

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

**FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Olaplex Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2844
(Primary Standard Industrial
Classification Code Number)

87-1242679
(I.R.S. Employer
Identification Number)

Address Not Applicable ¹
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" 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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common stock, par value \$0.001 per share	\$	\$

- (1) Estimated solely for the purpose of calculating the registration fee under Rule 457(o) of the Securities Act of 1933, as amended.
 (2) Includes the offering price of additional shares that the underwriters have the option to purchase, if any.
 (3) To be paid in connection with the initial filing of the registration statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

¹ Olaplex Holdings, Inc. is a fully remote company. Accordingly, it does not maintain a principal executive office.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion. Dated June 25, 2021.

Shares
OLAPLEX[®]
Common Stock

This is an initial public offering of shares of common stock of Olaplex Holdings, Inc. We are offering _____ shares of our common stock. The selling stockholders identified in this prospectus are offering _____ shares. We will not receive any proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between \$ _____ and \$ _____. We intend to apply to list our common stock on the _____ under the symbol "OLPX."

We are an "emerging growth company," as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements.

Investing in our common stock involves risks. See "[Risk Factors](#)" beginning on page 23 to read about factors you should consider before buying our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discount and commissions(1)	\$ _____	\$ _____
Proceeds, before expenses, to Olaplex Holdings, Inc.	\$ _____	\$ _____
Proceeds, before expenses, to the selling stockholders	\$ _____	\$ _____

(1) See "Underwriting" beginning on page 147 for additional information regarding underwriter compensation.

To the extent the underwriters sell more than _____ shares of our common stock, the underwriters have an option to purchase up to an additional _____ shares from us and up to an additional _____ shares from the selling stockholders, in each case at the initial public offering price, less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on _____, 2021.

Goldman Sachs & Co. LLC

Prospectus dated _____, 2021

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Through and including [redacted], 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

ABOUT THIS PROSPECTUS

We, the selling stockholders and the underwriters (and any of our or their affiliates) have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses filed with the Securities and Exchange Commission (the "SEC"). We, the selling stockholders and the underwriters (and any of our or their affiliates) take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date. We, the selling stockholders and the underwriters (and any of our or their affiliates) have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who obtain this prospectus must inform themselves about, and observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

BASIS OF PRESENTATION

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

MARKET AND INDUSTRY DATA

This prospectus includes market and industry data and forecasts that we have derived from independent consultants, publicly available information, various industry publications, other published industry sources and our internal data and estimates, including an April 2021 study that we commissioned with a leading global consulting firm that surveyed 1,174 prestige haircare consumers and 233 hairstylists (the "April 2021 Study"). While independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable we have not independently verified such information.

Our internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. Although we believe that such information is reliable, we have not had this information verified by any independent sources. Similarly, our internal research is based upon our understanding of industry conditions, and such information has not been verified by any independent sources. To the extent that any estimates underlying such market-derived information and other factors are incorrect, actual results may differ materially from those expressed in the independent parties' estimates and in our estimates.

TRADEMARKS, TRADENAMES AND SERVICE MARKS

We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business and that appear in this prospectus. This prospectus also contains trademarks, service marks, trade names

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and copyrights of other companies which, to our knowledge, are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but the absence of such symbols does not indicate the registration status of the trademarks and is not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to such trademarks and trade names.

NON-GAAP FINANCIAL MEASURES

This prospectus contains “non-GAAP financial measures,” including adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income and adjusted net income per share (unit). These are financial measures that are not calculated or presented in accordance with generally accepted accounting principles in the United States (“GAAP”). For more information about how we use these non-GAAP financial measures in our business, the limitations of these measures, and a reconciliation of these measures to the most directly comparable GAAP measures, please see the sections titled “Summary Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

THE REORGANIZATION

Penelope Group Holdings, L.P., a Delaware limited partnership (“Penelope Group Holdings”), is a holding company and the direct parent of Penelope Holdings Corp., which is the indirect parent of Olaplex, Inc., our primary operating subsidiary. The consolidated financial statements of Penelope Holdings Corp., as the predecessor of the issuer of the shares offered by this prospectus, are the financial statements included in this prospectus. Olaplex Holdings, Inc. (“Olaplex Holdings”) is a newly formed Delaware corporation, formed by investment funds affiliated with Advent International Corporation (the “Advent Funds”), including Advent International GPE IX, LP (“Fund IX”), and other investors (the “Existing Owners”), which together also hold 100% of the economic equity interests in Penelope Group Holdings. Fund IX also holds 100% of the equity interests in Penelope Group Holdings GP II, LLC (“Penelope Group GP II”), which will be designated as, and replace Penelope Group GP, LLC (“Penelope Group GP”) in the capacity of, general partner of Penelope Group Holdings and will hold a non-economic general partner interest in the partnership prior to the consummation of this offering. Following such designation and prior to the consummation of this offering, we intend to complete a series of transactions pursuant to which (i) the Existing Owners will contribute 100% of their respective economic equity interests in Penelope Group Holdings, and Fund IX will further contribute 100% of the equity interests in Penelope Group GP II, to Olaplex Holdings in exchange for (1) shares of common stock of Olaplex Holdings and (2) certain rights to payments under a tax receivable agreement to be entered into at the time of the contribution, and (ii) each outstanding option to purchase equity interests in Penelope Holdings Corp. will become an option to purchase shares of common stock of Olaplex Holdings, and each outstanding cash-settled unit of Penelope Holdings Corp. will become a cash-settled unit of Olaplex Holdings. We refer to this as the “Pre-IPO Reorganization.”

Prior to the Pre-IPO Reorganization, Olaplex Holdings is the sole owner of Olaplex Intermediate, Inc. and has no other material assets. Following the Pre-IPO Reorganization, Olaplex Holdings will also be the direct parent of Penelope Group Holdings and Penelope Group GP II. Following the consummation of this offering, we intend to complete a series of additional transactions pursuant to which (i) Olaplex Holdings will contribute 100% of the equity interests of Penelope Group Holdings and 100% of the equity interests of Penelope Group GP II to Olaplex Intermediate, Inc., and (ii) Penelope Group Holdings and Penelope Group GP II will each merge with and into Olaplex Intermediate, Inc. with Olaplex Intermediate, Inc. surviving each merger. We refer to these transactions, together with the Pre-IPO Reorganization, as the “Reorganization.”

Immediately following the Reorganization, Olaplex Holdings will be a holding company with no material assets other than 100% of the equity interest in Olaplex Intermediate, Inc., which will be the direct parent of Penelope Holdings Corp. and indirect parent of Olaplex, Inc., and Olaplex Holdings will consolidate Penelope Holdings Corp. and its subsidiaries in its historical consolidated financial statements. See “The Reorganization.”

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus, but it does not contain all of the information that you should consider before deciding to invest in our common stock. You should carefully read the entire prospectus, including the information presented under the sections entitled “Risk Factors” and “Special Note Regarding Forward-Looking Statements” and the financial statements and the notes thereto, included elsewhere in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Unless otherwise indicated or the context otherwise requires, references in this prospectus to “we,” “us,” “our,” “Olaplex” or the “Company” refer, prior to the Reorganization, to Penelope Group Holdings and its consolidated subsidiaries and, after the Reorganization, to Olaplex Holdings and its consolidated subsidiaries.

Company Overview

OLAPLEX: Our Mission to Improve Hair Health

OLAPLEX is an innovative, science-enabled, technology-driven beauty company. We are founded on the principle of delivering effective, patented and proven performance in the categories where we compete. We strive to empower our consumers to look as beautiful on the outside as they feel on the inside.

We believe every person deserves to have healthy, beautiful hair, whether they are visiting a salon or caring for their hair at home. Our commitment to deliver results that are visible on first use, coupled with our strong sense of community across both professional hairstylists and consumers, has driven tremendous brand loyalty. We offer our award-winning products through a global omni-channel platform serving the professional, specialty retail, and direct-to-consumer (“DTC”) channels.

Solution-Oriented and Science-Backed Brand

Our primary focus is to provide solutions that improve the hair health of our consumers. We identify our consumers’ most relevant haircare concerns in collaboration with our passionate and highly engaged community of professional hairstylists and consumers, and strive to address them through our proprietary technology and innovation capabilities. Our deep roots in the professional haircare community and strong ties with our global network of hairstylists creates a continuous feedback loop, providing unique insight into the hair health goals and concerns of our consumers. Our hairstylists are our strongest advocates; they have grown with our business since our founding in 2014, and through mutual support we have empowered them to connect with their clients and to champion our brand through an engaged and active social community. This community also provides insight into consumer needs and positions OLAPLEX to leverage our research and development platform to respond to consumers’ demands for improved hair health by creating high-quality products that result in healthy, beautiful hair. Results have validated our approach. Based on the April 2021 Study, over 90% of our surveyed consumers believed OLAPLEX products made their hair healthier, representing the #1 brand rating in this category relative to select competitors. Moreover, based on the April 2021 Study, OLAPLEX had the highest professional net promoter score of 71% as of April 2021, which was 26 percentage points higher than the average score for other brands in our category. The quality of our products, combined with our community-driven approach to engaging with both professional hairstylists and our consumers, have created a strong and loyal following for OLAPLEX that we believe provides a unique competitive advantage and foundation for growth.

Disruptive Force in the Industry

OLAPLEX disrupted and revolutionized the professional haircare industry by creating the bond building category in 2014. We have grown from an initial offering of three products sold exclusively through the

professional channel to a broader suite of products offered through the professional, specialty retail and DTC channels that have been strategically developed to address three key uses: treatment, maintenance and protection. Our unique bond building technology can repair disulfide bonds in human hair that are destroyed via chemical, thermal, mechanical, environmental and aging processes. We have strategically expanded our product line over time to create a self-care routine that our consumers look forward to and rely upon on a daily basis. Our current product portfolio comprises nine unique, complementary products specifically developed to provide a holistic regimen for hair health. Our proprietary, patent-protected ingredient, Bis-aminopropyl diglycol dimaleate (“Bis-amino”), serves as the common thread across our products and is a key differentiator in our ability to create trusted, high-quality products. Underpinning our product range is a portfolio of more than 100 patents which protect our proprietary technology and, we believe, create both barriers to entry and a foundation for entry into adjacent categories over time.

Our current hair health platform is championed by two products that can be purchased only through professional hairstylists, No. 1 and No. 2. These two products often serve as an introduction to our brand and a gateway to seven additional products that can be used both at home and in the salon.

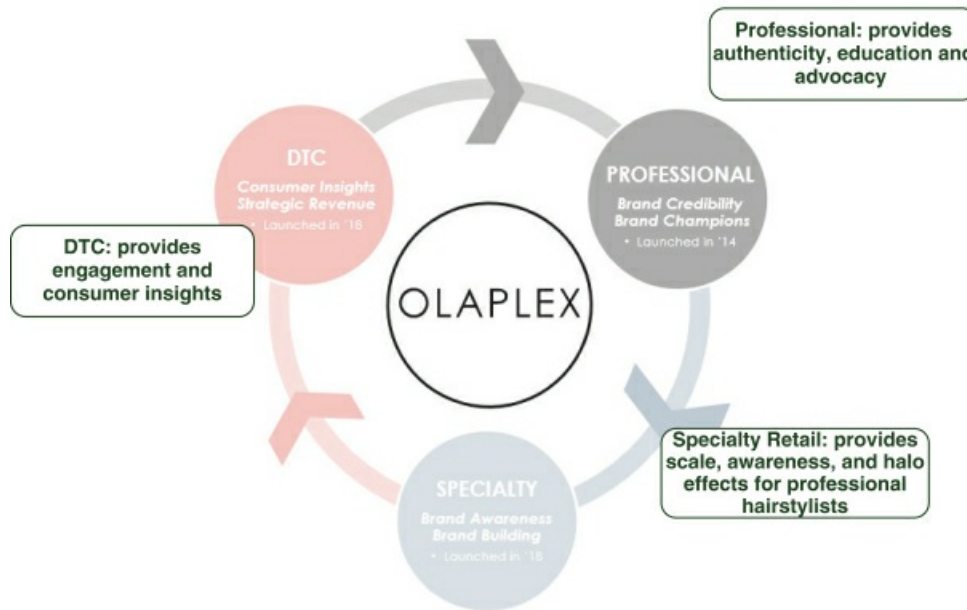
Our Products

Use Case	Functional Need		Launch Year
PRO RX	<i>No. 1</i>	Bond Multiplier	2014
	<i>No. 2</i>	Bond Perfector	2014
Treatment	<i>No. 3</i>	Hair Perfector	2014
	<i>No. 0</i>	Intensive Bond Building Hair Treatment	2020
	<i>No. 8</i>	Bond Intense Moisture Mask	2021
Maintenance	<i>No. 4</i>	Bond Maintenance Shampoo	2018
	<i>No. 5</i>	Bond Maintenance Conditioner	2018
Protection	<i>No. 6</i>	Bond Smoother	2019
	<i>No. 7</i>	Bonding Oil	2019

Note: No. 1 and No. 2 are only available for professional use, whereas the other products are sold across all of Olaplex's channels.

Synergistic Channel Strategy Underpinned by Our Omni-Channel Approach

We have developed a cohesive and synergistic distribution strategy that leverages the strength of each of our channels, including the specific attributes of each channel as depicted below, and our strong digital capabilities that we apply across our omni-channel sales platform.



Our professional channel, which includes both products used by hairstylists in-salon and products sold by hairstylists to consumers for use at home, comprised 55% of our 2020 total net sales and grew 59% from 2019 to 2020. The professional channel serves as the foundation for our brand, validating the quality of our products and influencing our consumers' purchasing decisions.

In 2018, as OLAPLEX continued to grow, we established our retail presence through expansion into the DTC channel and specialty retail channel (principally Sephora), both of which have continued to grow as we have developed our omni-channel platform. Our specialty retail channel grew 75% from 2019 to 2020, representing 18% of our 2020 total net sales. Our DTC channel, comprised of OLAPLEX.com and sales through third-party e-commerce platforms, grew 260% from 2019 to 2020, and represented 27% of our 2020 total net sales. This channel also provides us with the opportunity to engage directly with our consumers to help create a feedback loop that drives our decisions around new product development.

Commitment to Social and Environmental Consciousness

We are passionate about promoting wellness, starting with the integrity of your hair and extending to supporting our communities and minimizing our impact on the environment, allowing us to drive social and environmental awareness in the beauty industry.

- *Supporting Small Businesses.* We are invested in supporting the success of our community of hairstylists, 98% of whom are small business owners, and a meaningful percentage of whom are racial or ethnic minorities. For example, during the height of the COVID-19 pandemic we implemented a number of initiatives to support our hairstylist communities during salon closures, including our Affiliate Program, which enabled hairstylists to generate income by selling Olaplex products for at-home use.
- *Diversity, Equity, and Inclusion.* We believe it is important that our employees reflect the diversity of our hairstylist and consumer community. Our Diversity, Equity, and Inclusion (“DEI”) initiatives focus on promoting a workplace of inclusion and acceptance. As of May 31, 2021, 76% of our employees identify as female and 40% identify as non-white. In addition, an employee survey from February 2021 found 90% of our employees agree that we have an inclusive environment that makes them feel comfortable bringing their true selves to work. We believe our shared commitment to diversity helps us better understand our consumer base.
- *Environmental Sustainability.* We continue to explore ways to reduce our carbon footprint and to contribute to a more sustainable future for our planet. One of our key initiatives is to limit the use of secondary packaging in which our products are sold. We believe that between 2015 to 2021 we prevented approximately 23 million pounds of greenhouse gas from being emitted into the environment, conserved approximately 37 million gallons of water and saved approximately 29,000 trees from deforestation, as compared to manufacturing, packaging and distribution alternatives. In addition, we strive to produce clean products that exclude certain harmful ingredients. These efforts are well recognized in the industry, with OLAPLEX being one of only 19 haircare brands accredited with the “Clean at Sephora” designation.

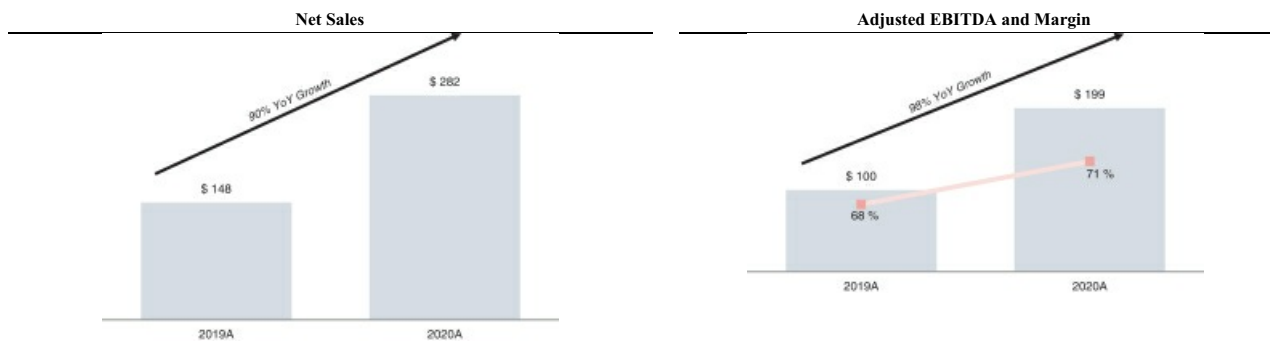
Scaled and Nimble Supply Chain

We have developed a flexible and resilient supply chain, designed to support long-term growth at scale. A core tenet of this strategy is leveraging strong partnerships with our co-manufacturers and distributors to create an expansive supply network with ample capacity without significant additional capital investment. Maintaining an asset-light business model has helped us to generate strong free cash flow.

Robust Financial Performance

The strength of our business model and ability to scale have created a compelling financial profile characterized by revenue growth and very strong profitability over the past two years that we believe is among the best in our industry. Our net sales increased from \$148.2 million in 2019 to \$282.3 million in 2020, representing a 90% increase. Our net income decreased from \$60.9 million in 2019 to \$39.3 million in 2020, representing a 36% decrease, primarily as a result of interest expense on debt incurred in January 2020 upon the Acquisition (as defined herein), and our adjusted net income increased from \$100.5 million in 2019 to \$131.1 million in 2020, representing a 30% increase. We have also experienced robust adjusted EBITDA growth over the past year, increasing our adjusted EBITDA from \$100.5 million in 2019 to \$199.3 million in 2020, representing a 98% increase, and an increase in our adjusted EBITDA margins from 68% in 2019 to 71% in 2020. See “Summary Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for additional information regarding our financial performance and non-GAAP measures, together with a reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

Historical Net Sales and Adjusted EBITDA



Our Market Opportunity

Haircare Represents a Large, Growing Market

Haircare represents a large, addressable market and presents significant opportunities for growth. In 2020, the market was sized at \$77 billion globally and is expected to grow at a compound annual rate of ~6% from 2020 to 2025. The \$13 billion premium segment of the haircare market, on which we focus, is projected to grow at an even faster rate of ~7% from 2020 to 2025 according to Euromonitor.

Consumers are Increasingly Focused on Health and Wellness

In particular, we focus on hair health, a key driver of our consumers’ purchasing decisions. Our first area of focus was damaged hair, among the most important components of hair health, which we addressed through our proprietary bond building technology. Based on the April 2021 Study, approximately 70% of U.S. women do something every day to damage their hair, which we believe has driven strong demand for our bond-building products.

Several significant tailwinds support the long-term growth prospects of the haircare market. The way our consumers feel about their hair has a strong impact on how they perceive themselves; we believe that continued focus on personal appearance and wellness will drive increased spend in the category. We believe consumers are also becoming increasingly health-conscious, generating a high demand for clean, technology-backed beauty products that achieve results, and that the importance of hair health has driven increased willingness among our consumers to invest in premium-quality products. Our offerings, which are able to deliver results after the first use, position us well to meet this rising consumer demand.

