June 20, 2022

X Holdings I, Inc.
X Holdings II, Inc.
2110 Ranch Road
620 S. #341886,
Austin, Texas 78734
Attn: Elon Musk

Skadden, Arps, Slate, Meagher & Flom LLP
525 University Avenue, Suite 1400
Palo Alto, California 94301
Attn: Mike Ringler, Esq.
Sonia K. Nijjar, Esq.
Dohyun Kim, Esq.

This letter is sent on behalf of Twitter, Inc. ("Twitter" or "the Company") and, as noted in our email of June 17, 2022, in further response to your letter of June 17, 2022 ("June 17 Letter"). As an initial matter, the tenor and substance of your June 17 Letter does not reflect the reality of the parties' interactions. For weeks, we and our respective teams have worked collaboratively towards closing the transaction—including successfully clearing regulatory review by the FTC, working together to obtain regulatory approval in the UK, agreeing to multiple revisions to Mr. Musk's financing commitments, completing the necessary steps to finalize the proxy statement, and providing and explaining detailed business and financial information to assist Mr. Musk in his financial modeling. And for weeks, we and our teams have worked together to address voluminous data requests from Mr. Musk and the challenging technical and legal issues raised by those requests in an effort to provide the requested information. Our efforts have been collegial and productive and your statements that we sought in any way to "hamper and delay" are not true.

The "breach" asserted in your letter is contrived. Even a brief review of the transaction history confirms this. Mr. Musk initially approached Twitter to disclose that he had acquired a substantial equity stake in the Company and wished to either join the board, acquire the Company, or compete with the Company. The board invited him to join as a member, and the parties executed an agreement to make that happen. Five days later, Mr. Musk apparently changed his mind and decided that he did not want to join the board. Instead, he wanted to buy Twitter. Within a week, he went public with his first bid, declaring it to be his best and final price. Days later, to induce Twitter to accept his offer, he waived due diligence and presented equity and debt commitment letters that also were not subject to due diligence. A few days after that, on April 24, he presented the Company with an ultimatum: either immediately accept his offer of $54.20 per share or he would go to Twitter's shareholders directly, without giving them the benefit of a definitive merger agreement to protect their interests. He followed that up by offering what he characterized as a "seller friendly" draft merger agreement—which contained limited conditions to closing and called for minimal seller disclosures—that he demanded the

parties execute by the following day, which they did. Mr. Musk actively pursued the Company in this manner, offering both price and deal certainty. At the same time, Mr. Musk publicly discussed the prevalence of spam on Twitter's platform, and that one of his purposes in buying Twitter was "defeating the spam bots." It was only after the equity markets entered a steep decline following the execution of the merger agreement that Mr. Musk began making statements questioning Twitter's SEC disclosures, and asserting Twitter had breached the merger agreement, all in an apparent attempt to create optionality should he change his mind about the deal.

We address the main points raised in your June 17 Letter in turn.

Twitter has not breached the merger agreement. Over the past six weeks, Mr. Musk has made increasingly burdensome requests for information, many of which go beyond the scope of what is contemplated by the merger agreement. As Twitter has explained, and as you well know, Parent's information access rights under Section 6.4 of the merger agreement are limited. Section 6.4 expressly requires the Company to provide only "*reasonable* access" to information "as may *reasonably* be requested in writing" for any "*reasonable* business purpose *related to the consummation of the transactions* contemplated by this Agreement," all subject to a number of limitations to protect the Company. Similarly, Section 6.11 contains limitations protecting the Company. What Sections 6.4 and 6.11 clearly do not give Parent or Mr. Musk is the right to unfettered access to vast amounts of proprietary and competitively sensitive data to conduct "an independent assessment of the prevalence of fake or spam accounts on Twitter's platform." As you know, Parent and Mr. Musk insisted on a rapid negotiation of a merger agreement on a take it or leave it price basis. Section 6.4 and 6.11 provide limited rights, not a vehicle to conduct the due diligence that was knowingly waived.

Notwithstanding the limited scope of Sections 6.4 and 6.11, Twitter has exceeded what is required of it under the merger agreement by securely providing Mr. Musk extensive information and data access to remove the obstacles to closing that he has attempted to create.

The June 17 Letter mischaracterizes the parties' discussions and understandings. Over the last few weeks, we and our teams have been working diligently together to understand the scope and details of the "firehose" data requests and the appropriate protocols for protecting the data. As you know, on June 15, 2022 Twitter provided Mr. Musk and his advisors with secure access to thirty days of historical PowerTrack Archive data consistent with our discussions. Specifically, these discussions included a call on June 9, 2022 between Twitter personnel and counsel for Twitter and Mr. Musk, in which we discussed that access to real-time data was not necessary and we agreed to proceed with providing access to thirty days of historical data. Twitter then dedicated significant resources to create a secure portal for Mr. Musk and his team to access the historical PowerTrack Archive data we discussed. Twitter was led to believe that doing so would satisfy Mr. Musk's request for firehose data, and you never posed any objections or suggested that Twitter's production would be deficient in any way.

Your June 17 Letter now complains that the PowerTrack data Twitter provided "included only a sampled, selected, and scrubbed dataset." As you well know, the information was "selected" insomuch as it was the product of numerous communications with your team over the past two weeks, during which we explicitly agreed that Twitter would provide access to the exact

data you received. The statements in your June 17 Letter seek to re-cast the conversations we had and the parties' understanding, conversations which were witnessed by our respective teams and by Twitter personnel and reflected in our communications.

