reduced on a prorated basis.

(c) If, on or within 18 months following a Change in Control and prior to the Vesting Date, either (x) the Grantee’s employment is terminated by the Company other than for Cause or (y) the Grantee resigns from employment with the Company for Good Reason, and subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the number of RSUs determined in accordance with Section 2(b) shall become vested immediately prior to (and contingent upon) such termination of employment.

(d) If (x) the Grantee’s service with the Company ceases by reason of the Grantee’s death or termination by the Company due to Disability prior to the expiration of the Performance Period, 100% of the Restricted Stock Units based upon the target (100%) payout level shall become vested immediately prior to (and contingent on) the occurrence of such death or termination by the Company due to Disability or (y) the Grantee’s service with the Company ceases by reason of the Grantee’s death or termination by the Company due to Disability following the conclusion of the Performance Period and prior to the Vesting Date, the Earned RSUs shall become vested immediately prior to (and contingent on) the occurrence of such death or termination by the Company due to Disability. Notwithstanding the foregoing, a Disability shall not qualify if it is the result of (A) a willfully self-inflicted injury or willfully self-induced sickness; or (B) an injury or disease contracted, suffered, or incurred while participating in a criminal offense. The determination of Disability for purposes of this Agreement shall not be construed to be

an admission of disability for any other purpose.

(e) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(f) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(g) For purposes of this Agreement, "**Good Reason**" has the meaning given to it in the employment agreement in effect as of the Effective Date between the Grantee and Company, including, for avoidance of doubt, the written notice, cure period, and resignation timing requirements applicable to a termination due to Good Reason under the employment agreement; provided, however, in the event the Grantee is not subject to an employment agreement as of the Effective Date or if an employment agreement in effect as of the Effective Date does not define "Good Reason" or a similar term, then "**Good Reason**" means, without the Grantee's consent:

- (i) The Company materially breaches the Company's obligations under any employment, consulting, or other agreement between the Grantee and the Company (each, a "**Company Agreement**"), provided that a change in reporting relationship shall not be deemed a material breach;
- (ii) A reduction in Grantee's base salary below the base salary in effect during the immediately preceding year, unless such reduction is commensurate with and part of a general salary reduction program applicable to all senior executives of the Company;
- (iii) A requirement that Grantee relocate Grantee's primary place of work by more than 45 miles (including a requirement that Grantee work primarily at a Company office that is located more than 45 miles from the location of Grantee's home office), provided that travel required in connection with the Grantee's performance of Grantee's duties will not be treated as a violation of this clause (iii); and
- (iv) Any material diminution of Grantee's authority, duties or responsibilities (provided that a diminution that results in Grantee having authority, duties, or responsibilities with respect to the business represented by the Company that are reasonably comparable to those in effect before the Change in Control shall not be treated as Good Reason);

provided, however, that, (a) Grantee has provided written notice describing such Good Reason in reasonable detail to the Company within 90 days of the initial occurrence of such

Good Reason event, (b) the Company failed to cure such Good Reason within 30 days of receipt of such written notice from Grantee, and (c) Grantee's resignation occurs within 60 days following the end of the cure period; provided, further, that in the case of clauses (ii) and (iv), an act or omission shall not constitute Good Reason if Grantee has incurred a Disability.