Innovative, Consumer-Connected Brands Are Taking Share

As consumers increasingly demand high-performance, innovative solutions for hair health, we believe that the haircare industry is ripe for disruption. Heritage beauty brands have lost market share to innovative, consumer-connected brands that are more agile and better equipped to meet evolving consumer needs. According to Euromonitor, the top three haircare companies globally (by retail sales) have lost over 430 basis points of market share since 2015. This dynamic has created a significant opportunity for OLAPLEX to gain market share. Increasing focus on hair health also provides significant runway for future growth as we extend our product offering to focus on providing other haircare solutions.

Whitespace in the Broader Beauty and Personal Care Category

We also are well positioned to expand into the \$633 billion beauty and personal care category by leveraging our differentiated technology platform, and we believe consumers would be interested in OLAPLEX product offerings in other beauty categories, such as skincare. We intend to utilize our innovation expertise to enter adjacent categories and create clean, healthy solutions for the broader personal care needs of our consumers. We are confident that our deep connection with our consumer community, which has driven significant engagement as we launch new haircare products, will allow us to expand into beauty and wellness categories in the future.

Our Strengths

Differentiated Brand Positioning Steeped in Technology

OLAPLEX is built upon a vision of delivering scientific hair health solutions to both professional hairstylists and our consumers. We believe that demand for OLAPLEX products is driven by the visible results of our products, and that our ability to provide scientifically supported hair health solutions has engendered trust, loyalty and advocacy among our consumers across channels. This has enabled OLAPLEX to become the #1 bond-building haircare brand in the professional channel, and a top ranked haircare brand within our specialty retail channel. The success of our brand is also demonstrated by the fact that over 70% of surveyed consumers cited OLAPLEX as both a brand they trust and a brand that helps them take care of their hair, according to the April 2021 Study.

Beloved Brand with Passionate and Loyal Consumer Following

Our dedication to providing science-driven solutions has created an engaged consumer base that we believe are the most authentic advocates for the quality of our products. We continue to build loyal relationships with elite hairstylists and brand ambassadors who educate our consumers, test our products, participate in our brand campaigns and introduce our products to their clientele, and who have leadership influence and reach throughout the hairstylist community. We believe that the relationships we have nurtured have enabled OLAPLEX to gain a larger proportion of our consumers' spend over time, as demonstrated by the fact that the April 2021 Study found that the average OLAPLEX consumer had purchased over 3.5 products from our product suite.

Furthermore, our consumers have continued to engage with the OLAPLEX brand online. As of June 2021, the OLAPLEX hashtag has been used over 11.5 million times across social media platforms by our community of professional hairstylists and consumers who create their own content about their haircare regimen. In the past year, we had exceptional engagement with our Instagram community of over 2 million followers, which generated over 2.4 million likes and approximately 13,000 story views daily. Our passionate consumer base is also demonstrated by our presence on TikTok where our videos have been viewed nearly 765,000 times in March and April 2021 alone and, as of June 2021, videos using the OLAPLEX hashtag have been viewed over 272 million times since the hashtag first appeared on the platform.

Positioned in Compelling Sub-Verticals

We believe our focus on large, high-growth segments of the haircare industry separates us from our competitors. Our products address the most relevant categories within haircare: treatment, maintenance and protection. Maintenance is one of the largest haircare subcategories and consists of products such as shampoos and conditioners. Our shampoo and conditioner products are key areas of focus and have experienced growth of approximately 93% from 2019 to 2020. We believe that treatment and protection are two areas that consumers are most concerned about, and therefore are categories that deliver strong loyalty where consumers are less likely to switch brands and products. According to the April 2021 study, 74% of consumers indicated that they have experienced one of the following: hair loss, damage, coarseness, thinness, frizz, or dryness. We help consumers address many of these haircare concerns with our patented and proven Bond Building Hair Treatment, Hair Perfector and Bond Intense Moisture Mask.

Powerful Product Portfolio Supported by Proven Innovation Capabilities

Our innovation capabilities and unique approach to product development have allowed us to develop a portfolio of powerful, patent-protected and proven hair health solutions. In seeking to address the most important concerns in hair health, we incorporate feedback from our community of professional hairstylists and consumers into solution-oriented products that speak to our consumers' needs. These consumer insights inform the efforts of our in-house research and development team, dedicated OLAPLEX laboratory, independent lab testing, and real-world salon testing, creating a virtuous feedback loop. Bis-amino is an example of science-enabled technology. This molecule is the formulating ingredient in all of our products and addresses a root cause of damage by repairing broken hair bonds.

We have a strong track-record of successful product launches. The launch of our No. 0 Intense Bond Building Treatment created exceptional social media engagement, which resulted in our product ranking as the #1 selling SKU at Sephora during the first weeks following its launch, according to Sephora's internal reporting. Similarly, the launch of our No. 8 Bond Intense Moisture Mask was the biggest haircare launch in 2021, through May 2021, at Sephora based on sales. In addition, No. 8 generated over \$7 million in sell-through sales and sold over 400,000 units within the first three weeks of launching at our top U.S. accounts in March 2021, representing the largest launch in our history by net sales. We are supporting our future innovation pipeline through the development of new technology that seeks to address other key components of hair health.

Synergistic Omni-Channel Strategy and Market Leadership Across Channels

Our integrated channel strategy across the professional, specialty retail and DTC channels creates a powerful feedback loop that reinforces consumer spending across channels. Our digital capabilities support each of our channels and provide us with direct touchpoints with our consumers. We believe that our professional channel provides credibility as a trusted source of product recommendation to our consumers, thereby supporting our specialty retail and DTC channels by serving as an introduction to our brand. According to the April 2021 Study, 36% of our consumers purchased OLAPLEX products after being introduced to the product by their hairstylist. Once this introduction is made, our consumers often begin purchasing our products through our specialty retail and DTC channels. Our specialty retail and DTC presence allows us to reach our consumers everywhere they shop, and drives revenue to professional hairstylists when clients seek professional-strength OLAPLEX treatments in the salon to complement at-home use. This cycle has driven significant cross-channel shopping opportunities and is supported by our digital initiatives: for example, according to the April 2021 Study, nearly 50% of our customers that purchased product on OLAPLEX.com had also purchased OLAPLEX products in retail locations and 40% had also purchased in a salon. Our ability to succeed across channels is a hallmark of our business model. For example, in 2020, OLAPLEX was the #1 haircare brand at Sephora based on sales and five of our products were the best selling in their respective categories at Beauty Systems Group ("BSG"). In addition, as of June 15, 2021, our No. 0 + No. 3 kit and No. 5 solutions were two of the top ten haircare products sold on Amazon.

Experienced and Visionary Management Team and Board

Our strategic vision and culture are directed by our skilled management team, who collectively have decades of strategic and operating experience in the beauty and luxury fashion industries. Our leadership is further augmented by a board of directors with expertise in beauty, innovation, digital and operations. Our Board members have experience across world-class companies such as Chanel, Conde Nast, Stitch Fix, Instagram, Facebook, Lululemon and Sonos.

Robust Organic Growth and Margin Profile

The strength of our business model and ability to scale have created a compelling financial profile characterized by revenue growth and very strong profitability over the past two years that we believe is among the best in our

industry. Our net sales increased from \$148.2 million in 2019 to \$282.3 million in 2020, representing a 90% increase. Our net income decreased from \$60.9 million in 2019 to \$39.3 million in 2020, representing a 36% decrease, and our adjusted net income increased from \$100.5 million in 2019 to \$131.1 million in 2020, representing a 30% increase. We have also experienced robust adjusted EBITDA growth over the past year, increasing our adjusted EBITDA from \$100.5 million in 2019 to \$199.3 million in 2020, representing a 98% increase, and an increase in our adjusted EBITDA margins from 68% in 2019 to 71% in 2020. We have a proven track record of strong financial performance as we continue to build out our global omni-channel platform. Our attractive financial profile gives us significant flexibility as we pursue new growth initiatives.

Our Growth Strategies

Grow Brand Awareness and Household Penetration

We believe that there is significant opportunity to continue to grow brand awareness and educate consumers about OLAPLEX and the benefits of our solution-based regimen. Based on the April 2021 Study, only 45% of surveyed prestige haircare consumers had aided awareness of OLAPLEX compared to a competitor peer median of 69%. We believe our powerful and highly-engaged digital community and network of brand advocates will allow us to reach new consumers rapidly. As of June 2021, our digital community included more than 100 brand advocates, including licensed cosmetologists supporting our content creation, two professional-dedicated communities on social media consisting of over 230,000 hairstylists and several company-operated accounts including on Instagram, TikTok, Facebook and other social media platforms, where we have demonstrated robust followership and engagement. We plan to continue to grow our social media engagement by increasing our digital marketing spend and expanding our capabilities to interact with our consumers through OLAPLEX.com and other digital channels. We also plan to grow our brand awareness by continuing to deepen our relationships within the professional community by providing technology-backed haircare solutions that we believe are the best in the industry. We believe these efforts to expand awareness and household penetration will enable the OLAPLEX brand to continue growing in the future.

Continue to Grow OLAPLEX Through Existing Points of Distribution

We plan to drive sustained growth in our core channels by increasing repeat purchase rates and brand awareness. As we have expanded, we have demonstrated our ability to drive continued growth with existing customers, as evidenced by our products generating a compound annual growth rate of 134% in sell-through sales from 2018 to 2020 in Sephora, which we believe to be well in excess of our competitors. In addition, our core products represented five of the top ten selling products at Sephora during May 2021. Within specialty retail, our low penetration levels among Sephora customers and relatively limited brand awareness provide us with strong growth opportunities in their existing locations. Within the professional channel, we intend to expand our consumer base of professional hairstylists by growing our brand ambassador community and increasing adoption of our professional-only offerings. Furthermore, within our DTC channel, we continue to see opportunities to enhance OLAPLEX.com, including our recently developed hair diagnostic platform to engage and educate our consumers. Since we began offering our online diagnostic platform in October 2020, more than 1.2 million consumers have taken the OLAPLEX hair diagnostic test and shared their haircare needs with us.

Expand Distribution to New Geographies and Retailers

We plan to pursue large and meaningful opportunities across specialty retail, travel retail, specialty pharmacy and international markets. We expect to grow our retail distribution by establishing commercial relationships with new customers, where we see many untapped opportunities.

Internationally, we intend to capitalize on growing brand awareness to deepen our reach in existing markets throughout Europe and Asia. In Europe, we particularly see an opportunity to attract more consumers by

partnering with specialty pharmacies to expand our points of distribution. In Asia, key areas of focus include accelerating our partnership with Tmall Global in China and broadening our existing distribution channels in Japan. Furthermore, we also plan to focus on growth opportunities in new markets in Latin America where we have a smaller presence compared to other geographies.

Expand our Product Offerings by Utilizing Innovation Capabilities

We plan to continue to leverage our product-solution brand mindset, consumer relevance and product development strategy to expand into new categories. We see opportunities to extend our brand to new areas of hair health and treatment, such as scalp care, as well as other haircare categories in which we have yet to participate. We are also developing other potentially patentable technologies to support extension into non-haircare beauty and wellness categories that provide us with long-term growth opportunities. For example, according to the April 2021 Study, nearly 50% of surveyed consumers would be interested in an OLAPLEX skincare offering. We plan to continue to leverage our powerful research and development strategy to create new products and provide technology-based beauty solutions for our consumers.

Leverage OLAPLEX.com to Strengthen our Direct-To-Consumer Channel

We plan to continue to invest in our digital marketing capabilities and online platform to increase our DTC presence and attract more consumers to our brand. We expect to grow our DTC channel by creating new tools and programs available on our website that interact with our consumers and help them use our products. Specifically, we believe we have an opportunity to gain greater insights from our consumers and enhance connectivity by offering customized feedback for each of their haircare needs. Key areas of focus in our DTC channel strategy include creating new revenue opportunities, increasing the cross-product purchasing patterns of our online consumers and highlighting our DTC channel when expanding in new international geographies.

December 2020 Distribution

On December 18, 2020, we used the proceeds of an incremental amendment to the Credit Agreement (as defined herein), which provided, among other things, for incremental term loans in the amount of \$350.0 million, to fund a cash distribution to all holders of Class A common units of Penelope Group Holdings, in an aggregate amount of \$470.0 million, or \$489.65 per Class A common unit (the “2020 Distribution”).

The Reorganization

Penelope Group Holdings is a holding company and the direct parent of Penelope Holdings Corp., which is the indirect parent of Olaplex, Inc., our primary operating subsidiary. The consolidated financial statements of Penelope Holdings Corp., as the predecessor of the issuer of the shares offered by this prospectus, are the financial statements included in this prospectus. Olaplex Holdings is a newly formed Delaware corporation, formed by the Existing Owners, which together also hold 100% of the economic equity interests in Penelope Group Holdings. Fund IX also holds 100% of the equity interests in Penelope Group Holdings GP II, which will be designated as, and replace Penelope Group GP in the capacity of, general partner of Penelope Group Holdings and will hold a non-economic general partner interest in the partnership prior to the consummation of this offering. Following such designation and prior to the consummation of this offering, we intend to complete a series of transactions pursuant to which (i) the Existing Owners will contribute 100% of their respective economic equity interests in Penelope Group Holdings, and Fund IX will further contribute 100% of the equity interests in Penelope Group GP II, to Olaplex Holdings in exchange for (1) shares of common stock of Olaplex Holdings and (2) certain rights to payments under a tax receivable agreement to be entered into at the time of the contribution, and (ii) each outstanding option to purchase equity interests in Penelope Holdings Corp. will become an option to purchase shares of common stock of Olaplex Holdings, and each outstanding cash-settled unit of Penelope Holdings Corp. will become a cash-settled unit of Olaplex Holdings.

Prior to the Pre-IPO Reorganization, Olaplex Holdings is the sole owner of Olaplex Intermediate, Inc. and has no other material assets. Following the Pre-IPO Reorganization, Olaplex Holdings will also be the direct parent of Penelope Group Holdings and Penelope Group GP II. Following the consummation of this offering, we intend to complete a series of additional transactions pursuant to which (i) Olaplex Holdings will contribute 100% of the equity interests of Penelope Group Holdings and 100% of the equity interests of Penelope Group GP II to Olaplex Intermediate, Inc. and (ii) Penelope Group Holdings and Penelope Group GP II will each merge with and into Olaplex Intermediate, Inc. with Olaplex Intermediate, Inc. surviving each merger.

Immediately following the Reorganization, Olaplex Holdings will be a holding company with no material assets other than 100% of the equity interest in Olaplex Intermediate, Inc., which will be the direct parent of Penelope Holdings Corp. and indirect parent of Olaplex, Inc., and Olaplex Holdings will consolidate Penelope Holdings Corp. and its subsidiaries in its historical consolidated financial statements. See “The Reorganization.”

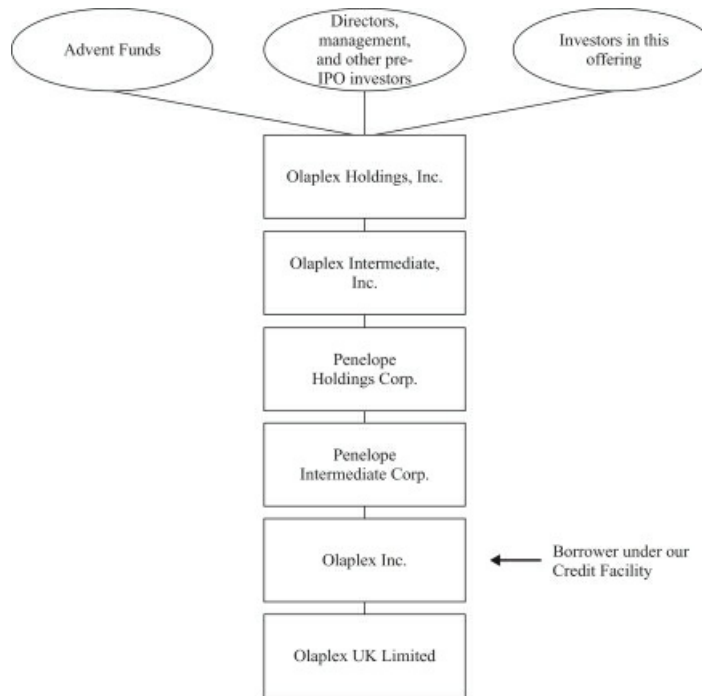
The Tax Receivable Agreement

As part of the Reorganization, we will enter into a tax receivable agreement (the “Tax Receivable Agreement”) under which generally we will be required to pay to the Existing Owners and certain of our equity award holders (including holders of equity awards of Penelope Holdings Corp. who become equity awards of Olaplex Holdings as a result of the Pre-IPO Reorganization) (collectively, the “Existing Stockholders”) % of the cash savings, if any, in U.S. federal, state or local tax that we actually realize on our taxable income following this offering (or are deemed to realize in certain circumstances) as a result of (i) certain existing tax attributes, including tax basis in intangible assets and capitalized transaction costs relating to taxable years ending on or before the date of (calculated by assuming the taxable year of the relevant entity closes on the date of this offering), that are amortizable over a fixed period of time (including in tax periods beginning after this offering) and which are available to us and our wholly-owned subsidiaries, and (ii) tax benefits attributable to payments made under the Tax Receivable Agreement, together with interest accrued at a rate of % from the date the applicable tax return is due (without extension) until paid (collectively, the “Pre-IPO Tax Assets”). Under the Tax Receivable Agreement, generally we will retain the benefit of the remaining % of the applicable tax savings.

We expect the payments we will be required to make under the Tax Receivable Agreement will be substantial. The Tax Receivable Agreement will make certain simplifying assumptions regarding the determination of the cash savings in U.S. federal, state or local income tax that we or our subsidiaries realize (or are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets, which may result in payments pursuant to the Tax Receivable Agreement in excess of those that would result if such assumptions were not made. In addition, the Tax Receivable Agreement will assume that the attributes giving rise to payments pursuant to the Tax Receivable Agreement will be deemed utilized prior to certain tax attributes arising from certain acquisitions by Olaplex Holdings after the completion of this offering. The Existing Owners (or their transferees or assignees) will not reimburse us for any payments previously made if deductions giving rise to payments pursuant to the Tax Receivable Agreement are subsequently disallowed, except that excess payments made to any Existing Owner (or such Existing Owner’s transferees or assignees) will be netted against future payments that would otherwise be made under the Tax Receivable Agreement, if any, after our determination of such excess. We could make future payments to the Existing Owners (or their transferees or assignees) under the Tax Receivable Agreement that are greater than our actual cash tax savings and may not be able to recoup those payments, which could negatively impact our liquidity. If we were to elect to terminate the Tax Receivable Agreement immediately after this offering, we estimate that we would be required to pay approximately \$ _____ in the aggregate under the Tax Receivable Agreement. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Income Taxes and Tax Receivable Agreement.”

Our Corporate Structure

The following chart illustrates our ownership structure as of [redacted], 2021, after giving effect to the Reorganization and this offering.