Notwithstanding this and the limitations on our obligations under Sections 6.4 and 6.11 of the merger agreement, Twitter is prepared to make available the Enterprise API data requested in the June 17 Letter, including the enterprise firehose (comprising 100% of Tweets and favoriting activity), the favoriting or "like" firehose, and the required compliance firehose. We have provided you access to a Historical PowerTrack archive already. Please have your technical team who will access our APIs reach out so that we can provision them with keys and tokens and start the onboarding process.

However, as we have repeatedly told you, access to Twitter's APIs is insufficient to perform the spam analysis that you purport to wish to do. As just one example, the APIs will include Tweets and accounts that Twitter has labeled as spam and, as such, are not visible on the Twitter platform. In addition, our APIs do not contain the private data required to determine whether an account is spam (e.g., IP address, phone number, geolocation, client/browser signatures, what the account does when it is active, etc.). Also, as we have already discussed, the enterprise firehose (comprising 100% of Tweets and favoriting activity) is inclusive of, and therefore duplicative of, the information included in the Decahose.

We note that we have repeatedly offered to have the parties' respective technical experts sync to discuss the scope of your firehose request and means to providing full access to such data but have yet to receive any response. We remain open to doing so.

The record is clear: Twitter has been engaged, responsive, and cooperative in response to Mr. Musk's requests, and in doing so has met and exceeded its information-sharing obligations under the merger agreement. Your suggestions otherwise attempt to fabricate a narrative that is not true.

Mr. Musk's statements regarding Twitter's disclosures are meritless and without foundation. Mr. Musk continues to insinuate that Twitter's SEC disclosures regarding false or spam accounts are untruthful and uses these insinuations as the grounds for his data requests. As Twitter has repeatedly pointed out in prior correspondence, these accusations are baseless. The Company stands by its SEC disclosures, and nothing has occurred since the signing of the merger agreement to call them into question. Twitter's SEC disclosures explain that it has developed processes to estimate the prevalence of false or spam accounts in its calculation of mDAU. Applying those processes, Twitter has disclosed that it estimates that fewer than 5% of its mDAU is comprised of false or spam accounts. Twitter's disclosures further explain, and consistently have explained, among other things, that Twitter's calculation of mDAU "is not based on any standardized industry methodology and is not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies;" Twitter's calculation of mDAU is "based on internal company data" that Twitter "believe[s] to be reasonable estimates for the applicable period of measurement;" and, given the significant judgment applied, Twitter's "estimation of false or spam accounts may not accurately represent the actual number of such accounts, and the actual number of false or spam accounts could be

higher than [] estimated." *See* Twitter, Inc. 2021 Form 10-K at 5. Mr. Musk has not identified a single aspect of these or any other disclosures that is materially misleading or inaccurate—his stated desire to perform a separate estimation using different metrics and processes from those used by Twitter is a diversion.[1]

Mr. Musk's unsupported statements about Twitter on these and other subjects are especially concerning because they have the potential to impact the market and harm Twitter's business and shareholders. Regardless, Twitter intends to close the merger on the agreed-upon price and terms, as promptly as possible.

The June 17 Letter includes new requests for information not required under the merger agreement or information that has already been provided. While Twitter has attempted to be responsive to Mr. Musk's requests, Mr. Musk keeps moving the goal posts by making increasingly irrelevant, unsupportable, and voluminous information requests. Indeed, the latest requests for documents and communications read more like requests for discovery and not for information necessary to close the transaction. This is litigation positioning and the merger agreement does not support these requests. For instance, there is no basis under the merger agreement for demanding the requested "e-mails, text messages, and other electronic communications" from Twitter's board members and management. Moreover, you and the lenders' counsel have already asked for and received access to the board materials, including all those related to the calculation of mDAU and false or spam accounts, since January 1, 2019 in connection with diligence requests related to the debt financing.

As for the new requests for financial information raised in your June 17 Letter, we and our teams have been collaborating in providing responsive financial information in significant detail (including material not required under the merger agreement) to help Mr. Musk more fully understand Twitter's business and refine his financial model. We are also supporting your efforts to syndicate Mr. Musk's debt financing, including through the participation of Twitter's CFO as you have requested. As you well know, the respective financial advisors of both parties have been working collaboratively together on a daily basis to understand and provide any necessary financial information. We would encourage that channel of communication to continue. With respect to the other new requests in the June 17 Letter, we will get back to you in due course.

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Despite your repeated and false accusations of breach, Twitter intends to continue to work cooperatively with Mr. Musk and Parent to close the transaction in a timely fashion. Twitter reserves all contractual, legal, and other rights.

[1] Twitter has offered on multiple occasions to have Mr. Musk's experts in data science meet directly with Twitter personnel to understand more fully the process disclosed in Twitter's SEC filings about the manner in which the Company estimates false or spam accounts as a percentage of mDAU. To date, you have not taken Twitter up on that, but Twitter remains open to doing so.

Sincerely,

/s/ Martin W. Korman

Martin W. Korman, Esq.
Wilson Sonsini Goodrich & Rosati, P.C.

/s/ Alan M. Klein

Alan M. Klein, Esq.
Simpson Thacher & Bartlett LLP

cc:
Elon Musk
Alex Spiro, Quinn Emanuel Urquhart & Sullivan, LLP
Andrew Rossman, Quinn Emanuel Urquhart & Sullivan, LLP