- (h) For purposes of this Agreement, “**Cause**” and “**Wrongful Act**” mean:
- (i) Grantee materially breaches Grantee's obligations under any Company Agreement;
  - (ii) Grantee materially breaches Grantee's obligations under the Company's Code of Ethics and Conduct (or any successor thereto) or an established policy of the Company;
  - (iii) Grantee engages in conduct prohibited by law (other than minor violations), commits an act of dishonesty, fraud, or serious or willful misconduct in connection with Grantee's job duties, or engages in unethical or immoral conduct that, in the reasonable judgment of the Committee, could injure the integrity, character or reputation of Company;
  - (iv) Grantee fails or refuses to perform, or habitually neglects, Grantee's duties and responsibilities under any Company Agreement (other than on account of Disability), and continues such failure, refusal or neglect after having been given written notice by the Company that specifies what duties Grantee failed to perform and an opportunity to cure of 30 days;
  - (v) Subject to Section 10, use or disclosure by Grantee of confidential information or trade secrets other than in the furtherance of the Company's (or its Subsidiaries') business interests, or other violation of a fiduciary duty to the Company (including, without limitation, entering into any transaction or contractual relationship causing diversion of business opportunity from the Company or any of its Subsidiaries (other than with the prior written consent of the Board));
  - (vi) Grantee fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies Grantee's failure to cooperate and an opportunity to cure of ten days; or
  - (vii) Any other act or omission on the part of the Grantee that would constitute just cause for termination under applicable law.
- (i) For purposes of this Agreement, “**Disability**” means a mental or physical impairment of Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human



resources officer or other person performing that function or, in the case of directors and executive officers, the Committee, whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

**3. Delivery of Common Stock Underlying Restricted Stock Units.** Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”)), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of the Earned RSUs to Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to Grantee of the shares of Common Stock subject to the Restricted Stock Units, Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

**4. Adjustments.** In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation— Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

**5. Rights as a Stockholder.** The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock becomes vested pursuant to Section 2 and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive dividend equivalents related to the Restricted Stock Units equal in amount to the dividends declared on the underlying shares of Common Stock that become vested pursuant to this Agreement. Dividend equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to Grantee in accordance with Section 3.

**6. Tax Consequences.**

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee’s income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee’s own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the

Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to the Grantee.

(c) The obligation to advance the Required Tax Payments by the Grantee shall by default take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

7. **Nontransferability of Award.** The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 2; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. Grantee's "family group" means Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of Grantee and/or Grantee's spouse and/or descendants during Grantee's lifetime.

8. **Securities Laws.** The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended, and otherwise complies with applicable rules and laws.

9. **Recoupment of Award.** Notwithstanding anything in this Agreement to the contrary, if the Company determines that the Grantee's Wrongful Act was a significant contributing factor to the Company or a Subsidiary having to restate all or a portion of its financial statements, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the period beginning on the date

the financial statements requiring restatement were originally released to the public or submitted to the Securities and Exchange Commission (whichever is earlier) and ending on the date the restated financial statements are filed with the Securities and Exchange Commission.

**10. Protected Rights.** Grantee understands that nothing contained in this Agreement limits Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). Grantee further understands that this Agreement does not limit Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**11. Compliance with Section 409A.** The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if Grantee is a specified employee (within the meaning of Section 409A) as of the date of Grantee's separation from service, each such payment that is payable upon Grantee's separation from service and would have been paid prior to the six-month anniversary of Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of Grantee's death.

**12. General Provisions**

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.

(b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the

time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to Grantee under this Agreement will be made to Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or such other address or person as the Company may hereafter specify in writing.

(c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

(d) The Grantee has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan.

(e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.

(f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

(g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.

(h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file or picture format data file,

such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

*[SIGNATURE PAGE TO AWARD AGREEMENT FOR PERFORMANCE-BASED RESTRICTED STOCK UNITS]*

**IN WITNESS WHEREOF**, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

**ONESPAN INC.**

By: \_\_\_\_\_

Name:

Its:

**GRANTEE**

Name:

Signature:

**Exhibit A**

## GRANTEE SPECIFIC INFORMATION:

<b>Grantee</b>	<b>Target \$ USD</b>	<b>Grant Date</b>	<b>Grant Date Price</b>	<b>Target # of Restricted Stock Units</b>

**Performance Targets**

The number of Earned RSUs, if any, will be dependent on the Company's achievement of the Performance Targets as defined below:

The "**Performance Target**" for the RSUs is comprised of the following metrics and weightings:

<i><b>Metric</b></i>	<i><b>Weighting</b></i>	<i><b>Awarded RSUs</b></i>
Average of Subscription plus Term License Revenue	75%	
Adjusted EBITDA	25%	

Metrics follow the Company's published financial statements and earnings disclosures. Inclusion of revenue from acquisitions shall be determined by the Company in accordance with U.S. Generally Accepted Accounting Principles and approved by the Committee.