Summary of Material Risks Related to Our Business and Our Industry, Regulation and This Offering

Investing in our common stock involves substantial risk, and our ability to successfully operate our business is subject to numerous risks. Some of the more significant challenges and risks related to our business include the following:

- Our inability to anticipate and respond to market trends and changes in consumer preferences could adversely affect our financial results;
- We depend on a limited number of customers for a large portion of our net sales, and the loss of one or more of these customers could reduce our net sales and have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows;
- Our brand is critical to our success, and the value of our brand may be adversely impacted by negative publicity. If we fail to maintain the value of our brand or our marketing efforts are not successful, our business, financial condition and results of operations would be adversely affected;
- If we fail to attract new customers and consumers, retain existing customers and consumers, or fail to maintain or increase sales to those customers and consumers, our business, prospects, results of operations, financial condition, cash flows and growth prospects will be harmed;

- Our business depends on our ability to maintain a strong community of engaged customers, consumers and ambassadors, including by social media. We may not be able to maintain and enhance our brand if we experience negative publicity related to our marketing efforts or use of social media, fail to maintain and grow our network of ambassadors or otherwise fail to meet our customers' or consumers' expectations;
- We rely on single source manufacturers and suppliers for the majority of our products and the loss of manufacturers or suppliers or shortages in the supply of raw materials or finished products could harm our business, prospects, results of operations, financial condition and/or cash flows;
- If we are unable to accurately forecast customer demand, manage our inventory and plan for future expenses, our results of operations could be adversely affected;
- A general economic downturn, or sudden disruption in business conditions may affect consumer purchases of discretionary items and/or the financial strength of our customers, which would adversely affect our business, financial condition and results of operations;
- We operate in highly competitive categories;
- A disruption in manufacturing or supply chain could adversely affect our business;
- Our recent rapid growth may not be sustainable or indicative of future growth, and we expect our growth rate to ultimately slow over time;
- We are subject to risks related to the global scope of our sales channels;
- Our products are subject to federal, state and international laws, regulations and policies that could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows;
- Our collection, use, storage, disclosure, transfer and other processing of personal information could give rise to significant costs and liabilities, including as a result of governmental regulation, uncertain or inconsistent interpretation and enforcement of legal requirements or differing views of personal privacy rights, which may have an adverse effect on our reputation, business, financial condition and results of operations;
- We rely significantly on the use of information technology, as well as those of our third-party service providers. Any significant failure, inadequacy, interruption or data security incident of our information technology systems, or those of our third-party service providers, could disrupt our business operations, which could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows;
- Our efforts to register, maintain and protect our intellectual property rights may not be sufficient to protect our business;
- If our trademarks and trade names are not adequately protected, we may not be able to maintain or build name recognition in our markets of interest;
- Our significant indebtedness could adversely affect our financial condition;
- Servicing our debt requires a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations;
- The Advent Funds will continue to have significant influence over us after this offering;
- We will be required to pay our Existing Stockholders % of certain tax benefits related to Pre-IPO Tax Assets, and could be required to make substantial cash payments in which the stockholders purchasing shares in this offering will not participate; and

- Upon the listing of our common stock on _____, we will be a “controlled company” within the meaning of the corporate governance standards of _____. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance standards. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Any of the factors set forth under “Risk Factors” may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under “Risk Factors” in deciding whether to invest in our common stock.

Implications of Being an Emerging Growth Company

As a company with less than \$1.07 billion in total annual gross revenues during our most recently completed fiscal year, we qualify as an “emerging growth company” as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements;
- no non-binding shareholder advisory votes on executive compensation;
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting; and
- reduced disclosure of financial information in this prospectus, including only two years of audited financial information and two years of selected financial information.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than \$1.07 billion in total annual gross revenues as of the end of any fiscal year, if we are deemed to be a large accelerated filer under the rules of the SEC or if we issue more than \$1 billion of non-convertible debt during a three-year period.

The JOBS Act permits an emerging growth company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing not to “opt out” of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company. Therefore, the reported results of operations contained in our financial statements may not be directly comparable to those of other public companies.

The Advent Funds

Investment funds affiliated with Advent International Corporation (the “Advent Funds”) and other investors acquired the Olaplex business in January 2020 (the “Acquisition”). Advent International Corporation is one of the largest and most experienced global private equity investors. Since its founding in 1984, Advent has invested over \$54 billion of equity in more than 375 private equity transactions across 42 countries and has maintained consistent industry leading investment performance across its funds. Advent has established a globally integrated team of over 240 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business & financial services, healthcare, industrial, retail,

consumer & leisure and technology. After more than 35 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies.

Corporate History and Information

Penelope Group Holdings was formed in Delaware in November 2019 in connection with the Acquisition. Olaplex Holdings was incorporated in Delaware in June 2021 in connection with this offering and is the issuer of the shares offered by this prospectus.

We are a fully remote company. As a result, we do not currently have a principal executive office. Our website is <https://www.olaplex.com>. Information contained on our website or that can be accessed through our website is not part of, and is not incorporated by reference in, this prospectus.

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	The Offering
Common stock offered by us	shares.
Common stock offered by the selling stockholders	shares.
Underwriters' option to purchase additional shares of common stock	We and the selling stockholders have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to additional shares of common stock, less underwriting discounts and commissions.
Common stock outstanding after this offering	shares (or shares if the underwriters exercise in full their option to purchase additional shares of common stock).
Use of proceeds	<p>We estimate that the net proceeds to us from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ (or approximately \$ if the underwriters exercise in full their option to purchase additional shares of common stock), assuming an initial public offering price of \$ per share (which is the midpoint of the estimated offering price range shown on the cover page of this prospectus). We will not receive any proceeds from the sale of shares of common stock by the selling stockholders named in this prospectus. See "Use of Proceeds."</p> <p>We intend to use the net proceeds to us from this offering for general corporate purposes.</p> <p>To the extent that the underwriters exercise all or a portion of their option to purchase additional shares of our common stock, the net proceeds received by us will be used for general corporate purposes. We will not receive any proceeds from any additional shares sold by the selling stockholders. See "Use of Proceeds."</p>
Dividend policy	Our board of directors ("Board of Directors") does not currently plan to pay dividends on our common stock. The declaration, amount, and payment of any future dividends will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general economic and business conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our Credit Facilities, our obligations under the Tax Receivable Agreement and other indebtedness we may incur, and such other factors as our Board of Directors may deem relevant. See "Dividend Policy."

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Risk factors	See “Risk Factors” for a discussion of risks you should carefully consider before deciding to invest in our common stock.
Controlled Company	After the completion of this offering, we will be a “controlled company” within the meaning of the corporate governance standards.
Proposed ticker symbol	“OLPX”
<p>Except as otherwise indicated, the number of shares of common stock outstanding after this offering is based on _____ shares outstanding as of June 30, 2021 after giving effect to the Reorganization. Because the number of shares of our common stock underlying stock options to be outstanding as of the consummation of this offering will be determined by reference to the initial public offering price in this offering, a change in the initial public offering price would have a corresponding impact on the number of shares of our common stock underlying stock options after giving effect to this offering. See “The Reorganization—Treatment of Performance-Based Options and Cash-Settled Units.” Except as otherwise indicated, the number of shares of our common stock to be outstanding after this offering excludes:</p> <ul style="list-style-type: none">• shares of common stock issuable upon the exercise by the underwriters in this offering of their option to purchase additional shares of common stock from us;• shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2021 under the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the “2020 Plan”) at a weighted average exercise price of _____, based on an assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus;• shares of common stock available for future issuance as of June 30, 2021 under the 2020 Plan; and• shares of common stock that will become available for issuance under our 2021 Omnibus Equity Incentive Plan (the “2021 Plan”). <p>Except as otherwise noted or the context otherwise requires, all information in this prospectus assumes or gives effect to:</p> <ul style="list-style-type: none">• the Reorganization;• no exercise of the outstanding stock options described above after June 30, 2021;• no exercise by the underwriters of their option to purchase additional shares; and• no purchase of shares of common stock in this offering by directors, officers or existing stockholders.	

Summary Consolidated Financial and Other Data

You should read the following summary consolidated financial and other data together with the “Capitalization,” “Selected Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of this prospectus and our audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

Historically, our business has been operated through Penelope Group Holdings and its consolidated subsidiaries, including Olaplex Holdings Corp, which is the indirect parent of Olaplex, Inc., our primary operating subsidiary. The consolidated financial statements of Penelope Holdings Corp. are the financial statements included in this prospectus. Olaplex Holdings was formed for the purpose of this offering and has engaged to date only in activities in contemplation of this offering. Immediately following the Reorganization, Olaplex Holdings will be a holding company with no material assets other than 100% of the equity interest in Olaplex Intermediate, Inc., which will be the direct parent of Penelope Holdings Corp. and indirect parent of Olaplex, Inc., and Olaplex Holdings will consolidate Penelope Holdings Corp. and its subsidiaries in its historical consolidated financial statements.

On January 8, 2020 (the “Acquisition Date”), we acquired the Olaplex LLC business, including the intellectual property operations of another affiliated business, LIQWD, Inc (“LIQWD IP”) collectively, the (“Olaplex business”), from the owners of the Olaplex business (the “Sellers”) (the “Acquisition”). Subsequent to the Acquisition Date, all of our operations are comprised of the operations of Olaplex, Inc. We have presented the financial statements in a format with a 2020 successor fiscal year from January 1, 2020 to December 31, 2020 and a 2019 predecessor fiscal year. Given the insignificance of the operations of the acquired Olaplex business between, January 1, 2020 and the Acquisition Date, a separate financial statement has not been presented and the associated acquisition accounting has been reflected as occurring as of January 1, 2020.

The predecessor period includes the consolidated financial position and results of operations of the Olaplex LLC entity and LIQWD IP carried out by the Sellers during the 2019 predecessor fiscal year applying U.S. generally accepted accounting principles that coincide with the Seller’s accounting policies. The predecessor period does not include an income tax provision due to the Sellers operating the Olaplex business through pass through entities subject to tax at the unitholder level.

Due to the change in the basis of accounting resulting from the application of the Acquisition method of accounting, the predecessor period includes the financial position and results of operations of the Olaplex business. The summary consolidated statement of operations data for the years ended December 31, 2020 (successor) and 2019 (predecessor) and the summary consolidated balance sheet data as of December 31, 2020 (successor) and 2019 (predecessor) is derived from our audited consolidated financial statements and related notes thereto included elsewhere in this prospectus.

Our historical results are not necessarily indicative of the results expected for any future period.

	Year ended December 31,	
	2020 (Successor)	2019 (Predecessor)
	(in thousands, except share, unit, per share and per unit data)	
Consolidated Statements of Operations and Comprehensive Income Data:		
Net sales	\$ 282,250	\$ 148,206
Cost of sales:		
Cost of product (excluding amortization)	96,611	31,171
Amortization of patented formulations	6,052	—
Total cost of sales	102,663	31,171
Gross profit	179,587	117,035
Operating expenses:		
Selling, general, and administrative	37,170	56,698
Amortization of other intangible assets	39,825	—
Acquisition costs	16,499	—
Total operating expenses	93,494	56,698
Operating income	86,093	60,337
Interest (expense) income, net	(38,645)	39
Other (expense) income, net	(190)	503
Income before provision for income taxes	47,258	60,879
Income tax provision	7,980	—
Net income	<u>\$ 39,278</u>	<u>\$ 60,879</u>
Comprehensive income	<u>\$ 39,278</u>	<u>\$ 60,879</u>
Net income per share (unit) attributable to common stockholders (members):		
Basic	\$ 41.73	\$ 60.88
Diluted	\$ 41.63	\$ 60.88
Weighted-average shares (units) used in computing net income per share (unit) attributable to common stockholders (members):		
Basic	941,313	1,000,000
Diluted	943,437	1,000,000
Non-GAAP Financial Measures(1):		
Adjusted EBITDA(2)	\$ 199,270	\$ 100,483
Adjusted gross profit(3)	\$ 230,360	\$ 117,035
Adjusted net income(4)	\$ 131,116	\$ 100,522
Adjusted net income per share (unit)—basic(4)	\$ 139.29	\$ 100.52
Adjusted net income per share (unit)—diluted(4)	\$ 138.98	\$ 100.52

	As of December 31, 2020		
	Actual	Pro Forma(5)	Pro Forma As Adjusted(6)
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 10,964		
Working capital(7)	14,480		
Total assets	1,332,833		
Total debt	775,483		
Total liabilities	802,160		
Total stockholders' equity	530,673		

- (1) Adjusted EBITDA, adjusted gross profit, adjusted net income and adjusted net income per share (unit) are measures that are not calculated in accordance with GAAP.

We prepare and present our consolidated financial statements in accordance with GAAP. However, management believes that adjusted EBITDA, adjusted gross profit, adjusted net income, and adjusted net income per share (unit) that are non-GAAP financial measures, provide investors with additional useful information in evaluating our performance.

Adjusted EBITDA, adjusted gross profit, adjusted net income, and adjusted net income per share (unit) are financial measures that are not required by or presented in accordance with GAAP. We believe that adjusted EBITDA, adjusted gross profit, adjusted net income, and adjusted net income per share (unit), when taken together with our financial results presented in accordance with GAAP, provide meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of these non-GAAP measures is helpful to our investors as they are measures used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes.

Adjusted EBITDA, adjusted gross profit, adjusted net income, and adjusted net income per share (unit) are presented for supplemental informational purposes only, which have limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of these non-GAAP measures include that they (1) do not reflect capital commitments to be paid in the future, (2) do not reflect that, although amortization is a non-cash charge, the underlying assets may need to be replaced and non-GAAP measures do not reflect these capital expenditures and intangible asset amortization that contributes to revenue recognition will recur in future periods until fully amortized, (3) do not consider the impact of share-based compensation expense, (4) do not reflect other non-operating expenses, including, in the case of adjusted EBITDA and adjusted EBITDA margin, interest expense, (5) in the case of adjusted EBITDA, do not reflect tax payments that may represent a reduction in cash available to us and (6) do not include certain non-ordinary cash expenses that we do not believe are representative of our business on a steady-state basis. In addition, our use of non-GAAP measures may not be comparable to similarly titled measures of other companies because they may not calculate adjusted EBITDA, adjusted gross profit, adjusted net income, and adjusted net income per share (unit) in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider these non-GAAP measures alongside other financial measures, including our gross profit, gross margin, net income, net income per share (unit) and other results stated in accordance with GAAP.

- (2) We calculate adjusted EBITDA as net income, adjusted to exclude: (1) interest expense (income), net; (2) income tax provision; (3) amortization; (4) share-based compensation expense; (4) inventory fair value adjustment; (5) Acquisition costs and financing fees; (6) expenses associated with non-recurring success

payments made upon the sale of the Olaplex business; (7) non-recurring patent infringement litigation and settlement fees; and (8) as applicable, tax receivable agreement liability adjustments.

The following table presents a reconciliation of net income, as the most directly comparable financial measure stated in accordance with GAAP, to adjusted EBITDA, for each of the periods presented.

(in thousands)	For the Year Ended December 31,	
	2020 (Successor)	2019 (Predecessor)
Reconciliation of Net Income to Adjusted EBITDA		
Net income	\$ 39,278	\$ 60,879
Interest expense (income)	38,645	(39)
Income tax provision	7,980	—
Amortization	45,877	—
Acquisition costs and financing fees(a)	21,242	938
Non-recurring success payments(b)	—	16,347
Non-recurring litigation costs(c)	—	22,358
Inventory fair value adjustment(d)	44,721	—
Share-based compensation	1,527	—
Tax receivable agreement liability adjustment(e)	—	—
Adjusted EBITDA	<u>\$ 199,270</u>	<u>\$ 100,483</u>

- (a) Includes acquisition costs related to the Acquisition of the Olaplex business and dividend financing costs.
- (b) Includes expenses for non-recurring success payments made by the Sellers to employees upon sale of the Olaplex business.
- (c) Includes non-recurring litigation costs incurred related to patent enforcement by the Predecessor.
- (d) Includes the non-cash, non-recurring fair value inventory step-up adjustment amortization as part of the purchase accounting of the Acquisition.
- (e) As applicable, represents the income statement impacts recognized during the applicable period due to adjustments in the tax receivable agreement liability that may result from items such as changes in the mix of earnings, tax legislation and tax rates in various jurisdictions impacting our tax savings.

- (3) We calculate adjusted gross profit as gross profit, adjusted to exclude: (1) inventory fair value adjustments and (2) amortization of patented formulations pertaining to the Acquisition.

The following table presents a reconciliation of gross profit, as the most directly comparable financial measure stated in accordance with GAAP, to adjusted gross profit, for each of the periods presented.

	Year ended December 31,	
	2020 (Successor)	2019 (Predecessor)
(in thousands)		
Reconciliation of Gross Profit to Adjusted Gross Profit		
Gross profit	\$ 179,587	\$ 117,035
Inventory fair value adjustment(a)	44,721	—
Amortization of patented formulations	6,052	—
Adjusted gross profit	<u>\$ 230,360</u>	<u>\$ 117,035</u>

- (a) Includes the non-cash, non-recurring fair value inventory step-up adjustment as part of purchase accounting of the Acquisition.

- (4) We calculate adjusted net income as net income, adjusted to exclude: (1) amortization of intangible assets; (2) share-based compensation expense; (3) inventory fair value adjustment amortization pertaining to the Acquisition; (4) Acquisition costs and financing fees; (5) expenses associated with non-recurring success payments made upon the sale of the Olaplex business; (6) non-recurring patent infringement litigation and settlement fees; (7) as applicable, tax receivable agreement liability adjustments; and (8) the tax effect of non-GAAP adjustments. Adjusted net income per share (unit) is defined as adjusted net income per share (unit) using the weighted average basic and diluted shares outstanding.

The following table presents a reconciliation of net income, as the most directly comparable financial measure stated in accordance with GAAP, to adjusted net income, and adjusted net income per share (unit), for each of the periods presented.

(in thousands)	For the Year Ended December 31,	
	2020 (Successor)	2019 (Predecessor)
Reconciliation of Net Income to Adjusted Net Income		
Net income	\$ 39,278	\$ 60,879
Amortization of intangible assets	45,877	—
Acquisition costs and financing fees(a)	21,242	938
Non-recurring success payments(b)	—	16,347
Non-recurring litigation costs(c)	—	22,358
Inventory fair value adjustment(d)	44,721	—
Share-based compensation	1,527	—
Tax receivable agreement liability adjustment(e)	—	—
Tax effect of adjustments(f)	(21,529)	—
Adjusted net income	\$ 131,116	\$ 100,522
Adjusted net income per share (unit):		
Basic	\$ 139.29	\$ 100.52
Diluted	\$ 138.98	\$ 100.52

- (a) Includes costs related to the Acquisition of the Olaplex business and dividend financing costs.
- (b) Includes expenses for non-recurring success payments made by the Sellers to employees upon sale of the Olaplex business.
- (c) Includes non-recurring litigation costs incurred related to patent enforcement by the Predecessor.
- (d) Includes the non-cash, non-recurring fair value inventory step-up adjustment amortization as part of the purchase accounting of the Acquisition.
- (e) As applicable, represents the income statement impacts recognized during the applicable period due to adjustments in the tax receivable agreement liability that may result from items such as changes in the mix of earnings, tax legislation and tax rates in various jurisdictions impacting our tax savings.
- (f) The tax effect of non-GAAP adjustments is calculated by applying the applicable tax rate by jurisdiction to thenon-GAAP adjustments listed above, taking into consideration the total tax impact of the adjustments.
- (5) The pro forma consolidated balance sheet data give effect to the Reorganization, as if it had occurred on December 31, 2020, including (i) the conversion of all outstanding Class A units of Penelope Group Holdings into an aggregate of _____ shares of common stock of Olaplex Holdings, (ii) the conversion of all outstanding time-based options to purchase shares of common stock of Penelope Holdings Corp. into time-based options to purchase an aggregate of _____ shares of common stock of Olaplex Holdings, each adjusted on a _____-for-_____ basis, with a corresponding adjustment to the exercise price, (iii) the conversion of _____ outstanding performance-based options to purchase shares of common stock of Penelope Holdings Corp. into an aggregate of _____ time-based options to purchase shares of common stock of Olaplex Holdings, each adjusted on a _____-for-_____ basis, with a corresponding adjustment to the

exercise price, and (iv) the recording of a liability associated with the Tax Receivable Agreement entered into with the Existing Stockholders which will require us to make payments to the Existing Stockholders upon the realization of tax benefits from certain Pre-IPO Tax Assets. Any change between the actual and the initial recorded liability shall be charged to the statement of operations and comprehensive income. See “The Reorganization” and “The Tax Receivable Agreement.”