The Performance Target metrics shall be subject to a minimum threshold, a maximum achievement and linear interpolation between various performance levels as follows:

<b>Subscription plus Term License Revenue</b>	<b>Earned RSUs as a percentage of Awarded RSUs</b>	<b>Target</b>	<b>Earned RSUs</b>
Threshold	50%		
Target	100%		
Maximum	200%		

<b>ADJUSTED EBITDA</b>	<b>Earned RSUs as a percentage of Awarded RSUs</b>	<b>Target</b>	<b>Earned RSUs</b>
Target (Floor)	100%		
Maximum	150%		



**AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS  
UNDER THE  
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

**THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS** (this “**Agreement**”) is made as of \_\_\_\_\_, 2022 (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

**WHEREAS**, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

**WHEREAS**, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

**NOW, THEREFORE**, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

**1. Grant of Restricted Stock Units.** Pursuant to Article III of the Plan, the Company hereby grants to the Grantee an award of restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

**2. Vesting of Restricted Stock Units.** The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Restricted Stock Units will become vested in accordance with the vesting schedule set forth on Exhibit A hereto, provided that on each vesting date, the Grantee has, from the date hereof or as otherwise provided for herein, continuously provided services to the Company.

(b) If the Grantee’s employment with the Company terminates as a result of death or by the Company due to Disability and, in the case of termination due to Disability, subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, the Restricted Stock Units that are unvested as of such termination of

employment shall become immediately vested.

(c) If, on or within 18 months following a Change in Control, either (x) the Grantee's employment is terminated by the Company other than for Cause or (y) the Grantee resigns from employment with the Company for Good Reason, and subject to the Grantee executing the Company's standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested.

(d) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(e) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(f) For purposes of this Agreement, "**Disability**" means a mental or physical impairment of the Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Compensation Committee of the Company's Board of Directors (the "**Committee**"), whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(g) For purposes of this Agreement, "**Good Reason**" has the meaning given to it in the employment agreement in effect as of the Effective Date between the Grantee and Company, including, for avoidance of doubt, the written notice, cure period, and resignation timing requirements applicable to a termination due to Good Reason under the employment agreement; provided, however, in the event the Grantee is not subject to an employment agreement as of the Effective Date or if an employment agreement in effect as of the Effective Date does not define "Good Reason" or a similar term, then "**Good Reason**" means, without the Grantee's consent:

- (i) The Company materially breaches the Company's obligations under any employment, consulting, or other agreement between the Grantee and the Company (each, a "**Company Agreement**"), provided that a change in reporting relationship shall not be deemed a material breach;

- (ii) A reduction in Grantee's base salary below the base salary in effect during the immediately preceding year, unless such reduction is commensurate with and part of a general salary reduction program applicable to all senior executives of the Company;
- (iii) A requirement that Grantee relocate Grantee's primary place of work by more than 45 miles (including a requirement that Grantee work primarily at a Company office that is located more than 45 miles from the location of Grantee's home office), provided that travel required in connection with the Grantee's performance of Grantee's duties will not be treated as a violation of this clause (iii); and
- (iv) Any material diminution of Grantee's authority, duties or responsibilities (provided that a diminution that results in Grantee having authority, duties, or responsibilities with respect to the business represented by the Company that are reasonably comparable to those in effect before the Change in Control shall not be treated as Good Reason);

provided, however, that, (a) Grantee has provided written notice describing such Good Reason in reasonable detail to the Company within 90 days of the initial occurrence of such Good Reason event, (b) the Company failed to cure such Good Reason within 30 days of receipt of such written notice from Grantee, and (c) Grantee's resignation occurs within 60 days following the end of the cure period; provided, further, that in the case of clauses (ii) and (iv), an act or omission shall not constitute Good Reason if Grantee has incurred a Disability.

- (h) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" mean:
  - (i) The Grantee materially breaches the Grantee's obligations under any Company Agreement;
  - (ii) The Grantee materially breaches the Grantee's obligations under the Company's Code of Ethics and Conduct (or any successor thereto) or an established policy of the Company;
  - (iii) The Grantee engages in conduct prohibited by law (other than minor violations), commits an act of dishonesty, fraud, or serious or willful misconduct in connection with the Grantee's job duties, or engages in unethical or immoral conduct that, in the reasonable judgment of the Committee, could injure the integrity, character or reputation of Company;
  - (iv) The Grantee fails or refuses to perform, or habitually neglects, the Grantee's duties and responsibilities under any Company Agreement (other than on account of Disability), and continues such failure, refusal or neglect after having been given written notice by the Company that specifies what duties the Grantee failed to perform and an opportunity to cure of 30 days;
  - (v) Subject to Section 10, use or disclosure by the Grantee of confidential

information or trade secrets other than in the furtherance of the Company's (or its Subsidiaries') business interests, or other violation of a fiduciary duty to the Company (including, without limitation, entering into any transaction or contractual relationship causing diversion of business opportunity from the Company or any of its Subsidiaries (other than with the prior written consent of the Board));

(vi) The Grantee fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies the Grantee's failure to cooperate and an opportunity to cure of ten days; or

(vii) Any other act or omission on the part of the Grantee that would constitute just cause for termination under applicable law.

**3. Delivery of Common Stock Underlying Restricted Stock Units.** Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of such vested Restricted Stock Units to the Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to the Grantee of the shares of Common Stock subject to the Restricted Stock Units, the Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

**4. Adjustments.** In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

**5. Rights as a Stockholder.** The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock becomes vested pursuant to Section 2 and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive dividend equivalents related to the Restricted Stock Units equal in amount to the dividends declared on the underlying shares of Common Stock. Dividend equivalent amounts shall accrue and be paid or distributed in cash at the same

time the underlying shares of Common Stock are distributed to the Grantee in accordance with Section 3.

**6. Tax Consequences.**

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee's income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the obligation to advance the Required Tax Payments by the Grantee shall take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

**7. Nontransferability of Award.** The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 3; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among the Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. The Grantee's "family group" means the Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of the Grantee and/or the Grantee's spouse and/or descendants during the Grantee's lifetime.

**8. Securities Laws.** The Company may from time to time impose any conditions on the

Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended, and otherwise complies with applicable rules and laws.

**9. Recoupment of Award.** Notwithstanding anything in this Agreement to the contrary, if the Company determines that the Grantee's Wrongful Act was a significant contributing factor to the Company or a Subsidiary having to restate all or a portion of its financial statements, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the period beginning on the date the financial statements requiring restatement were originally released to the public or submitted to the Securities and Exchange Commission (whichever is earlier) and ending on the date the restated financial statements are filed with the Securities and Exchange Commission.

**10. Protected Rights.** The Grantee understands that nothing contained in this Agreement limits the Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). The Grantee further understands that this Agreement does not limit the Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit the Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**11. Compliance with Section 409A.** The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon the Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if the Grantee is a specified employee (within the meaning of Section 409A) as of the date of the Grantee's separation from service, each such payment that is payable upon the Grantee's separation from service and would have been paid prior to the six-month anniversary of the Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of the Grantee's death.

**12. General Provisions.**

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.

(b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to the Grantee under this Agreement will be made to the Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or to such other address or person as the Company may hereafter specify in writing.

(c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from the Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

(d) The Grantee has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan.

(e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.

(f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of

either party's right to assert all other legal remedies available to it under the circumstances.

(g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.