- (6) The pro forma as adjusted balance sheet data give further effect to (i) our issuance and sale of _____ shares of our common stock in this offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (ii) the application of the net proceeds therefrom as described in “Use of Proceeds.” As of December 31, 2020, \$ _____ of our estimated aggregate offering expenses had already been paid by us. The pro forma as adjusted information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A \$ _____ increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders’ equity by \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering in this offering. Each increase (decrease) of 1,000,000 shares offered by us from the expected number of shares to be sold by us in this offering, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders’ equity by \$ _____, assuming no change in the assumed initial public offering price per share, which is the midpoint of the estimated offering price range shown on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (7) Working capital is defined as current assets minus current liabilities.

RISK FACTORS

An investment in our common stock involves risks. You should carefully consider the following information about these risks, together with the other information contained in this prospectus, before investing in shares of our common stock. The risks described below are those that we believe are the material risks that we face. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline and you could lose all or part of your investment. Some of the following risks and uncertainties are, and will be, exacerbated by the COVID-19 pandemic (including any resurgences thereof) and any worsening of the global business and economic environment as a result. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial also may materially and adversely affect our business, prospects, operating results or financial condition. See “Special Note Regarding Forward-Looking Statements” elsewhere in this prospectus.

Risks Related to Our Business

Our inability to anticipate and respond to market trends and changes in consumer preferences could adversely affect our financial results.

Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer tastes for haircare and other beauty products, attitudes toward our industry and brand, as well as to where and how consumers shop. We must continually work to maintain and enhance the recognition of our brand, develop, manufacture and market new products, maintain and adapt to existing and emerging distribution channels, successfully manage our inventories and modernize and refine our approach as to how and where we market and sell our products. Consumer tastes and preferences cannot be predicted with certainty and can change rapidly. The issue is compounded by the increasing use of digital and social media by consumers and the speed by which information and opinions are shared. If we are unable to anticipate and respond to sudden challenges that we may face in the marketplace, trends in the market for our products and changing consumer demands and sentiment, our business, financial condition and results of operations will suffer. In addition, from time to time, sales growth or profitability may be concentrated in a relatively small number of our products or countries. If such a situation persists or a number of products or countries fail to perform as expected, there could be an adverse effect on our business, financial condition and results of operations.

We depend on a limited number of customers for a large portion of our net sales, and the loss of one or more of these customers could reduce our net sales and have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

For the year ended December 31, 2020, three of our customers—Sephora, SalonCentric and Beauty Systems Group—accounted for greater than 10% of our net sales. We expect Sephora, Salon Centric, Beauty Systems Group and a small number of other customers will continue to account for a large portion of our net sales for the foreseeable future. The loss of Sephora, SalonCentric, Beauty Systems Group and/or one or more of our other customers that account for a significant portion of our net sales, or any significant decrease in sales to these customers, including as a result of the restructuring or bankruptcy of one of our customers, consolidation among such customers, retail store closures in response to the growth in retail sales through e-commerce channels, decrease in consumer demand or other factors, would reduce our net sales and/or operating income and therefore would have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

In addition, we may be affected by changes to the salon environment. Our professional beauty customers may limit their product supply if the demand for salon treatment declines. We cannot ensure that there will always be a demand for salons. Likewise, there may be consolidation of the salon market. If consolidation leads to purchasing power, we may have to reduce the cost of our products, which will have an impact on our earnings.

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Our brand is critical to our success, and the value of our brand may be adversely impacted by negative publicity. If we fail to maintain the value of our brand or our marketing efforts are not successful, our business, financial condition and results of operations would be adversely affected.

Our success depends on the value of our brand, which is integral to our business, as well as to the implementation of our strategies for expanding our business. Maintaining, promoting and positioning our brand will depend largely on the success of our marketing and merchandising efforts and our ability to provide consistent, high-quality merchandise. Our brand could be adversely affected if we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity through traditional or social media platforms. We cannot guarantee that our brand development strategies will accelerate the recognition of our brand or increase revenues.

In addition, the importance of our brand may increase to the extent we experience increased competition, which could require additional expenditures on our brand promotion activities. Maintaining and enhancing our brand image also may require us to make additional investments in areas such as merchandising, marketing and online operations. These investments may be substantial and may not ultimately be successful. Moreover, if we are unsuccessful in protecting our intellectual property rights in our brand, the value of our brand may be harmed. Any harm to our brand or reputation could adversely affect our ability to attract and engage customers and negatively impact our business, financial condition and results of operations.

If we fail to attract new customers and consumers, retain existing customers and consumers, or fail to maintain or increase sales to those customers and consumers, our business, prospects, results of operations, financial condition, cash flows and growth prospects will be harmed.

Our success depends in large part upon widespread adoption of our products by consumers. In order to attract new consumers and continue to expand our customer and consumer base, we must appeal to and attract hairstylists and consumers who identify with our products. If we fail to deliver a high-quality consumer experience or if our current or potential future customers are not convinced that our products are superior to alternatives, then our ability to retain existing customers, acquire new customers and grow our business may be harmed. We have made significant investments in enhancing our brand, attracting new customers and interacting with our hairstylist and consumer communities, and we expect to continue to make significant investments to promote our products. Such campaigns can be expensive and may not result in new customers or consumers or increased sales of our products. Further, as our brand becomes more widely known, we may not attract new consumers or increase our net sales at the same rates as we have in the past. If we are unable to acquire new customers who purchase products in numbers sufficient to grow our business, we may not be able to generate the scale necessary to drive beneficial network effects with our suppliers, our net revenues may decrease, and our business, financial condition and operating results may be materially adversely affected.

In addition, our future success depends in part on our ability to increase sales to our existing customers over time, as a significant portion of our net sales are generated from sales to existing customers, particularly those existing customers who are highly engaged and make frequent and/or large purchases of the products we offer. We may be affected by changes in the policies and demands of our professional and specialty retail customers relating to inventory management, changes in pricing, marketing, advertising and/or promotional strategies by such customers, space reconfigurations by our customers or any significant decrease in our display space or online prominence or the ongoing COVID-19 pandemic as retailers faced store closures or reduced traffic. If existing customers no longer find our products appealing, are not satisfied with our customer service, including shipping times, or if we are unable to timely update our products to meet current trends and customer demands, our existing customers may not make purchases, or if they do, they may make fewer or smaller purchases in the future.

If we are unable to continue to attract new customers or our existing customers decrease their spending on the products we offer or fail to make repeat purchases of our products, our business, financial condition, results of operations and growth prospects will be harmed.

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Our business depends on our ability to maintain a strong community of engaged customers, consumers and ambassadors, including by social media. We may not be able to maintain and enhance our brand if we experience negative publicity related to our marketing efforts or use of social media, fail to maintain and grow our network of ambassadors or otherwise fail to meet our customers' or consumers' expectations.

We currently partner with eight brand ambassadors who promote and market our products, participate in product launches, engage with our professional hairstylist and consumer community and educate them about Olaplex products. Our ability to maintain relationships with our existing ambassadors and to identify new ambassadors is critical to expanding and maintaining our customer and consumer base. As our market becomes increasingly competitive or as we expand internationally, recruiting and maintaining new ambassadors may become increasingly difficult. If we are not able to develop and maintain strong relationships with our ambassador network, our ability to promote and maintain awareness of our brand may be adversely affected. Further, if we incur excessive expenses in this effort, our business, financial condition and results of operations may be adversely affected.

We and our ambassadors often use third-party social media platforms to raise awareness of our brand and engage with our hairstylist and consumer community. In recent years, there has been a marked increase in the use of social media platforms, including blogs, chat platforms, social media websites, and other forms of internet-based communications that allow individuals to interact with our products, which acts as a means to enhance brand awareness. As existing social media platforms evolve and new platforms develop, we and our ambassadors must continue to maintain a presence on these platforms and establish presences on emerging popular social media platforms. If we are unable to cost-effectively develop and continuously improve our consumer-facing technologies, such as social media platforms, our ability to acquire new customers and consumers may suffer and we may not be able to provide a convenient and consistent experience to our consumers regardless of the sales channel. This could negatively affect our ability to compete with other companies and result in diminished loyalty to our brand.

The use of social media by our brand ambassadors, our consumers and us has increased the risk that our image and reputation could be negatively impacted. In particular, the reputation of our brand ambassadors could impact how consumers view our products or brand. The rising popularity of social media and other consumer-oriented technologies has increased the speed and accessibility of information dissemination and given users the ability to organize collective actions such as boycotts and other brand-damaging behaviors more effectively. The dissemination of information via social media could harm our brand or our business, regardless of the information's accuracy. This could include negative publicity related to our products or negative publicity related to actions taken (or not taken) by us or our executives, team members, employees, brand ambassadors, contractors, collaborators, vendors, consultants, advisors or other individuals or entities that may be perceived as being associated with us. Such negative publicity may relate to actions taken (or not taken) with respect to social, environmental, and community outreach issues and initiatives. The harm may be immediate, without affording us an opportunity for redress or correction and could have an adverse effect on our business, financial condition and results of operations. In addition, an increase in the use of social media for product promotion and marketing may increase the burden on us to monitor compliance of such materials, and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations. For example, in some cases, the U.S. Federal Trade Commission ("FTC") has sought enforcement action where an endorsement has failed to clearly and conspicuously disclose a financial relationship or material connection between an influencer and an advertiser.

We also do not prescribe what our ambassadors post, and our ambassadors could engage in behavior or use their platforms in a manner that reflects poorly on our brand or is in violation of applicable regulations or platform terms of service, and all these actions may be attributed to us. In addition, customer complaints or negative publicity related to our website, mobile app, products, product delivery times, customer data handling, marketing efforts, security practices or customer support, especially on blogs and social media websites, could diminish customer loyalty and community engagement. Our inability or failure to recognize, respond to, and effectively manage the accelerated impact of social media could adversely impact our business.

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Further, laws and regulations, including associated enforcement priorities, rapidly evolve to govern social media platforms and other internet-based communications, and any failure by us, our ambassadors or other third parties acting at our direction or on our behalf to abide by applicable laws and regulations in the use of these platforms could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties. Other risks associated with the use of social media and internet based-communication include improper disclosure of proprietary information, negative comments about our brand or products, exposure of personally identifiable information, fraud, hoaxes, or malicious dissemination of false information. Damage to the brand image and our reputation could have an adverse effect on our business, results of operations and financial condition.

We rely on single source manufacturers and suppliers for the majority of our products and the loss of manufacturers or suppliers or shortages in the supply of raw materials or finished products could harm our business, prospects, results of operations, financial condition and/or cash flows.

Our products generally rely on a single or a limited number of manufacturers and suppliers. We acquire raw materials, components and packaging from third-party suppliers and our finished products are manufactured by three third-party manufacturers. Cosway Company Inc. manufactures products that accounted for more than 70% of our net sales in 2020 and we continue to rely upon Cosway to manufacture a majority of our current product offerings. In addition, the principal raw material for our products is our patented ingredient, Bis-amino, which is manufactured by a contract manufacturing organization in the United States. In the past, we have been able to obtain an adequate supply of our finished products and essential raw materials and currently believe we have an adequate supply for virtually all components of our products, including Bis-amino. However, we may encounter supply issues with raw materials due to increases in global demand and limited supply capacity. If our finished product manufacturers or supplier of Bis-amino, or any of our other raw materials, is unable to perform and we are required to find alternative sources of supply, these new manufacturers or suppliers may have to be qualified under applicable industry, governmental and Company-mandated vendor standards, which can require additional investment and be time-consuming. We cannot guarantee that we will be able to establish alternative relationships on similar terms, without delay or at all.

In addition to Bis-amino, the other primary raw materials used in our products include essential oils and specialty chemicals, which we obtain from third-party suppliers. While we attempt to reduce our exposure to fluctuations in the price of these raw materials through contractual arrangements with our suppliers, we may not accurately forecast prices and therefore may at times pay more than prevailing market rates, which could leave us at a disadvantage compared to competitors who may be able to offer lower prices while retaining similar margins. If our contracting approach with our suppliers changes, substantial cost increases and the unavailability of raw materials or other commodities, as well as higher costs for energy, transportation and other necessary services could adversely affect our profit margins if we are unable to wholly or partially offset them, such as by achieving cost efficiencies in our supply chain, manufacturing and/or distribution activities.

We believe our third-party manufacturers and suppliers have adequate resources and facilities to overcome many unforeseen interruptions of supply. However, the inability of our third-parties to provide adequate supply of finished products and materials used in our products or the loss of any of these manufacturers or suppliers and any difficulties in finding or transitioning to alternative manufacturers or suppliers would harm our business, financial condition and results of operations. Changes in the financial or business condition of our manufacturers or suppliers could subject us to losses or adversely affect our ability to bring products to market. Further, the failure of our manufacturers or suppliers to deliver goods and services in sufficient quantities, in compliance with applicable standards, and in a timely manner could adversely affect our customer service levels and overall business. If we experience supply shortages, price increases or regulatory impediments with respect to the raw materials, ingredients, components or packaging we use for our products, we may need to seek alternative supplies or suppliers and may experience difficulties in finding replacements that are comparable in quality and price. In addition, we may be required to reformulate or substitute ingredients in our products due to shortages of specific raw materials in order to meet demand. If we are unable to successfully respond to such issues, our business, financial condition and results of operations would be adversely affected.

If we are unable to accurately forecast customer demand, manage our inventory and plan for future expenses, our results of operations could be adversely affected.

We base our current and future inventory needs and expense levels on our operating forecasts and estimates of future demand. To ensure adequate inventory supply, we must be able to forecast inventory needs and expenses and place orders sufficiently in advance with our manufacturers and suppliers, based on our estimates of future demand for particular products. Failure to accurately forecast demand may result in inefficient inventory supply or increased costs. This risk may be exacerbated by the fact that we may not carry a significant amount of inventory and may not be able to satisfy short-term demand increases. Accordingly, if we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs or the sale of excess inventory at discounted prices, which would cause our gross margins to suffer and could impair the strength and premium nature of our brand. Further, lower than forecasted demand could also result in excess manufacturing capacity or reduced manufacturing efficiencies, which could result in lower margins. Conversely, if we underestimate customer demand, including as a result of unanticipated growth, our manufacturers and suppliers may not be able to deliver products to meet our requirements, and we may be subject to higher costs in order to secure the necessary production capacity or we may incur increased shipping costs. An inability to meet customer demand and delays in the delivery of our products to our customers could result in reputational harm and damaged customer relationships and have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Moreover, while we devote significant attention to forecasting efforts, the volume, timing, value and type of the orders we receive are inherently uncertain. In addition, we cannot be sure the same growth rates, trends and other key performance metrics are meaningful predictors of future growth. Our business, as well as our ability to forecast demand, is also affected by general economic and business conditions in the United States and the degree of customer confidence in future economic conditions, and we anticipate that our ability to forecast demand due to these types of factors will be increasingly affected by conditions in international markets. A significant portion of our expenses is fixed, and as a result, we may be unable to adjust our spending in a timely manner to compensate for any unexpected shortfall in net revenues. Any failure to accurately predict net revenues or gross margins could cause our operating results to be lower than expected, which could adversely affect our financial condition.

A general economic downturn, or sudden disruption in business conditions may affect consumer purchases of discretionary items and/or the financial strength of our customers, which would adversely affect our business, financial condition and results of operations.

The general level of consumer spending is affected by a number of factors, including general economic conditions, inflation, interest rates, energy costs and consumer confidence generally, all of which are beyond our control. Consumer purchases of discretionary items tend to decline during recessionary periods, when disposable income is lower, and may impact sales of our products. A decline in consumer purchases of discretionary items also tends to impact our customers. We may extend credit to a customer based on an evaluation of its financial condition, usually without requiring collateral. However, the financial difficulties of a customer could cause us to curtail or eliminate business with them. We may also assume more credit risk relating to the receivables from that customer. Our inability to collect receivables from our largest customers or from a group of customers would have an adverse effect on our business. If any of our customers were to liquidate, we would incur additional costs if we choose to purchase the customer's inventory of our products to protect brand equity.

Sudden disruptions in local or global business conditions from events such as a pandemic or other health issues, geo-political or local conflicts, civil unrest, terrorist attacks, adverse weather conditions, climate changes or seismic events, can have a short-term and, sometimes, long-term impact on consumer spending, which in turn could adversely affect our business, financial condition and results of operations. Moreover, a downturn in the economies of, or continuing recessions in, the countries where we sell our products or a sudden disruption of

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business conditions in those countries could adversely affect consumer confidence, the financial strength of our distributors and retailers and, in turn, our sales and profitability.

Volatility in the financial markets and a related economic downturn in key markets or markets generally throughout the world could have an adverse effect on our business. We may need or choose to seek additional financing to operate or expand our business and deterioration in global financial markets or an adverse change in our credit ratings could make future financing difficult or more expensive.

We operate in highly competitive categories.

We face competition from companies throughout the world, including multinational consumer product companies. Most of our competitors have greater resources than we do, some others are newer companies and some are competing in distribution channels or territories where we are less represented. Our competitors also may be able to respond to changing business and economic conditions more quickly than us due to larger research and development operations, manufacturing capabilities and sales force. Competition in the beauty industry is based on a variety of factors, including innovation, effectiveness of beneficial attributes, accessible pricing, service to the consumer, promotional activities, advertising, special events, new product introductions, e-commerce initiatives and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas.

Our ability to compete also depends on the continued strength of our brand and products, our ability to attract and retain key talent and other personnel, the influence of our brand ambassadors, the efficiency of our third-party manufacturing facilities and distribution network, our relationships with our key customers and our ability to maintain and protect our intellectual property and those other rights used in our business. We believe we have a well-recognized and strong reputation in our core markets and that the quality and performance of our products, our emphasis on innovation, and engagement with our professional and consumer community position us to compete effectively. However, if our reputation is adversely affected, our ability to attract and retain customers and consumers would be impacted. In addition, certain of our distributors in the United States and key retailers are owned or otherwise affiliated with companies that market and sell competing brands and, as a result, they may have an interest in promoting these competing brands over our products. Our inability to continue to compete effectively in key countries around the world could have an adverse effect on our business, financial condition and results of operations.

A disruption in manufacturing or supply chain could adversely affect our business.

We are subject to the risks inherent in the manufacturing of our products and supply chain, including industrial accidents, environmental events, strikes and other labor disputes, capacity constraints, disruptions in ingredient, material or packaging supply, as well as global shortages, disruptions in supply chain or information technology, loss or impairment of key manufacturing sites or suppliers, product quality control, safety, increase in commodity prices and energy costs, licensing requirements and other regulatory issues, as well as natural disasters and other external factors over which we have no control. If such an event were to occur, it could have an adverse effect on our business, financial condition and results of operations. In addition, as a result of the COVID-19 pandemic, one of our manufacturers experienced an interruption that delayed the manufacturing of one of our products for three weeks in January 2021, and we may experience further interruptions with this or other manufacturers as a result of the pandemic.

Our finished products are manufactured in the United States and Europe, with a substantial portion manufactured in California. Any interruptions in operations at these locations could result in our inability to satisfy product demand. Despite efforts by our third-party contract manufacturers to safeguard these facilities, and disaster recovery programs in place under some of our agreements with suppliers that allow for shifting of manufacturing capacity if necessary, a number of factors could damage or destroy the manufacturing equipment or our inventory component of supplies or finished goods, cause substantial delays in manufacturing, supply and

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distribution of our products, result in the loss of key information and cause us to incur additional expenses, including:

- operating restrictions, partial suspension or total shutdown of production imposed by regulatory authorities;
- equipment malfunctions or failures;
- technology malfunctions;
- work stoppages;
- damage to or destruction of the facility due to natural disasters including wildfires, earthquakes or other events; or
- regional or local power shortages.