(h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

*[Signature Page Follows]*



**IN WITNESS WHEREOF**, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

**ONESPAN INC.**

By: \_\_\_\_\_

Name:

Its:

**GRANTEE**

Name: [First, Last Name]

Signature: \_\_\_\_\_

**Exhibit A**

GRANTEE SPECIFIC INFORMATION:

[For 3-year semiannual vesting]

<b>Grantee</b>	<b># of RSUs</b>	<b>Vesting Start Date</b>	<b>Vesting Schedule</b>
			<ul style="list-style-type: none"><li>• 16.67% of the Restricted Stock Units will vest on the six month anniversary date of the Vesting Start Date;</li></ul>
			<ul style="list-style-type: none"><li>• An additional 16.67% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;</li></ul>
			<ul style="list-style-type: none"><li>• An additional 16.67% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Vesting Start Date;</li></ul>
[First and Last Name]	[#,###]	[M/D/YY]	<ul style="list-style-type: none"><li>• An additional 16.67% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;</li></ul>
			<ul style="list-style-type: none"><li>• An additional 16.67% of the Restricted Stock Units will vest on the thirty month anniversary date of the Vesting Start Date; and</li></ul>
			<ul style="list-style-type: none"><li>• The final 16.67% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date.</li></ul>

[For 4-year semiannual vesting]

<b>Grantee</b>	<b># of RSUs</b>	<b>Vesting Start Date</b>	<b>Vesting Schedule</b>
			<ul style="list-style-type: none"><li>• 12.5% of the Restricted Stock Units will vest on the six month anniversary date of the Vesting Start Date;</li></ul>
			<ul style="list-style-type: none"><li>• An additional 12.5% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;</li></ul>
			<ul style="list-style-type: none"><li>• An additional 12.5% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Vesting Start Date;</li></ul>

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			<ul style="list-style-type: none"> <li>An additional 12.5% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;</li> </ul>
[First and Last Name]	[#,###]	[M/D/YY]	<ul style="list-style-type: none"> <li>An additional 12.5% of the Restricted Stock Units will vest on the thirty month anniversary date of the Vesting Start Date;</li> </ul>
			<ul style="list-style-type: none"> <li>An additional 12.5% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date;</li> </ul>
			<ul style="list-style-type: none"> <li>An additional 12.5% of the Restricted Stock Units will vest on the forty-two month anniversary date of the Vesting Start Date; and</li> </ul>
			<ul style="list-style-type: none"> <li>The final 12.5% of the Restricted Stock Units will vest on the fourth annual anniversary date of the Vesting Start Date.</li> </ul>

[For 4-year annual vesting]

<b>Grantee</b>	<b># of RSUs</b>	<b>Vesting Start Date</b>	<b>Vesting Schedule</b>
			<ul style="list-style-type: none"> <li>25% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;</li> </ul>
			<ul style="list-style-type: none"> <li>An additional 25% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;</li> </ul>
[First and Last Name]	[#,###]	[M/D/YY]	<ul style="list-style-type: none"> <li>An additional 25% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date; and</li> </ul>
			<ul style="list-style-type: none"> <li>The final 25% of the Restricted Stock Units will vest on the fourth annual anniversary date of the Vesting Start Date.</li> </ul>

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**AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS  
UNDER THE  
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

**THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS** (this “**Agreement**”) is made as of \_\_\_\_\_, 2022 (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

**WHEREAS**, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

**WHEREAS**, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

**NOW, THEREFORE**, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

**1. Grant of Restricted Stock Units.** Pursuant to Article III of the Plan, the Company hereby grants to the Grantee an award of restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

**2. Vesting of Restricted Stock Units.** The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Restricted Stock Units will become vested in accordance with the vesting schedule set forth on Exhibit A hereto, provided that on each vesting date, the Grantee has, from the date hereof or as otherwise provided for herein, continuously provided services to the Company.

(b) If the Grantee’s employment with the Company terminates as a result of death or by the Company due to Disability and, in the case of termination due to Disability, subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, the Restricted Stock Units that are unvested as of such termination of

employment shall become immediately vested.

(c) If, on or within one year following a Change in Control, the Grantee's employment is terminated by the Company other than for Cause and subject to the Grantee executing the Company's standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested.

(d) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(e) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(f) For purposes of this Agreement, "**Disability**" means a mental or physical impairment of the Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Compensation Committee of the Company's Board of Directors (the "**Committee**"), whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(g) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" mean:

(i) The Grantee materially breaches the Grantee's obligations under any employment, consulting, or other agreement between the Grantee and the Company (each, a "**Company Agreement**");

(ii) The Grantee materially breaches the Grantee's obligations under the Company's Code of Ethics and Conduct (or any successor thereto) or an established policy of the Company;

(iii) The Grantee engages in conduct prohibited by law (other than minor violations), commits an act of dishonesty, fraud, or serious or willful misconduct in connection with the Grantee's job duties, or engages in unethical or immoral conduct that, in the reasonable judgment of the Committee, could injure the integrity, character or reputation of Company;

(iv) The Grantee fails or refuses to perform, or habitually neglects, the Grantee's duties and responsibilities under any Company Agreement (other than on account of Disability), and continues such failure, refusal or neglect after having been given written notice by the Company that specifies what duties the Grantee failed to perform and an opportunity to cure of 30 days;

(v) Subject to Section 10, use or disclosure by the Grantee of confidential information or trade secrets other than in the furtherance of the Company's (or its Subsidiaries') business interests, or other violation of a fiduciary duty to the Company (including, without limitation, entering into any transaction or contractual relationship causing diversion of business opportunity from the Company or any of its Subsidiaries (other than with the prior written consent of the Board));

(vi) The Grantee fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies the Grantee's failure to cooperate and an opportunity to cure of ten days; or

(vii) Any other act or omission on the part of the Grantee that would constitute just cause for termination under applicable law.

**3. Delivery of Common Stock Underlying Restricted Stock Units.** Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of such vested Restricted Stock Units to the Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to the Grantee of the shares of Common Stock subject to the Restricted Stock Units, the Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

**4. Adjustments.** In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5. **Rights as a Stockholder.** The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock becomes vested pursuant to Section 2 and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive dividend equivalents related to the Restricted Stock Units equal in amount to the dividends declared on the underlying shares of Common Stock. Dividend equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to the Grantee in accordance with Section 3.

6. **Tax Consequences.**

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee's income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the obligation to advance the Required Tax Payments by the Grantee shall take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

7. **Nontransferability of Award.** The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 3; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among the

Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. The Grantee's "family group" means the Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of the Grantee and/or the Grantee's spouse and/or descendants during the Grantee's lifetime.

**8. Securities Laws.** The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended, and otherwise complies with applicable rules and laws.

**9. Recoupment of Award.** Notwithstanding anything in this Agreement to the contrary, if the Company determines that the Grantee's Wrongful Act was a significant contributing factor to the Company or a Subsidiary having to restate all or a portion of its financial statements, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the period beginning on the date the financial statements requiring restatement were originally released to the public or submitted to the Securities and Exchange Commission (whichever is earlier) and ending on the date the restated financial statements are filed with the Securities and Exchange Commission.

**10. Protected Rights.** The Grantee understands that nothing contained in this Agreement limits the Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). The Grantee further understands that this Agreement does not limit the Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit the Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

**11. Compliance with Section 409A.** The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is



conditioned upon the Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if the Grantee is a specified employee (within the meaning of Section 409A) as of the date of the Grantee's separation from service, each such payment that is payable upon the Grantee's separation from service and would have been paid prior to the six-month anniversary of the Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of the Grantee's death.

**12. General Provisions.**

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.

(b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to the Grantee under this Agreement will be made to the Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or to such other address or person as the Company may hereafter specify in writing.

(c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from the Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

(d) The Grantee has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan.