While we maintain business interruption insurance that we believe is appropriate for our operations, our insurance may not cover losses in any particular case, or insurance may not be available on commercially reasonable terms to cover certain of these catastrophic events or interruptions. In addition, regardless of the level of insurance coverage, damage to these facilities or any disruption that impedes our ability to manufacture our products in a timely manner could adversely affect our business, financial condition and results of operations.

Our recent rapid growth may not be sustainable or indicative of future growth, and we expect our growth rate to ultimately slow over time.

We have experienced significant and rapid growth. Net sales increased from \$148.2 million in 2019 to \$282.3 million in 2020. For the six months ended June 30, 2020 and 2021, we had net sales of \$ million and \$ million, respectively. Our historical rate of growth may not be sustainable or indicative of our future rate of growth, and in future periods, our net sales could grow more slowly than we expect or decline. We believe that continued growth in net sales, as well as our ability to improve or maintain margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks and difficulties described elsewhere in this “Risk Factors” section. We cannot provide assurance that we will be able to successfully manage any such challenges or risks to our future growth. Any of these factors could cause our net sales growth to slow or decline and may adversely affect our margins and profitability. Even if our net sales continue to increase, we expect that our growth rate may slow for a number of other reasons, including if there is a slowdown in the growth of demand for our products, increased competition, a decrease in the growth or reduction in the size of our overall market or if we cannot capitalize on growth opportunities. Failure to continue to grow our net sales or improve or maintain margins would adversely affect our business, financial condition and results of operations. You should not rely on our historical rate of growth as an indication of our future performance.

The fluctuating cost of raw materials could increase our cost of goods sold and cause our business, financial condition and results of operations to suffer.

We have in the past experienced, and may in the future experience, fluctuations in the cost of raw materials used in our products for reasons beyond our control. Our costs for raw materials are affected by, among other things, weather, customer demand, speculation on the commodities market, the relative valuations and fluctuations of the currencies of producer versus customer countries and other factors that are generally unpredictable and beyond our control. Increases in the cost of raw materials could adversely affect our business, financial condition and results of operations.

The illegal distribution and sale by third parties of counterfeit versions of our products or the unauthorized diversion by third parties of our products could have an adverse effect on our net sales and a negative impact on our reputation and business.

Third parties may illegally distribute and sell counterfeit versions of our products. These counterfeit products may be inferior in terms of quality and other characteristics compared to our authentic products and/or the

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counterfeit products could pose safety risks that our authentic products would not otherwise present to consumers. Consumers could confuse counterfeit products with our authentic products, which could damage or diminish the image, reputation and/or value of our brand and cause consumers to refrain from purchasing our products in the future, which could adversely affect our reputation, business, financial condition and results of operations.

In 2020, a majority of our net sales were generated through the sale of our products to professional salon distributors. Products sold to these customers are meant to be used exclusively by salons and individual salon professionals or are sold exclusively to the retail consumers of these salons. Despite our efforts to prevent diversion of such products from these customers, incidents have occurred and continue to occur whereby our products are sold to sales outlets other than the intended salons and salon professionals, such as to general merchandise retailers or unapproved outlets. In some instances, these diverted products may be old, damaged or otherwise adulterated. Such diversion may result in lower net sales of our products if consumers choose to purchase diverted products and/or choose to purchase products manufactured or sold by our competitors because of any perceived damage or diminishment to the image, reputation and/or value of our brand.

We have been unable to eliminate, and may in the future be unable to eliminate, all counterfeiting activities and unauthorized product diversion, both of which could have a negative impact on our reputation and adversely affect our business, financial condition and results of operations.

Shipping is a critical part of our business and any changes in, or disruptions to, our shipping distribution and warehouse management network could adversely affect our business, financial condition and results of operations.

We currently rely on third-party global providers to deliver our products to customers, including directly to consumers. If we are not able to negotiate acceptable pricing and other terms with these providers, or if these providers experience performance problems or other difficulties in processing our orders or delivering our products to customers, it could negatively impact our results of operations and our customers' experience. For example, changes to the terms of our shipping arrangements or the imposition of surcharges or surge pricing may adversely impact our margins and profitability. In addition, our ability to receive inbound inventory efficiently and ship merchandise to customers may be negatively affected by factors beyond our and these providers' control, including pandemic, weather, fire, flood, power loss, earthquakes, acts of war or terrorism or other events specifically impacting other shipping partners, such as labor disputes, financial difficulties, system failures and other disruptions to the operations of the shipping companies on which we rely. We have in the past experienced, and may in the future experience, shipping delays for reasons outside of our control, including as a result of the COVID-19 pandemic. We are also subject to risks of damage or loss during delivery by our shipping vendors. If the products ordered by our customers are not delivered in a timely fashion, including to international customers, or are damaged or lost during the delivery process, our customers could become dissatisfied and cease buying products from us, which would adversely affect our business, financial condition and results of operations.

If we are unable to manage our growth effectively, our business, financial condition and results of operations could be harmed.

We have expanded our operations rapidly since our founding in 2014. At times, we may also experience significant growth in one or more of our markets or for one or more of our products. For example, we expanded our distributor customer network in the U.K. beginning in 2019, and our sales in the U.K. increased by approximately 219% from 2019 to 2020. As a result, we opened a fulfillment center in the U.K. to service this increased demand.

To manage our growth effectively, we must continue to implement our operational plans and strategies, improve and expand our infrastructure of people and information systems and expand, train and manage our employee base.

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Growth can also strain our ability to effectively manage our operations, as it requires us to expand our management team, sales and marketing, product development and distribution functions. Growth may require us to also upgrade our management information systems and other processes and technology, and to obtain space for our expanding workforce. It also requires us to obtain sufficient raw materials and manufacturing capacity and additional operational capabilities and facilities to warehouse and distribute our products. Insufficient management execution to support growth could result in, among other things, product delays or shortages, operating errors, inadequate customer service, inappropriate claims or promotions by our marketing team or brand ambassadors and governmental inquiries and investigations, all of which could harm our revenue and ability to generate sustained growth and result in unanticipated expenses. In addition, we need to continue to attract and develop qualified management personnel to sustain growth. If we are not able to successfully retain existing personnel and identify, hire and integrate new personnel, our business, financial condition and results of operations would be adversely affected.

If we do not continue to successfully develop and introduce new, innovative and updated products, we may not be able to maintain or increase our sales and profitability.

We are focused on selling to both professional hairstylists and consumers. As a result, our success depends in part on our ability to anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. If we do not continue to introduce new products or innovations on existing products in a timely manner or our new products or innovations are not accepted by our consumers, or if our competitors introduce similar products in a more timely fashion, our brand or our market position could be harmed.

Further, our new products and innovations on existing and future products may not receive the same level of consumer acceptance as our products have in the past. Consumer preferences could change, especially as we expand our product offerings beyond haircare, and our future success depends in part on our ability to anticipate and respond to these changes. Our failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower sales, excess inventory or inventory shortages, markdowns and write-offs and diminished brand loyalty. Even if we are successful in anticipating consumer needs and preferences, our ability to adequately address those needs and preferences will in part depend upon our continued ability to develop and introduce innovative, high quality products and maintain our distinctive brand identity as we expand the range of products we offer. A failure to effectively introduce new products or innovations on existing products that appeal to our consumers could result in a decrease in net revenues and excess inventory levels, which could adversely affect our business, financial condition and results of operations.

Our success depends, in part, on our key personnel.

Our success depends, in part, on our ability to retain our key personnel, including our executive officers and senior management team. In particular, we are highly dependent on the experience, reputation and contributions of JuE Wong, our Chief Executive Officer, and Tiffany Walden, our Chief Operating Officer and Chief Legal Officer. The unexpected loss of, or misconduct by, one or more of our key employees could adversely affect our business. Our success also depends, in part, on our continuing ability to identify, hire, train and retain other highly qualified personnel. To support our continued growth, we must effectively integrate, develop and motivate a large number of new employees. To attract top talent, we may need to increase our employee compensation levels to remain competitive in attracting and retaining talented employees. Competition for these employees can be intense. We may not be able to attract, assimilate or retain qualified personnel in the future, and our failure to do so could have an adverse effect on our business. This risk may be exacerbated by the stresses associated with the implementation of our strategic plan and other initiatives.

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Our business could be negatively impacted if we fail to execute our product launch process or ongoing product sales due to difficulty in forecasting or increased pressure on our supply chain, information systems and management.

New product offerings may generate significant activity and a high level of purchasing for the new product or current products, which can result in a higher-than-normal increase in revenue during the quarter and skew year-over-year comparisons. These offerings may also increase our product return rate. We may experience difficulty effectively managing growth associated with the launch of new products.

In addition, the size and schedule of these product offerings increase pressure on our supply chain and order processing systems. We may fail to appropriately scale our manufacturing capacity in response to unanticipated changes in demand for our existing products or to the demand for new products, which could harm our reputation and profitability.

If we are unable to accurately forecast sales levels in each market for product launches or ongoing product sales, obtain a sufficient supply of products to meet demand, including as a result of shortages in raw materials or packaging, we may incur higher expedited shipping costs and we may temporarily run out of stock of certain products, which could negatively impact our relationships with customers and consumers. Conversely, if demand does not meet our expectations for a product launch or ongoing product sales or if we change our planned launch strategies or initiatives, we could incur inventory write-downs.

The extent to which the COVID-19 pandemic could adversely affect our financial results will depend on future developments that are highly uncertain and difficult to predict.

The outbreak and global spread of COVID-19 has significantly disrupted our operating environment, including retail stores, hair salons, manufacturing, distribution and the ability of many of our customers to operate. While initially during the pandemic, salons operated under restrictions that caused many to close or operate at significantly reduced levels, since the third quarter of 2020 salons in most of the United States have operated close to pre-pandemic levels. However, salons in Europe and other key markets still remain closed or are operating with restrictions or at reduced capacity, which continues to impact our sales in these markets.

The COVID-19 pandemic has significantly increased economic uncertainty, raising concerns about an economic slowdown and the possibility of a global recession. History has not provided any comparable recent events that provide guidance concerning the impacts of a global pandemic like COVID-19. There is also considerable uncertainty regarding measures being taken by various authorities and others to try to contain the spread of COVID-19, as well as the timing and rates of vaccinations. The degree to which the COVID-19 pandemic will directly or indirectly impact our cash flow, business, financial condition, results of operations and prospects will depend on future developments that are highly uncertain and cannot be predicted, many of which are outside of our control. As we continue to monitor developments related to the COVID-19 pandemic, including the impacts on our customers, suppliers and consumers, we have taken and will continue to take further measures. Some of the actions we take could adversely impact our business, and there is no certainty that our actions will be sufficient to mitigate the risks and the impacts of COVID-19.

Our future success depends, in part, on our ability to achieve our long-term strategy.

Achieving our long-term strategy will require investment in new capabilities, categories, distribution channels, supply chain facilities, technologies and emerging markets. These investments may result in short-term costs without associated current sales and, therefore, may be dilutive to our earnings. In addition, we may dispose of or discontinue select products or streamline operations and incur costs or restructuring and other charges in doing so. Although we believe that our strategy will lead to long-term growth in sales and profitability, we may not realize the anticipated benefits. The failure to realize benefits, which may be due to our inability to execute plans, global or local economic conditions, competition, changes in the haircare industry and the other risks described herein, could adversely affect our business, financial condition and results of operations.

Our business is affected by seasonality.

Our business has historically been influenced by seasonal trends common to traditional retail selling periods, and the results of our operations typically are slightly higher in the second half of the fiscal year due to increased levels of purchasing by consumers for special and holiday events and by retailers for the holiday selling seasons. Accordingly, adverse events that occur during these months could have a disproportionate effect on our operating results for the entire fiscal year. Moreover, higher sales during the third and fourth quarters may cause our working capital needs to be greater during the second and third quarters of the fiscal year. As a result of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance. Furthermore, our rapid growth in recent years may obscure the extent to which seasonality trends have affected our business and may continue to affect our business. Accordingly, yearly or quarterly comparisons of our operating results may not be useful and our results in any particular period will not necessarily be indicative of the results to be expected for any future period. Seasonality in our business can also be affected by introductions of new or enhanced products, including the costs associated with such introductions.

Although our employees in the United States are co-employed by a professional employer organization, we may be liable for the failure of the organization to comply with its obligations under applicable law.

We utilize the services of a professional employer organization (“PEO”), to manage our U.S. employees and their employee benefits. Under the terms of our arrangement, the PEO is the formal employer of all of our personnel in the United States and is responsible for administering all payroll, including tax withholding, and providing health insurance and other benefits for these individuals. We reimburse the PEO for these costs, and pay it an administrative fee for its services.

While our partnership with the PEO allows us to more efficiently and effectively operate our human resources administration without the need for additional personnel, it also exposes us to some risks. If the PEO fails to comply with applicable laws or its obligations under this arrangement, we could be liable for such violations, and the indemnification provisions of our agreement with the PEO, if applicable, may not be sufficient to insulate us from those liabilities. We also could, under certain circumstances, be held liable for a failure by the PEO to pay employer-side taxes arising from payments to our employees or a failure by the PEO to withhold and remit taxes arising from such payments. We also could, under certain circumstances, be held liable for a failure by the PEO to appropriately pay, or withhold and remit required taxes from payments to, our employees. In such a case, our potential liability could be significant and could have an adverse effect on our business. Furthermore, if the PEO creates work policies that are viewed unfavorably by employees or does not efficiently manage our employee benefits, our relationship with our employees could be damaged.

Risks Related to Our International Operations

We are subject to risks related to the global scope of our sales channels.

Our products are sold in more than 100 countries around the world, with approximately 47% of our 2020 net sales generated outside the United States. In addition, some of our products are manufactured in Europe, and through third parties we have key operational facilities located inside and outside the United States that warehouse or distribute goods for sale throughout the world. Our global operations are subject to many risks and uncertainties, including:

- fluctuations in foreign currency exchange rates and the relative costs of operating in different places, which can affect our results of operations, the relative prices at which we and competitors sell products in the same markets and the cost of certain inventory and non-inventory items required in our operations;
- the possibility that local civil unrest, political instability, or changes in diplomatic or trade relationships might disrupt our operations in one or more markets;

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- foreign or U.S. laws, regulations and policies, including restrictions on trade, immigration and travel, operations, and investments; currency exchange controls; restrictions on imports and exports, including license requirements; tariffs; and taxes;
- the presence of high inflation in the economies of some of the international markets in which our products are sold;
- lack of well-established or reliable legal and administrative systems in certain countries in which our products are sold;
- adverse weather conditions and natural disasters; and
- social, economic and geopolitical conditions, such as a pandemic, terrorist attack, war or other military action.

These risks could have an adverse effect on our business, including our ability to capitalize on growth in new international markets and to maintain the current level of operations in our existing international markets.

We are subject to financial risks as a result of our international operations, including exposure to foreign currency fluctuations and the impact of foreign currency restrictions.

Foreign-currency fluctuations may affect our financial position and results of operations. Approximately 5% of our 2020 net sales occurred in a foreign currency and we purchase inventory from our European manufacturer in Euros. Our exposure to foreign currencies may increase as we expand our business in foreign markets. In preparing our financial statements, we translate revenue and expenses in our markets outside the United States from their local currencies into U.S. dollars using weighted-average exchange rates. If the U.S. dollar strengthens relative to local currencies, our reported revenue, gross profit and net income will likely be reduced.

Although we may engage in transactions intended to reduce our exposure to foreign-currency fluctuations, there can be no assurance that these transactions will be effective. Complex global political and economic dynamics can affect exchange rate fluctuations. For example, the implementation of tariffs, border taxes or other measures related to the level of trade between the United States and other markets could impact the value of the U.S. dollar. It is difficult to predict future fluctuations and the effect these fluctuations may have upon future reported results or our overall financial condition.

Risks Related to Legal and Regulatory Matters

Disputes and other legal or regulatory proceedings could adversely affect our financial results.

From time to time, we may become involved in litigation, other disputes or regulatory proceedings in connection with or incidental to our business, including litigation related to intellectual property, regulatory matters, contract, advertising and other consumer claims. In general, claims made by us or against us in litigation, disputes or other proceedings can be expensive and time consuming to bring or defend against and could result in settlements, injunctions or damages that could significantly affect our business. It is not possible to predict the final resolution of the litigation, disputes or proceedings to which we currently are or may in the future become party to. Regardless of the final resolution, such proceedings may have an adverse effect on our reputation, financial condition and business, including by utilizing our resources and potentially diverting the attention of our management from the operation of our business. See “Business—Legal Proceedings.”

Our products are subject to federal, state and international laws, regulations and policies that could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Our business is subject to numerous laws, regulations and policies around the world. Many of these laws and regulations have a high level of subjectivity, are subject to interpretation, and vary significantly from market to market. These laws and regulations can have several impacts on our business, including:

- delays in or prohibitions of selling a product or ingredient in one or more markets;

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- limitations on our ability to import products into a market;
- delays and expenses associated with compliance, such as record keeping, documentation of the properties of certain products, labeling, and scientific substantiation;
- limitations on the labeling and marketing claims we can make regarding our products; and
- limitations on the substances that can be included in our product, resulting in product reformulations, or the recall and discontinuation of certain products that cannot be reformulated to comply with new regulations.

These events could interrupt the marketing and sale of our products, cause us to be subject to product liability claims, severely damage our brand reputation and image in the marketplace, increase the cost of our products, cause us to fail to meet customer expectations or cause us to be unable to deliver products in sufficient quantities or sufficient quality, which could result in lost sales.

Before we can market and sell our products in certain jurisdictions, the applicable local governmental authority may require evidence of the safety of our products, which may include testing of individual ingredients at relevant levels. In particular, because Bis-amino is our proprietary ingredient, it typically is not a pre-approved ingredient for use in products in specific jurisdictions and we have been required in the past, and may be required in the future, to perform testing and provide other data and information to governmental authorities prior to the sale of our products in the jurisdiction. For example, Australian authorities have required us to perform additional testing on Bis-amino to register Bis-amino under Australia's Industrial Chemical Introduction Scheme (AICIS), to be able to sell certain of our products in Australia. We are performing the final testing required, and have received provisional approval to sell our products. Although we are confident in our ability to obtain final approval, the Australian authorities could withdraw the provisional approval, resulting in impacts on our sales of certain products in Australia. Furthermore, our international customers are primarily responsible for registering ingredients or otherwise obtaining any approvals necessary for them to sell our products in the applicable territory and any failure by them to do so could decrease sales of our products and harm our reputation. Delays in or prohibition of selling our products, or the need to reformulate the ingredients used in our products, could have an adverse effect on our existing business and future growth.

Additional laws, regulations and policies, and changes, new interpretation or enforcement thereof, that affect our business could adversely affect our financial results. These include accounting standards, laws and regulations relating to tax matters, trade, data privacy and data security, anti-corruption, advertising, marketing, manufacturing, distribution, customs matters, product registration, ingredients, chemicals, packaging, selective distribution, environmental or climate change matters. Changes may require us to reformulate or discontinue certain of our products or revise our product packaging or labeling, any of which could result in, among other things, increased costs to us, delays in our product launches, product returns or recalls and lower net sales, and therefore could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Government regulations relating to the marketing and advertising of our products may restrict, inhibit or delay our ability to sell our products and harm our business.

A variety of federal, state, and foreign government authorities regulate the advertising and promotion of our products, including the marketing claims we can make regarding their properties and benefits. In the United States, the Food and Drug Administration ("FDA") regulates cosmetic products, including marketing claims. While the FDA does not require cosmetic products and labeling to undergo pre-market approval and the FDA does not have a list of approved or accepted claims, cosmetic labeling and claims must be truthful and not misleading. In addition, a cosmetic product may not be marketed with claims regarding the treatment or prevention of diseases or conditions or an effect on the structure or function of the body, which would cause such products to meet the definition of a drug and be subject to the requirements applicable to drug products. The

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FDA has issued warning letters to cosmetic companies alleging improper drug claims regarding their cosmetic products, including, for example, product claims regarding hair growth or preventing hair loss. There is a degree of subjectivity in determining whether a labeling or marketing claim is appropriate under these standards. While we believe our product claims are truthful, not misleading, and would not cause our products to be regulated as drugs, there is always a risk that the FDA may determine otherwise, send us a warning letter or untitled letter, require us to modify our product claims, or take other enforcement action.