- (e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.
- (f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.
- (g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.
- (h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.
- (i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.
- (j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, shall be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

**ONESPAN INC.**

By: \_\_\_\_\_

Name:

Its:

**GRANTEE**

Name: [First, Last Name]

Signature: \_\_\_\_\_

**Exhibit A**

GRANTEE SPECIFIC INFORMATION:

[For 3-year semiannual vesting]

<b>Grantee</b>	<b># of RSUs</b>	<b>Vesting Start Date</b>	<b>Vesting Schedule</b>
[First and Last Name]	[#,###]	[M/D/YY]	<ul style="list-style-type: none"><li>● 16.67% of the Restricted Stock Units will vest on the six month anniversary date of the Vesting Start Date;</li><li>● An additional 16.67% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;</li><li>● An additional 16.67% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Vesting Start Date;</li><li>● An additional 16.67% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;</li><li>● An additional 16.67% of the Restricted Stock Units will vest on the thirty month anniversary date of the Vesting Start Date; and</li><li>● The final 16.67% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date.</li></ul>

[For 4-year semiannual vesting]

<b>Grantee</b>	<b># of RSUs</b>	<b>Vesting Start Date</b>	<b>Vesting Schedule</b>
[First and Last Name]	[#,###]	[M/D/YY]	<ul style="list-style-type: none"><li>● 12.5% of the Restricted Stock Units will vest on the six month anniversary date of the Vesting Start Date;</li><li>● An additional 12.5% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;</li><li>● An additional 12.5% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Vesting Start Date;</li><li>● An additional 12.5% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;</li></ul>

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			<ul style="list-style-type: none"> <li>• An additional 12.5% of the Restricted Stock Units will vest on the thirty month anniversary date of the Vesting Start Date;</li> <li>• An additional 12.5% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date;</li> <li>• An additional 12.5% of the Restricted Stock Units will vest on the forty-two month anniversary date of the Vesting Start Date; and</li> <li>• The final 12.5% of the Restricted Stock Units will vest on the fourth annual anniversary date of the Vesting Start Date.</li> </ul>
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[For 4-year annual vesting]

<b>Grantee</b>	<b># of RSUs</b>	<b>Vesting Start Date</b>	<b>Vesting Schedule</b>
[First and Last Name]	[#,###]	[M/D/YY]	<ul style="list-style-type: none"> <li>• 25% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;</li> <li>• An additional 25% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;</li> <li>• An additional 25% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date; and</li> <li>• The final 25% of the Restricted Stock Units will vest on the fourth annual anniversary date of the Vesting Start Date.</li> </ul>



**Certification of Principal Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Matthew Moynahan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneSpan Inc.;
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 in order 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 the 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 registrant's board of directors (or persons fulfilling 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.

Dated: November 1, 2022

/s/ Matthew P. Moynahan  
Matthew P. Moynahan  
Chief Executive Officer  
(Principal Executive Officer)

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**Certification of Principal Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jorge Martell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneSpan Inc.;
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 in order 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 the 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 registrant's board of directors (or persons fulfilling the equivalent functions):
  - (e) 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
  - (f) 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.

Dated: November 1, 2022

/s/ Jorge Martell  
\_\_\_\_\_  
Jorge Martell  
Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**  
**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002**

I, Matthew Moynahan, certify, based upon a review of the Quarterly Report on Form 10-Q for OneSpan Inc. for the third quarter ended September 30, 2022, that to the best of my knowledge:

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

/s/ Matthew P. Moynahan

Matthew P. Moynahan  
Chief Executive Officer

November 1, 2022

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER**  
**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to**  
**Section 906 of the Sarbanes-Oxley Act of 2002**

I, Jorge Martell, certify, based upon a review of the Quarterly Report on Form 10-Q for OneSpan Inc. for the third quarter ended on September 30, 2022, that to the best of my knowledge:

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

*/s/ Jorge Martell*

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Jorge Martell  
Chief Financial Officer

November 1, 2022

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