Other regulatory authorities, such as the FTC and state consumer protection agencies, also govern our products and typically require adequate and reliable scientific substantiation to support any marketing claims. This standard for substantiation is subject to interpretation and can vary widely from market to market, and there is no assurance that the research and development efforts that we undertake to support our claims will be deemed adequate for any particular product or claim. The FTC also has specialized requirements for certain types of claims. For example, the FTC's "Green Guides" regulate how "free-of," "non-toxic" and similar claims must be framed and substantiated. It is possible that the FTC could interpret the Green Guides in a manner that does not allow some of our claims or that requires additional substantiation to make them. The FTC also has issued Guides Concerning the Use of Endorsements and Testimonials in Advertising ("Endorsement Guides"), under which product testimonials must come from "bona fide" users of a product and otherwise reflect the honest opinions, beliefs, or experience of the endorser. Additionally, companies must disclose material connections between themselves and their endorsers and are subject to liability for false or unsubstantiated statements regarding its products made by endorsers including, for example, marketing atypical results of using a product. The FTC actively investigates online product reviews and may bring enforcement actions against a company for failure to comply with applicable requirements for testimonials. Our brand ambassadors may participate in our product launches, take part in media days promoting our products, create product tutorials, and post online reviews of our products, including and "before and after" photos. If we or our brand ambassadors fail to comply with the Endorsement Guides or make improper product claims, the FTC could bring an enforcement action against us and we could be fined and/or forced to alter our marketing materials.

Moreover, consumer protection laws and regulations governing our business continue to expand. In some states such as California, class-action lawsuits may be based on similar standards regarding false and misleading advertising and other increasingly novel theories of liability. In addition, plaintiffs' lawyers have filed class action or false advertising lawsuits against cosmetic companies based on their marketing claims. Federal and state consumer protection agencies are expected to continue their active enforcement of applicable laws and regulations. Any inquiry into the regulatory status of our products and any related interruption in the marketing and sales of these products could damage our reputation and image in the marketplace.

If our products are not manufactured in compliance with applicable regulation, do not meet quality standards, or otherwise result in adverse health effects in consumers, it could result in reputational harm, remedial costs, or regulatory enforcement.

In the United States, the FDA has not promulgated regulations governing Good Manufacturing Practices ("GMPs") for cosmetics. However, adherence to recommended GMPs can reduce the risk that FDA finds such products have been rendered adulterated or misbranded in violation of applicable law. FDA's draft guidance on cosmetic GMPs, most recently updated in June 2013, provides recommendations related to process documentation, recordkeeping, building and facility design, equipment maintenance and personnel. FDA also recommends that manufacturers maintain product complaint and recall files and voluntarily report adverse events to the agency.

We rely on third parties to manufacture our products in compliance with quality standards, including the cosmetic GMP guidelines in the FDA's draft guidance. Compliance with these standards can increase the cost of manufacturing our products as we work with our vendors to assure they are qualified and in compliance. If we or our contract manufacturers fail to comply with these standards, it could lead to customer complaints, adverse events, product withdrawal or recall, or increase the likelihood that our products are rendered adulterated or

misbranded, any of which could result in negative publicity, remedial costs, or regulatory enforcement that could impact our ability to continue selling certain products. Problems associated with product recalls could be exacerbated due to the global nature of our business because a recall in one jurisdiction could lead to recalls in other jurisdictions.

Government reviews, inquiries, investigations and actions could harm our business.

As we operate in various locations around the world, our operations are subject to governmental scrutiny and may be adversely impacted by the results of such scrutiny. The regulatory environment with regard to our business is evolving, and government officials often exercise broad discretion in deciding how to interpret and apply applicable regulations. From time to time, we may receive formal and informal inquiries from various government regulatory authorities, as well as self-regulatory organizations, about our business and compliance with local laws, regulations or standards. Any determination that our operations or activities, or the activities of our employees, are not in compliance with existing laws, regulations or standards could negatively impact us in a number of ways, including the imposition of substantial fines, civil and criminal penalties, interruptions of business, loss of supplier, vendor or other third-party relationships, termination of necessary licenses and permits, modification of business practices and compliance programs, equitable remedies, including disgorgement, injunctive relief, and other sanctions or similar results, all of which could potentially harm our business. Even if these reviews, inquiries, investigations and actions do not result in any adverse determinations, they could create negative publicity which could harm our business and give rise to third-party litigation or action.

If our products are found to be defective or unsafe we may be subject to various product liability claims, which could harm our reputation and business.

Our success depends, in part, on the quality and safety of our products. If our products are found to be defective, unsafe, or otherwise fail to meet our consumers' expectations or if our product claims are found to be unfair or deceptive, our relationships with customers or consumers could suffer, the appeal of one or more of our products could be diminished and we could lose sales, any of which could result in an adverse effect on our business.

We have been and may be subject to product liability claims, including that our products fail to meet quality or manufacturing specifications, contain contaminants, include inadequate instructions as to their proper use, include inadequate warnings concerning side effects and interactions with other substances or for persons with health conditions or allergies, or cause adverse reactions or side effects. Product liability claims could increase our costs, and adversely affect our business and financial results. As we continue to offer an increasing number of new products through large product offerings our product liability risk may increase.

We maintain product liability insurance and continue to periodically evaluate whether we can and should obtain higher product liability insurance. Based upon our current approach to product liability risk management, if any of our products are found to cause any injury or damage or we become subject to product liability claims, we will be subject to the full amount of liability associated with any injuries or damages.

Our collection, use, storage, disclosure, transfer and other processing of personal information could give rise to significant costs and liabilities, including as a result of governmental regulation, uncertain or inconsistent interpretation and enforcement of legal requirements or differing views of personal privacy rights, which may have an adverse effect on our reputation, business, financial condition and results of operations.

We collect, use, store, transmit and otherwise process data that is sensitive to the Company and its employees, customers and suppliers. A variety of state, federal, and foreign laws, regulations and industry standards apply to the collection, use, retention, protection, disclosure, transfer and other processing of certain types of data. As we seek to expand our business, we are, and may increasingly become subject to various laws, regulations and standards, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. In many cases, these laws and regulations may apply not only to third-party transactions, but also to

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transfers of information between or among us, our affiliates and other parties with whom we conduct business. These laws, regulations and standards are continuously evolving and may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have an adverse effect on our reputation, business, financial condition and results of operations.

In the United States, many states are considering adopting, or have already adopted, privacy regulations, including the California Consumer Privacy Act (the “CCPA”), which became operational in 2020. The CCPA increases privacy rights for California residents, including the right to access and delete their personal information, receive detailed information about how their personal information is used and shared, and imposes other obligations on companies that process their personal information. Among, other things, the CCPA provides California consumers the right to opt-out of certain sales of personal information. The CCPA also creates a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Additionally, in November 2020, California passed the California Privacy Rights Act (the “CPRA”), which expands the CCPA significantly, including by expanding consumers’ rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Many of the CPRA’s provisions will become effective on January 1, 2023. The costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may increase our operational costs, and/or result in interruptions or delays in the availability of systems. Most recently, Virginia passed the Virginia Consumer Data Protection Act (“VCDPA”), applicable to companies collecting personal information of more than 100,000 Virginia residents, which could further impact our compliance burden. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging.

Our communications with our customers and email and social media marketing are subject to certain laws and regulations. As laws and regulations, including FTC enforcement, evolve to govern the use of these communications and marketing platforms, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations could adversely impact our business, financial condition and results of operations or subject us to fines or other penalties.

We are also subject to certain international privacy laws. In Canada, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) and various provincial laws require that companies give detailed privacy notices to consumers, obtain consent to use personal information, with limited exceptions, allow individuals to access and correct their personal information, and report certain data breaches.

In the European Economic Area (the “EEA”), we are subject to the General Data Protection Regulation (“GDPR”) and in the United Kingdom (“U.K.”), we are subject to the U.K. General Data Protection Regulation (“U.K. GDPR”) and the U.K. Data Protection Act 2018 (the “U.K. DPA”), in each case in relation to our collection, control, processing, sharing, disclosure and other use of data relating to an identifiable living individual (personal data). The interpretations and measures conducted by us in our efforts to comply with these laws may have been or may prove to be insufficient. The GDPR and national implementing legislation in EEA member states and the U.K., impose a strict data protection compliance regime. The GDPR and the U.K. GDPR imposes substantial fines for breaches and violations (up to the greater of €20 million (or £17.5 million) or 4% of global annual turnover). In addition to the foregoing, a breach of the GDPR or U.K. GDPR could result in regulatory investigations, reputational damage, orders to cease/ change our processing of our data, enforcement notices, and/ or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are also subject to rules with respect to cross-border transfers of personal data from the EEA and the U.K. to the United States and other jurisdictions that the European Commission does not recognize as having “adequate” data protection laws unless a data transfer mechanism has been put in place. Recent legal developments in

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Europe have created complexity and uncertainty regarding transfers of personal data from the EEA and the U.K. to the United States, and other jurisdictions. Most recently, in July 2020, the Court of Justice of the E.U. (“CJEU”) limited how organizations could lawfully transfer personal data from the EEA to the United States, by invalidating the Privacy Shield and placing limitations on the use of the European Commission’s approved Standard Contractual Clauses (“SCCs”), requiring companies to independently assess the laws of the jurisdiction to which they transfer data with respect to their ability to protect the rights and freedoms of individuals as well as requiring further consideration of any additional protections such Company should put in place to ensure an essentially equivalent level of data protection to that afforded to the E.U. We currently rely on the SCCs to transfer personal data outside the EEA and the U.K., including to the United States, and will be required to implement new SCCs to address certain additional vendor relationships and the newly released SCCs issued by the European Commission on 7 June 2021. As supervisory authorities issue further guidance on personal data transfer mechanisms and the implications of the CJEU’s July 2020 decision, or start taking enforcement action, we could suffer additional costs, complaints and regulatory investigations or fines. If we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services as well as the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Further, while transfers of personal data from the U.K. to the EEA are currently unrestricted and do not require additional safeguards, under the terms of the Trade and Cooperation Agreement agreed between the E.U. and the U.K. transfers of personal data from the EEA to the U.K., remain unrestricted until the end of June 2021, provided the U.K. makes no substantive changes to its data protection laws. The European Commission has published a draft “adequacy decision” for the U.K. according to which, if adopted, transfers of personal data from the E.U. to the U.K. would continue unrestricted and would not require any additional safeguards. This “adequacy decision” has now been approved by the E.U. Member States which paves the way for the European Commission to formally adopt the decision. If not adopted, by the end of June 2021, data transfer mechanisms such as the SCCs will be required for transfer of personal data from the EEA to the U.K. If we are required to implement additional measures to transfer data from the EEA to the U.K. or other third countries, this could increase our compliance costs, and could adversely affect our business, financial condition and results of operations.

In addition, some laws may require us to notify governmental authorities and/or affected individuals of data breaches involving certain personal information or other unauthorized or inadvertent access to or disclosure of such information. We may need to notify governmental authorities and affected individuals with respect to such incidents. For example, laws in all 50 U.S. states may require businesses to provide notice to consumers whose personal information has been disclosed as a result of a data breach in some instances. The requirements of these laws carry, and compliance in the event of a widespread data breach may be difficult and costly. We also may be contractually required to notify consumers or other counterparties of a security breach. Regardless of our contractual protections, any actual or perceived security breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach, including through increased insurance premiums.

We make public statements about our use and disclosure of personal information through our privacy policies that are posted on our websites. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices.

Further, we are subject to the Payment Card Industry (“PCI”) Data Security Standard, a security standard applicable to companies that collect, store or transmit certain data regarding credit and debit cards, holders and transactions. We rely on internal resources and external vendors to handle PCI matters and ensure PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI Data Security Standard based on past, present, and future business practices. Our actual or perceived failure to comply with the PCI Data Security Standard can subject us to fines, termination of banking relationships, and increased transaction fees. In addition, there is no guarantee that PCI DSS compliance will prevent illegal or improper use of our payment systems or the theft, loss or misuse of payment card data or transaction information.

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We rely on a variety of marketing techniques and practices to sell our products and to attract new customers and consumers, and we are subject to various current and future data protection laws and obligations that govern marketing and advertising practices. Governmental authorities continue to evaluate the privacy implications

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inherent in the use of third-party “cookies” and other methods of online tracking for behavioral advertising and other purposes, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. In particular, we are subject to evolving E.U. and U.K. privacy laws on cookies and e-marketing. In the E.U. and the U.K., regulators are increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an E.U. regulation known as the ePrivacy Regulation which will significantly increase fines for non-compliance. In the E.U. and the U.K., informed consent is required for the placement of a cookie or similar technologies on a user’s device and for direct electronic marketing, and we are in the process of updating our applicable websites to include a mechanism for obtaining such consent. The GDPR also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. While the text of the ePrivacy Regulation is still under development, a recent European court decision, regulators’ recent guidance and recent campaigns by a not for profit organization are driving increased attention to cookies and tracking technologies. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. Additionally, some providers of consumer devices, web browsers and application stores have implemented, or announced plans to implement, means to make it easier for Internet users to prevent the placement of cookies or to block other tracking technologies, require additional consents, or limit the ability to track user activity, which could if widely adopted result in the use of third-party cookies and other methods of online tracking becoming significantly less effective.

Our employees, customers, suppliers and other business partners may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees, customers, suppliers and other business partners may engage in fraudulent or illegal activity. Misconduct by these parties could include intentional, reckless, and/or negligent conduct or disclosure of unauthorized activities to us that violate: (i) the rules of the applicable regulatory bodies; (ii) manufacturing standards; (iii) data privacy and security laws or other similar non-United States laws; or (iv) laws that require the true, complete and accurate reporting of financial information or data. These laws may impact, among other things, future sales, marketing, and education programs.

It is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant fines or other sanctions, including the imposition of civil, criminal, and administrative penalties, additional integrity reporting and oversight obligations. Whether or not we are successful in defending against any such actions or investigations, we could incur substantial costs, including legal fees, and divert the attention of management in defending.

Violations of the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, and other anti-corruption laws outside the United States could have an adverse effect on us.

The U.S. Foreign Corrupt Practices Act (“FCPA”), U.K. Bribery Act, and other anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by both the U.S. Department of Justice and the SEC, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and

individuals. Our policies mandate compliance with these anti-bribery laws. We sell our products in many parts of the world that are recognized as having governmental and commercial corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. We cannot assure you that our internal control policies and procedures will always protect us from reckless or criminal acts committed by our employees, customers or other third-party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable anti-corruption laws, including the FCPA, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may require self-disclosure to government agencies and result in criminal or civil sanctions, which could disrupt our business and result in an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

Risks Related to Information Technology and Cybersecurity

We rely significantly on the use of information technology, as well as those of our third-party service providers. Any significant failure, inadequacy, interruption or data security incident of our information technology systems, or those of our third-party service providers, could disrupt our business operations, which could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

We increasingly rely on information technology systems to process, transmit and store electronic information. Our ability to effectively manage our business and coordinate the manufacturing, sourcing, distribution and sale of our products depends significantly on the reliability and capacity of these systems. We rely on information technology systems to effectively manage, among other things, our business data, communications, supply chain, inventory management, customer order entry and order fulfillment, processing transactions, summarizing and reporting results of operations, human resources benefits and payroll management, compliance with regulatory, legal and tax requirements and other processes and data necessary to manage our business. Disruptions to our information technology systems, including any disruptions to our current systems and/or as a result of transitioning to additional or replacement information technology systems, as the case may be, could disrupt our business and could result in, among other things, transaction errors, processing inefficiencies, loss of data and the loss of sales and customers, which could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows. Additionally, the future operation, success and growth of our business depends on streamlined processes made available through information systems, global communications, internet activity and other network processes.

Our information technology systems may be subject to damage or interruption. Our existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to prevent data loss or long-term network outages. In addition, we may have to upgrade our existing information technology systems or choose to incorporate new technology systems from time to time in order for such systems to support the increasing needs of our expanding business. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of our operations.

In addition, as part of our normal business activities, we collect and store certain confidential information, including personal information with respect to customers, consumers and employees, as well as information related to intellectual property, and the success of our e-commerce operations depends on the secure transmission of confidential and personal data over public networks, including the use of cashless payments. We may share some of this information with third-party service providers who assist us with certain aspects of our business. Any failure on the part of us or our third-party service providers to maintain the security of this confidential data and personal information, including via the penetration of our network security (or those of our third-party service providers) and the misappropriation of confidential and personal information, could result in business disruption, damage to our reputation, financial obligations to third parties, fines, penalties, regulatory

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proceedings and private litigation, any or all of which could result in the Company incurring potentially substantial costs. Such events could also result in the deterioration of confidence in the Company by employees, consumers and customers and cause other competitive disadvantages.

Security incidents compromising the confidentiality, integrity, and availability of our confidential or personal information and our and our third-party service providers' information technology systems could result from cyber-attacks, ransomware, computer malware, supply chain attacks or malfeasance of our personnel. Moreover, we and our third-party service providers may be more vulnerable to such attacks in remote work environments, which have increased in response to the COVID-19 pandemic, and we are particularly vulnerable to such risks because our employees all work remotely. As techniques used by cyber criminals change frequently, a disruption, cyberattack or other security breach of our information technology systems or infrastructure, or those of our third-party service providers, may go undetected for an extended period and could result in the theft, transfer, unauthorized access to, disclosure, modification, misuse, loss or destruction of our employee, representative, customer, vendor, consumer and/or other third-party data, including sensitive or confidential data, personal information and/or intellectual property. We cannot guarantee that our security efforts will prevent breaches or breakdowns of the Company's or its third-party service providers' information technology systems. If we suffer a material loss or disclosure of personal or confidential information as a result of a breach of our information technology systems, including those of our third-party service providers, we may suffer reputational, competitive and/or business harm, incur significant costs and be subject to government investigations, litigation, fines and/or damages, which could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows. Moreover, while we maintain cyber insurance that may help provide coverage for these types of incidents, we cannot assure you that our insurance will be adequate to cover costs and liabilities related to these incidents.

In addition, any such access, disclosure or other loss or unauthorized use of information or data, whether actual or perceived, could result in legal claims or proceedings, regulatory investigations or actions, and other types of liability under laws that protect the privacy and security of personal information, including federal, state and foreign data protection and privacy regulations, violations of which could result in significant penalties and fines. In addition, although we seek to detect and investigate all data security incidents, security breaches and other incidents of unauthorized access to our information technology systems and data can be difficult to detect and any delay in identifying such breaches or incidents may lead to increased harm and legal exposure of the type described above.

Our information technology and websites may be susceptible to cybersecurity breaches, outages and other risks.

Our information technology systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, break-ins and other events. Despite the implementation of network security measures, our systems may be vulnerable to constantly evolving cybersecurity threats such as malware, break-ins and similar disruptions from unauthorized tampering. The occurrence of these or other events could disrupt or damage our information technology and adversely affect our business, including our employees' abilities to adequately conduct work. Insurance policies that may provide coverage with regard to such events may not cover any or all of the resulting financial losses.

In addition, as part of our normal business activities, we collect and store certain confidential information, including personal information with respect to customers, consumers and employees, as well as information related to intellectual property, and the success of our e-commerce operations depends on the secure transmission of confidential and personal data over public networks, including the use of cashless payments. We may share some of this information with vendors who assist us with certain aspects of our business. Any failure on the part of us or our vendors to maintain the security of this confidential data and personal information, including via the penetration of our network security (or those of our vendors) and the misappropriation of confidential and personal information, could result in business disruption, damage to our reputation, financial obligations to third

parties, fines, penalties, regulatory proceedings and private litigation, any or all of which could result in the Company incurring potentially substantial costs. Such events could also result in the deterioration of confidence in the Company by employees, consumers and customers and cause other competitive disadvantages. In addition, a security or data privacy breach could require us to expend significant additional resources to enhance our information security systems and could result in a disruption to our operations. Furthermore, third parties, such as our suppliers and retail customers, may also rely on information technology and be subject to such cybersecurity breaches. These breaches may negatively impact their businesses, which could in turn disrupt our supply chain and/or our business operations. Due to the potential significant costs, business disruption and reputational damage that typically accompany a cyberattack or cybersecurity breach, any such event could have an adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Risks Related to Intellectual Property Matters

Our efforts to register, maintain and protect our intellectual property rights may not be sufficient to protect our business.

Our patents and trademarks are essential to our business, and we also rely on our unpatented proprietary technology, trade secrets, processes and know-how. We generally seek to protect our patents, trademarks and other proprietary information through a combination of patent, trademark, copyright and trade secret laws, as well as by confidentiality, non-disclosure and assignment of invention agreements with our employees, contractors, collaborators, vendors, consultants, advisors and third parties. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated. This could involve significant expense, potentially hinder or limit use of our intellectual property rights, or potentially result in the inability to use the intellectual property rights in question. If an alternative cost-effective solution were not available, there may be an adverse effect on our financial position and performance.

Enforcing our intellectual property rights against one or more third parties can be expensive and time-consuming, and an adverse result in any proceeding could put our intellectual property rights at risk of being invalidated or narrowed in scope of coverage. Patent and trademark challenges increase our costs to develop, engineer and market our products. We may not have adequate resources to enforce our intellectual property rights. In addition, our ability to enforce our intellectual property rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components that are used in their products. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. We may not prevail in any disputes that we initiate and the damages or other remedies awarded, if we were to prevail, may not be commercially meaningful. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of dispute.

Pending and future patent applications may not be approved or result in patents being issued which protect our products or which effectively prevent others from commercializing competitive technologies and products. Moreover, the scope of coverage claimed in a patent application can be significantly reduced during prosecution before the patent is issued. Even once issued, the scope, validity, enforceability, and commercial value of patent rights are uncertain, and our patents may not be of sufficient scope or strength to provide any meaningful protection or commercial advantage and may not preclude competitors from developing products similar to ours. Any of our patents or pending patent applications may be challenged, narrowed, circumvented, or invalidated by third parties. For example, we are aware of pending oppositions in the European Patent Office, India, and Ecuador.

While we have registered or applied to register many of our trademarks, trade names, and brand names to distinguish our products from those of our competitors, we cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our

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products, which could result in loss of brand recognition, and could require us to devote resources advertising and marketing new brands.

We rely on our unpatented proprietary technology and it is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. Although we generally seek to protect our unpatented proprietary technology and our trade secrets, processes, and know-how by confidentiality, non-disclosure and assignment of invention agreements with our employees, contractors, collaborators, vendors, consultants and advisors, we cannot assure you that these agreements will provide meaningful protection in the event of any unauthorized use or disclosure of such proprietary technology, trade secrets, processes, or know-how.

In addition, our ability to protect our intellectual property may be adversely affected by the COVID-19 pandemic. Because of the COVID-19 pandemic, certain domestic and foreign intellectual property offices have amended their filing requirements and other procedures, including, but not limited to, extending deadlines and waiving fees. These accommodations have not been applied uniformly across all intellectual property offices globally, and the effectiveness and duration of existing action is unclear. Further, the ongoing COVID-19 pandemic has created uncertainty with respect to the uninterrupted operation of domestic and foreign intellectual property offices, which, amongst other things, may cause delayed processing of assignments, renewal fee payments, and application filings, and may delay prosecution of patent and trademark applications. Any inability to establish and maintain current and future trademarks, patents or other intellectual property rights may have an adverse effect on the growth and reputation of our business. Further, the constantly evolving nature of the COVID-19 pandemic may affect our brand and our other intellectual property rights over time in ways that cannot be reasonably anticipated or mitigated. This could have an adverse effect on our business, the results of our operations, and financial condition.

In certain foreign jurisdictions, relevant government authorities may also be slow to act on the acceptance and recordation of assignments of intellectual property rights, sometimes taking years to record such assignments. As noted above, the COVID pandemic has extended these delays further. While we are not currently adversely affected by these delays, our ability to enforce our rights against third-party infringers and to enter into local licensing arrangements may be limited or otherwise adversely affected by the failure of local governmental entities to promptly process and record prior transfers of IP rights.

If we do not adequately maintain our intellectual property, it can result in loss of rights. Loss of rights may be irrevocable. For example, we are required to pay various periodic renewal fees on registered intellectual property, and our failure to do so could result in the affected intellectual property lapsing. If this were to occur, our competitors may be able to use our technologies, names, brands or the goodwill we have acquired in the marketplace and erode or negate any competitive advantages we may have, which could harm our business and ability to achieve profitability.

If our trademarks and trade names are not adequately protected, we may not be able to maintain or build name recognition in our markets of interest.

If our trademarks and trade names are not adequately protected, we may not be able to maintain or build name recognition in our target markets and our business may be adversely affected. If we are unable to successfully register our trademarks and trade names and establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. In addition, competitors or other third parties have in the past, and may in the future, adopt trade names, trademarks or domain names similar to ours, thereby impeding our ability to build brand identity, possibly leading to market confusion and potentially requiring us to pursue legal action. In addition, there could be trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our unregistered trademarks or trade names. Our efforts to enforce or protect our trademarks, trade names and domain names may be ineffective, may impact the public perception of our brand, may be expensive, may divert

our resources and, if our proprietary rights are challenged in connection with such enforcement efforts, could result in payment by us of monetary damages or injunctive relief against us that prevents us from using certain trademarks and trade names, all of which could adversely impact our financial condition or results of operations.

We may not be able to effectively protect and enforce our intellectual property rights throughout the world to the same extent as in the United States.

Because of the differences in foreign trademark, patent and other laws concerning proprietary rights, our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. For example, the requirements for patentability may differ in certain countries, particularly in developing countries. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. The legal systems of some countries, particularly developing countries, do not favor or may not be sufficiently robust for the meaningful enforcement of patents and other intellectual property rights. This could make it difficult for us to stop the infringement, misappropriation, or other violation of our intellectual property rights. Consequently, we may not be able to prevent third parties from practicing our inventions in all jurisdictions in which we have patent protection. In addition, competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and export otherwise infringing products to territories where we have patent protection. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Furthermore, we currently own trademarks that we use in connection with our business in the United States and other markets. As we continue to expand into international markets, we may experience certain risks associated with protecting our brand and maintaining the ability to use our brand in the countries where we operate. Specifically, there is a risk that our trademarks may conflict with the registered trademarks of other companies, which may require us to rebrand our product and service offerings, obtain costly licenses, defend against third-party claims, or substantially change our product or service offerings.

Proceedings to enforce our patent and trademarks rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert efforts and resources from other aspects of our business. While we generally seek to protect our intellectual property rights in the major markets where we intend to market and sell our products, we cannot ensure that we will be able to do so in all jurisdictions. Furthermore, we may not accurately predict all of the jurisdictions where patent protection will ultimately be desirable, and if we fail to timely file a patent application in any such jurisdiction, we may be precluded from doing so later. Accordingly, our efforts to protect our patent and other intellectual property rights in such jurisdictions may be inadequate.

Third parties may allege that we are infringing, misappropriating, or otherwise violating their intellectual property rights, which could involve substantial costs and adversely impact our business.

Our success in part depends on our ability to develop, manufacture, market and sell our products without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. Third parties may allege that our products infringe, misappropriate, or otherwise violate third-party intellectual property rights, and we may become involved in litigation or other disputes relating to intellectual property used in our business.

Any such claims, even those without merit, can be expensive and time-consuming to defend and may divert management's attention and resources, and an adverse result in any proceeding could put our ability to produce and sell our products in jeopardy. We may be required to spend significant amounts of resources to defend against claims of infringement, pay significant money damages, cease using certain processes, technologies, or other intellectual property, cease making, offering and selling certain products, obtain a license (which may not be available on commercially reasonable terms or at all) or redesign our brand, our products or our packaging (which could be costly, time-consuming, or impossible).

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In addition, we may be unaware of third-party intellectual property that covers or otherwise relates to some or all of our products. Because of technological changes in our industry, current patent coverage and the rapid rate of issuance of new patents, our current or future products may unknowingly infringe or misappropriate existing or future patents or intellectual property rights of other parties. Further, because some patent applications are maintained in secrecy for a period of time, there is a risk that we could develop a product or technology without knowledge of a pending patent application, which product or technology would infringe a third-party patent once that patent is issued. The defense costs and settlements for patent infringement lawsuits may not be covered by insurance. Patent infringement lawsuits can take years to resolve. If we are not successful in our defenses or are not successful in obtaining dismissals of any such lawsuit, legal fees or settlement costs could have an adverse effect on our operations and financial position. Even if resolved in our favor, the volume of intellectual-property-related claims, and the mere specter of threatened litigation or other legal proceedings may cause us to incur significant expenses and could distract our personnel from day-to-day responsibilities. The direct and indirect costs of addressing these actual and threatened disputes may have an adverse effect on our operations, reputation, and financial performance.

Relatedly, competitors or other third parties may raise claims alleging that other third parties indemnified by us infringe, misappropriate, or otherwise violate such competitors' or other third parties' intellectual property rights. These claims of infringement, misappropriation, or other violation may be extremely broad, and it may not be possible for us to conduct our operations in such a way to avoid all such alleged violations of such intellectual property rights.

We may be subject to claims that our employees, contractors, collaborators, vendors, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

Third parties may in the future allege wrongful use or disclosure of their alleged intellectual property or make claims challenging the inventorship or ownership of our intellectual property. We may be subject to claims that we or our employees, contractors, collaborators, vendors, consultants and advisors have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. In addition, we may face claims by third parties that our agreements with employees obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and may interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property or may lose our exclusive rights in such intellectual property. It is not always possible to identify and deter misconduct by employees, contractors, collaborators, vendors, consultants and advisors and the precautions we take to detect and prevent this type of activity may not be effective in controlling unknown or unmanaged risks or losses. Any of these outcomes could harm our business and competitive position.

Risks Related to Our Indebtedness

Our significant indebtedness could adversely affect our financial condition.

We have a significant amount of indebtedness, which, as of June 30, 2021, totaled approximately \$ _____ million, including \$ _____ million outstanding under our Term Loan Facility (as defined herein) and \$ _____ million outstanding under our Revolver (as defined herein).

Our significant indebtedness, combined with our other financial obligations and contractual commitments, could have important consequences, including:

- requiring us to dedicate a significant portion of our cash flows from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, selling and marketing efforts, product development and other purposes;

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- increasing our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have relatively less indebtedness;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- increasing our exposure to rising interest rates because certain of our borrowings are at variable interest rates;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures; and
- limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, product development and other corporate purposes.

Although the terms of the agreements governing our indebtedness contain restrictions on the incurrence of additional indebtedness, such restrictions are subject to a number of important exceptions and indebtedness incurred in compliance with such restrictions could be substantial. If we and our restricted subsidiaries incur significant additional indebtedness, the related risks that we face could increase.

Servicing our debt requires a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations.

Our business may not generate sufficient cash flow from operating activities to service our debt obligations. Our ability to make payments on and to refinance our debt, and to fund planned capital expenditures depends on our ability to generate cash in the future. To some extent, this is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control.

If we are unable to generate sufficient cash flow from operations to service our debt and meet our other commitments, we may need to refinance all or a portion of our debt, sell material assets or operations, delay capital expenditures, or raise additional debt or equity capital. We may not be able to affect any of these actions on a timely basis, on commercially reasonable terms or at all, and these actions may not be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from pursuing any of these alternatives, which may adversely affect our business, financial condition and results of operations.

The terms of our indebtedness restrict our current and future operations, particularly our ability to respond to change or to take certain actions.

The agreements governing our outstanding indebtedness contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including, among other things, restrictions on our ability to:

- incur additional indebtedness;
- create liens on assets;
- declare or pay certain dividends and other distributions;
- make certain investments, loans, guarantees or advances;
- consolidate, amalgamate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- exceed certain secured leverage ratios.

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These restrictions could impede our ability to operate our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition and other corporate opportunities. See “Description of Certain Indebtedness—Certain Covenants and Events of Default.”

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial tests and ratios. A breach of such covenants could result in an event of default unless we obtain a waiver to avoid such default. If we are unable to obtain a waiver, such a default may allow our creditors to accelerate the related debt and may result in the acceleration of, or default under, any other debt to which a cross-acceleration or cross-default provision applies. In the event our lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

Because our operations are conducted through our subsidiaries, we are dependent on the receipt of distributions and dividends or other payments from our subsidiaries for cash to fund our operations and expenses, including to make future dividend payments, if any.

Our operations are conducted through our subsidiaries. As a result, our ability to make future dividend payments, if any, is dependent on the earnings of our subsidiaries and the payment of those earnings to us in the form of dividends, loans or advances and through repayment of loans or advances from us. Payments to us by our subsidiaries will be contingent upon our subsidiaries’ earnings and other business considerations and may be subject to statutory or contractual restrictions. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our common stock, the agreements governing our outstanding indebtedness significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us.

Despite our substantial debt, we may still be able to incur significantly more debt, which would increase the risks described herein. We may also require additional capital, which may not be available on acceptable terms, if at all, and may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Despite our current indebtedness levels, we may increase our levels of debt in the future to finance our operations or in connection with acquisitions. The agreements relating to our indebtedness limit but do not prohibit our ability to incur additional debt. If we increase our total indebtedness, our debt service obligations will increase. We will become more exposed to the risks arising from our substantial level of indebtedness as described above as we become more leveraged. As of June 30, 2021, we had approximately \$ of undrawn capacity available under our Revolver, subject to certain conditions. We regularly consider market conditions and our ability to incur indebtedness to either refinance existing indebtedness or for working capital. If additional debt is added to our current debt levels, the related risks we face could increase.

If our cash flow from operations is less than we anticipate, if our cash requirements are more than we expect, or if we intend to finance acquisitions, we may require more financing. However, debt or equity financing may not be available to us on acceptable terms, if at all. If we incur additional debt or raise equity through the issuance of additional capital shares, the terms of the debt or capital shares issued may give the holders rights, preferences and privileges senior to those of holders of our ordinary shares, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we currently have. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted. If we are unable to raise additional capital when needed, our financial condition could be adversely affected. Unfavorable changes in the ratings that rating agencies assign to our debt may ultimately negatively impact our access to the debt capital markets and increase the costs we incur to borrow funds.

Uncertainty relating to the London interbank offered rate and the potential discontinuation of the London Interbank Offered Rate (“LIBOR”) in the future may adversely affect our interest expense.

Borrowings under our Credit Agreement (as defined herein) bear interest at a rate equal to an adjusted base rate or LIBOR, plus, in each case, an applicable margin. On July 27, 2017, the U.K.’s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. While the ICE Benchmark Administration recently announced its intention to extend the publication of certain LIBOR settings to the end of 2023, there can be no assurance such extension will occur. As a result, it is unclear if LIBOR will cease to exist after 2021 or if new methods of calculating LIBOR will be established such that it continues to exist after that time. The United States Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee composed of large U.S. financial institutions, is considering replacing LIBOR with a new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities. The future of LIBOR at this time is uncertain and any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR’s phaseout could cause LIBOR to perform differently than in the past or cease to exist. If LIBOR ceases to exist, we may need to renegotiate our credit agreements and related agreements, which may result in interest rates and/or payments that do not correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR was available in its current form. Changes in the method of calculating LIBOR, or the replacement of LIBOR with an alternative rate or benchmark, may adversely affect interest rates and result in higher borrowing costs. This could adversely affect our results of operations, cash flow and liquidity.

Risks Related to this Offering and Ownership of Our Common Stock

The Advent Funds will continue to have significant influence over us after this offering.

Following completion of this offering, entities affiliated with the Advent Funds will beneficially own approximately _____ % of our outstanding common stock (approximately _____ % if the underwriters exercise their option to purchase additional shares in full). In addition, three members of our Board of Directors are employed by affiliates of the Advent Funds. For as long as affiliates of the Advent Funds continue to beneficially own a substantial percentage of the voting power of our outstanding common stock, they will continue to have significant influence over us. For example, they will be able to strongly influence or effectively control the election of all of the members of our Board of Directors and our business and affairs, including any determinations with respect to mergers or other business combinations, the acquisition or disposition of assets, the incurrence of additional indebtedness, the issuance of any additional shares of common stock or other equity securities, the repurchase or redemption of shares of our common stock and the payment of dividends. This concentration of ownership may have the effect of deterring, delaying, or preventing a change of control of the Company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of the Company and might ultimately affect the market price of our common stock.

The Advent Funds may also have interests that differ from yours. For example, the Advent Funds, and the members of our Board of Directors who are affiliated with the Advent Funds, by the terms of our certificate of incorporation, will not be required to offer us any corporate opportunity of which they become aware and can take any such corporate opportunity for themselves or offer it to other companies in which they have an investment. We, by the terms of our certificate of incorporation, will expressly renounce any interest or expectancy in any such corporate opportunity to the extent permitted under applicable law, even if the opportunity is one that we or our subsidiaries might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. The Advent Funds are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us.

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We will be required to pay our Existing Stockholders % of certain tax benefits related to Pre-IPO Tax Assets and could be required to make substantial cash payments in which the stockholders purchasing shares in this offering will not participate.

Following our initial public offering, we expect to be able to utilize the Pre-IPO Tax Assets, which arose (or are attributable to transactions occurring) prior to the completion of this offering. These Pre-IPO Tax Assets will reduce the amount of tax that we and our subsidiaries would otherwise be required to pay in the future.

Prior to the completion of this offering and in connection with the Pre-IPO Reorganization, we will enter into a Tax Receivable Agreement that provides the right to receive future payments from us to our Existing Stockholders of % of the amount of cash savings, if any, in U.S. federal, state or local income tax that we or our subsidiaries realize (or are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets. Consequently, stockholders purchasing shares in this offering will only be entitled to the economic benefit of the Pre-IPO Tax Assets to the extent of our continuing % interest in those assets. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Income Taxes and Tax Receivable Agreement.”

These payment obligations will be our obligations and not obligations of any of our subsidiaries and are not conditioned upon the Existing Stockholders maintaining a continued direct or indirect ownership interest in us. For purposes of the Tax Receivable Agreement, the amount of cash savings in U.S. federal, state or local income tax that we or our subsidiaries realize (or are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets will be computed by comparing our actual U.S. federal, state and local income tax liability with our hypothetical liability had we not been able to utilize the Pre-IPO Tax Assets, taking into account several assumptions and adjustments, including, for example, that:

- we will pay state and local income taxes at a blended rate based on our historic nexus to applicable jurisdictions, even though our actual effective state and local income tax rate may be materially different;
- tax benefits existing at the time of the offering are deemed to be utilized before certain tax attributes acquired after this offering; and
- a non-taxable transfer of assets by us to a non-consolidated entity is treated under the Tax Receivable Agreement as a taxable sale at fair market value.

The actual amount and utilization of the Pre-IPO Tax Assets, as well as the timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries’ taxable income in the future and the rates then applicable to us and our subsidiaries. Payments under the Tax Receivable Agreement are expected to give rise to certain additional tax benefits. Any such tax benefits that we are deemed to realize under the terms of the Tax Receivable Agreement are covered by the Tax Receivable Agreement and will increase the amounts due thereunder.

The Tax Receivable Agreement provides that interest, at a rate equal to LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %, will accrue from the due date (without extensions) of the tax return to which the applicable tax benefits relate to the date of payment specified by the Tax Receivable Agreement. In addition, where we fail to make payment by the date so specified, the Tax Receivable Agreement generally provides for interest to accrue on the unpaid amount from the date so specified until the date of actual payment, at a rate equal to LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %, except under certain circumstances specified in the Tax Receivable Agreement where we are unable to make payment by such date, in which case interest will accrue at a rate equal to LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %.

We expect that the payments we make under this Tax Receivable Agreement will be substantial. As described above, the Tax Receivable Agreement will make certain simplifying assumptions and adjustments regarding the determination of the cash savings in U.S. federal, state or local income tax that we or our subsidiaries realize (or

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are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets, which may result in payments pursuant to the Tax Receivable Agreement significantly greater than the benefits we realize in respect of the Pre-IPO Tax Assets.

Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the Tax Receivable Agreement, we expect that future payments under the Tax Receivable Agreement relating to the Pre-IPO Tax Assets could aggregate to approximately \$. The aggregate amount payable pursuant to the Tax Receivable Agreement is dependent in large part on the reduction in taxes that we would have been required to pay absent the existence of the Pre-IPO Tax Assets. As a result, changes in tax law, and in particular the tax rate applicable to U.S. corporations and the tax rules on the amortization and depreciation of assets, may materially impact the timing and amounts of payments by us to the Existing Stockholders pursuant to the Tax Receivable Agreement. The Biden Administration has proposed a significant number of changes to U.S. tax laws, including an increase in the maximum tax rate applicable to U.S. corporations, which may materially increase our payment obligations to Existing Stockholders under the Tax Receivable Agreement.

Upon the effective date of the Tax Receivable Agreement, we expect to recognize a liability of between and for the payments to be made under the Tax Receivable Agreement, which will be accounted for as a reduction of additional paid-in capital on our consolidated balance sheet.

Changes in the utilization of the Pre-IPO Tax Assets will impact the amount of the liability that will be paid pursuant to the Tax Receivable Agreement. Changes in the utilization of these Pre-IPO Tax Assets are recorded in income tax expense (benefit) and any changes in the obligation under the Tax Receivable Agreement is recorded in other income (expense).

In addition, the Tax Receivable Agreement provides that (i) upon certain mergers, stock and asset sales, other forms of business combinations or other Changes of Control (as defined therein), (ii) a material breach of our obligations (that is not timely cured) under the Tax Receivable Agreement, or (iii) if, at any time, we elect an early termination of the Tax Receivable Agreement, our payment obligations under the Tax Receivable Agreement will accelerate and may significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement. We will be required to make a payment intended to be equal to the present value of future payments (calculated using a discount rate equal to the lesser of (i) % per annum and (ii) LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %, which may differ from our, or a potential acquirer's, then-current cost of capital) under the Tax Receivable Agreement, which payment would be based on certain assumptions, including the assumption that we and our subsidiaries have sufficient taxable income and tax liabilities to fully utilize anticipated future tax benefits. In these situations, our, or a potential acquirer's, obligations under the Tax Receivable Agreement could have a substantial negative impact on our, or a potential acquirer's, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other Changes of Control. These provisions of the Tax Receivable Agreement may result in situations where the Existing Stockholders have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the Tax Receivable Agreement that are substantial, significantly in advance of any potential actual realization of such further tax benefits, and in excess of our, or a potential acquirer's, actual cash savings in U.S. federal, state or local income tax.

Different timing rules will apply to payments under the Tax Receivable Agreement to be made to holders that, prior to the completion of the offering, hold stock options (collectively, the "Award Holders"). Such payments will generally be deemed invested in a notional account rather than made on the scheduled payment dates, and the account will be distributed on the fifth anniversary of the initial public offering, together with an amount equal to the present value of such Award Holder's future expected payments, if any, under the Tax Receivable Agreement. Moreover, payments to holders of stock options that are invested prior to the completion of this offering will be subject to vesting on the same schedule as such holder's unvested stock options.

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The Tax Receivable Agreement contains a Change of Control definition that includes, among other things, a change of a majority of the Board of Directors without approval of a majority of the then-existing Board members (the “Continuing Directors Provision”). Delaware case law has stressed that such Continuing Directors Provisions could have a potential adverse effect on shareholders’ right to elect a company’s directors. In this regard, decisions of the Delaware Chancery Court (not involving us or our securities) have considered change of control provisions and noted that a board of directors may “approve” a dissident shareholders’ nominees solely to avoid triggering the change of control provisions, without supporting their election, if the board determines in good faith that the election of the dissident nominees would not be materially adverse to the interests of the corporation or its stockholders. Further, according to these decisions, the directors’ duty of loyalty to shareholders under Delaware law may, in certain circumstances, require them to give such approval.

Payments under the Tax Receivable Agreement will be based in part on our reporting positions. The Existing Owners (or their transferees or assignees) will not reimburse us for any payments previously made under the Tax Receivable Agreement if such tax benefits are subsequently disallowed, although future payments would be adjusted to the extent possible to reflect the result of such disallowance and any excess payments made to any Existing Owners (or such Existing Owner’s transferees or assignees) will be netted against future payments that would otherwise be made under the Tax Receivable Agreement, if any, after our determination of such excess. As a result, in certain circumstances, the payments we are required to make under the Tax Receivable Agreement could exceed the cash tax savings we actually realize in respect of the attributes in respect of which the Tax Receivable Agreement required us to make payment.

Certain transactions by us could cause us to recognize taxable income (possibly material amounts of income) without a current receipt of cash. Payments under the Tax Receivable Agreement with respect to such taxable income would cause a net reduction in our available cash. For example, transactions giving rise to cancellation of debt income, the accrual of income from original issue discount or deferred payments, a “triggering event” requiring the recapture of dual consolidated losses, or “Subpart F” income would each produce income with no corresponding increase in cash. In these cases, we may use some of the Pre-IPO Tax Assets to offset income from these transactions and, under the Tax Receivable Agreement, would be required to make a payment to our Existing Stockholders even though we receive no cash corresponding to such income.

Because we are a holding company with no operations of our own, our ability to make payments under the Tax Receivable Agreement is dependent on the ability of our subsidiaries to make distributions to us. To the extent that we are unable to make payments under the Tax Receivable Agreement for specified reasons, such payments will be deferred and will accrue interest at a rate of _____, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made. Among other reasons, we may be unable to timely make payments under the Tax Receivable Agreement due to limitations on distributions under the terms of the credit agreement to which one or more our subsidiaries are a party.

If we did not enter into the Tax Receivable Agreement, we would be entitled to realize the full economic benefit of the Pre-IPO Tax Assets. Stockholders purchasing shares in this offering will not be entitled, indirectly by holding such shares, to the economic benefit of the Pre-IPO Tax Assets that would have been available if the Tax Receivable Agreement were not in effect (except to the extent of our continuing _____ % interest in the Pre-IPO Tax Assets).

In the event that any determinations must be made under or any dispute arises involving the Tax Receivable Agreement, the Existing Stockholders will be represented by a shareholder representative that is an entity controlled by the Advent Funds. In any such instance, should any representatives of the Advent Funds then be serving on our Board of Directors, such directors will be excluded from decisions of the board related to the relevant determination or dispute.

The Tax Receivable Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the foregoing description of the Tax Receivable Agreement is qualified by reference thereto.

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If you purchase shares in this offering, you will suffer immediate and substantial dilution.

If you purchase shares of our common stock in this offering, you will incur immediate and substantial dilution in the pro forma net tangible book value of your stock of \$ _____ per share as of June 30, 2021 based on an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover of this prospectus, because the price that you pay will be substantially greater than the net tangible book value deficiency per share of the shares you acquire. You will experience additional dilution upon the exercise of options to purchase shares of our common stock, including those options currently outstanding and those granted in the future, and the issuance of restricted stock or other equity awards under our stock incentive plans. To the extent we raise additional capital by issuing equity securities, our stockholders will experience substantial additional dilution. See “Dilution.”

Further, we may need to raise additional funds in the future to finance our operations and/or acquire complementary businesses. If we obtain capital in future offerings on a per-share basis that is less than the initial public offering price per share, the value of the price per share of your common stock will likely be reduced. In addition, if we issue additional equity securities in a future offering and you do not participate in such offering, there will effectively be dilution in your percentage ownership interest in the Company.

We will in the future grant stock options and other awards to our certain current or future officers, directors, employees, and consultants under additional plans or individual agreements. The grant, exercise, vesting, and/or settlement of these awards, as applicable, will have the effect of diluting your ownership interests in the Company. We may also issue additional equity securities in connection with other types of transactions, including shares issued as part of the purchase price for acquisitions of assets or other companies from time to time or in connection with strategic partnerships or joint ventures, or as incentives to management or other providers of resources to us. Such additional issuances are likely to have the same dilutive effect.

Our stock price could be extremely volatile and, as a result, you may not be able to resell your shares at or above the price you paid for them.

Since our inception, there has not been a public market for our common stock, and an active public market for our common stock may not develop or be sustained following completion of this offering. The initial public offering price for our common stock was determined through negotiations among us and the underwriters, and may vary from the market price of our common stock following the completion of this offering. An active or liquid market in our common stock may not develop upon completion of this offering or, if it does develop, it may not be sustainable. In the absence of an active trading market for our common stock, you may not be able to resell any shares you hold at or above the initial public offering price, or at all. We cannot predict the prices at which our common stock will trade.

In addition, the stock market in general has been highly volatile. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock, including decreases unrelated to our operating performance or prospects, and could lose part or all of their investment. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this prospectus and others such as:

- variations in our operating performance and the performance of our competitors;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- publication of research reports by securities analysts about us, our competitors or our industry;
- our failure or the failure of our competitors to meet analysts’ projections or guidance that we or our competitors may give to the market;
- additions or departures of key personnel;

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- timing of new product launches;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- changes in legislation, regulation and government policy as a result of the U.S. presidential and congressional elections;
- speculation in the press or investment community;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities;
- changes in general market and economic conditions; and
- the other factors described in this “Risk Factors” section and the section titled “Special Note Regarding Forward-Looking Statements.”

In addition, broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance, and factors beyond our control may cause our stock price to decline rapidly and unexpectedly. We are exposed to the impact of any global or domestic economic disruption. Additionally, in the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management’s attention and resources, and could also require us to make a substantial payment to satisfy judgments or to settle litigation.

There may be sales of a substantial amount of our common stock after this offering by our current stockholders, and these sales could cause the price of our common stock to fall.

Following completion of this offering, there will be _____ shares of our common stock outstanding. Of our issued and outstanding shares, all of the common stock sold in this offering will be freely transferable, except for any shares held by our “affiliates,” as that term is defined in Rule 144 under the Securities Act. Following completion of this offering, approximately _____ % of our outstanding common stock (or approximately _____ % and _____ % if the underwriters exercise their option to purchase additional shares in full) will be held by affiliates of the Advent Funds.

Each of our executive officers and directors, the selling stockholders and substantially all holders of our common stock have entered into a lock-up agreement with Goldman Sachs & Co. LLC, as representatives of the underwriters, which regulates their sales of our common stock for a period of 180 days after the date of this prospectus, subject to certain exceptions. Goldman Sachs & Co. LLC may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements at any time and for any reason. See “Shares Eligible for Future Sale—Lock-Up Agreements.”

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Sales of substantial amounts of our common stock in the public market after this offering, the perception that such sales will occur, or early release of these lock-up agreements could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future. Of the shares of our common stock to be outstanding following completion of this offering, the shares offered by this prospectus will be eligible for immediate sale in the public market without restriction by persons other than our affiliates. Our remaining outstanding shares will become available for resale in the public market as shown in the chart below, subject to the provisions of Rule 144 and Rule 701.

<u>Number of Shares</u>	<u>Date Available for Resale</u>
	On the date of this offering (, 2021)
	180 days after this offering (, 2021) subject to certain exceptions

Beginning 180 days after this offering, subject to certain exceptions, the Advent Funds may require us to register shares of our common stock held by them for resale under the federal securities laws, subject to reduction upon the request of the underwriter of the offering, if any. See “Certain Relationships and Related Party Transactions—Amended and Restated Stockholders Agreement.” Registration of those shares would allow the Advent Funds to immediately resell their shares in the public market. Any such sales or anticipation thereof could cause the market price of our common stock to decline.

In addition, following completion of this offering, we intend to register (i) shares of common stock issuable upon the exercise of stock options outstanding under the 2020 Plan and (ii) shares of our common stock that we expect to issue pursuant to the 2021 Plan. For more information, see “Shares Eligible for Future Sale—Registration Statements on Form S-8.”

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest more difficult, limit attempts by our stockholders to replace or remove our current management and depress the market price of our common stock.

In addition to the Advent Funds beneficial ownership of a substantial percentage of our common stock, provisions in our certificate of incorporation and bylaws after this offering and Delaware law could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders, and could also make it difficult for stockholders to elect directors that are not nominated by the current members of our Board of Directors or take other corporate actions, including effecting changes in our management. These provisions include a classified board of directors and the ability of our Board of Directors to issue preferred stock without stockholder approval that could be used to dilute a potential hostile acquiror. Our certificate of incorporation will also impose some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock other than the Advent Funds. As a result, you may lose your ability to sell your stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the company may be unsuccessful. See “Description of Capital Stock—Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws and Certain Provisions of Delaware Law.”

Our restated certificate of incorporation will designate specific courts as the sole and exclusive forum for certain claims or causes of action that may be brought by our stockholders, which could discourage lawsuits against us and our directors and officers.

Our restated certificate of incorporation will provide that, subject to limited exceptions, the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware dismisses a Covered Claim (as defined below) for lack of subject matter jurisdiction, any other state or federal court in the State of Delaware that does have subject matter jurisdiction) will, to the fullest extent permitted by applicable law, be the

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sole and exclusive forum for the following types of claims: (i) any derivative claim brought in the right of the Company, (ii) any claim asserting a breach of a fiduciary duty to the Company or the Company's stockholders owed by any current or former director, officer or other employee or stockholder of the Company, (iii) any claim against the Company arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our restated certificate of incorporation or amended and restated bylaws, (iv) any claim to interpret, apply, enforce or determine the validity of our restated certificate of incorporation or our amended and restated bylaws, (v) any claim against the Company governed by the internal affairs doctrine, and (vi) any other claim, not subject to exclusive federal jurisdiction and not asserting a cause of action arising under the Securities Act, as amended, brought in any action asserting one or more of the claims specified in clauses (a)(i) through (v) herein above (each a "Covered Claim"). This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Our restated certificate of incorporation will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our restated certificate of incorporation will provide that any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Company will be deemed to have notice of and consented to these choice-of-forum provisions and waived any argument relating to the inconvenience of the forums in connection with any Covered Claim.

The choice of forum provisions to be contained in our restated certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. While the Delaware courts have determined that such choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions to be contained in our restated certificate of incorporation are inapplicable or unenforceable if they are challenged in a proceeding or otherwise, which could cause us to incur additional costs associated with resolving such action in other jurisdictions.

Upon the listing of our common stock on _____, we will be a "controlled company" within the meaning of the corporate governance standards of _____. As a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance standards. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

After the completion of this offering, the Advent Funds will collectively control a majority of the voting power of shares eligible to vote in the election of our directors. Because more than 50% of the voting power in the election of our directors will be held by an individual, group, or another company, we will be a "controlled company" within the meaning of the corporate governance standards of _____. As a controlled company, we may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of the listing of our common stock:

- a majority of our Board of Directors consists of "independent directors," as defined under the rules of such exchange;
- our Board of Directors has a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- our Board of Directors has a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

Following this offering, we intend to utilize these exemptions. As a result, immediately following this offering we do not expect that the majority of our directors will be independent or that any committees of our Board of Directors, other than our audit committee, will be composed of independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of _____.

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If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our common stock and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

We will have broad discretion in the use of the net proceeds we receive in this offering and may not use them in ways that prove to be effective.

We will have broad discretion in the application of the net proceeds we receive in this offering, including for any of the purposes described in the section titled “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use, and it is possible that a substantial portion of the net proceeds will be invested in a way that does not yield a favorable, or any, return for us. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition and results of operations could be harmed, and the market price for our common stock could decline.

We do not currently intend to pay dividends for the foreseeable future.

We currently intend to retain any future earnings to finance the operation and expansion of our business and we do not currently expect to declare or pay any dividends in the foreseeable future. Moreover, the terms of our existing Credit Agreement restrict our ability to pay dividends, and any additional debt we may incur in the future may include similar restrictions. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock. As a result, stockholders must rely on sales of their common stock after price appreciation, which may never occur as the only way to realize any future gains on their investment. As a result, investors seeking cash dividends should not purchase our common stock. See “Dividend Policy.”

We are an emerging growth company and cannot be certain if the reduced disclosure requirements applicable to us will make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act, and we expect to take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not emerging growth companies. In particular, while we are an emerging growth company, we will not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act (the “Sarbanes-Oxley Act”); we will be exempt from any rules that could be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor’s report on financial statements; we will be subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and we will not be required to hold nonbinding advisory votes on executive compensation or stockholder approval of any golden parachute payments not previously approved.

In addition, while we are an emerging growth company, we can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We

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have elected to take advantage of this extended transition period and, as a result, our operating results and financial statements may not be comparable to the operating results and financial statements of companies that have adopted the new or revised accounting standards.

We may remain an emerging growth company until the last day of the fiscal year following the fifth anniversary of the completion of this offering, though we may cease to be an emerging growth company earlier under certain circumstances, including if (i) we have \$1.07 billion or more in annual gross revenue in any fiscal year, (ii) we become a “large accelerated filer,” as defined in Rule 12b-2 under the Exchange Act; or (iii) we issue more than \$1.0 billion of non-convertible debt over a three-year period.

We cannot predict whether investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

General Risks

We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results in a timely manner or prevent fraud, which may adversely affect investor confidence in our company.

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. Although we are not yet subject to the certification or attestation requirements of the Sarbanes-Oxley Act in connection with the preparation of our consolidated financial statements included elsewhere in this prospectus, we and our independent registered public accounting firm identified three material weaknesses in our internal control over financial reporting as of December 31, 2020. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The following are the material weaknesses we identified as of December 31, 2020: (i) limited technical accounting resources and a lack of sufficient segregation of duties related to the control over review and approval of journal entries, reconciliations and accruals; (ii) lack of formal risk assessment process to identify, evaluate and address business risks relevant to financial reporting objectives; and (iii) lack of entity-level controls typical for a public company, including corporate policies, accounting policies, formal board and audit committee charters and calendar, formal organizational chart depicting reporting lines and key areas of authority and responsibility, and information technology.

The control deficiencies described above were considered to be material weaknesses because they could have resulted in a misstatement of the aforementioned account balances or disclosures that could result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected.

We have implemented improved processes and internal controls, including hiring a Chief Financial Officer, VP of Finance, Controller, Assistant Controller and Staff Accountant while we continue to utilize additional support from external accounting consultants to assist with technical accounting questions as well as the implementation of additional control processes in preparation for becoming a public company. However, these control deficiencies were unremediated as of March 31, 2021 as the controls that we designed to address these control deficiencies had not been operating for a sufficient amount of time to conclude that they had been remediated. While we believe these efforts will improve our internal controls and address the underlying causes of the material weaknesses, such material weaknesses will not be remediated until our remediation plan has been fully

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implemented and we have concluded that our controls are operating effectively for a sufficient period of time. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. While we are working to remediate the material weaknesses as timely and efficiently as possible, at this time we cannot provide an estimate of costs expected to be incurred in connection with the implementation of this remediation plan, nor can we provide an estimate of the time it will take to complete this remediation plan.

We cannot provide assurance that additional material weaknesses or control deficiencies will not occur in the future. If we identify additional material weaknesses in our internal control over financial reporting or are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting in future periods, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. Additionally, allegations of fraud may have a direct and adverse effect on the value of our brand, which may further negatively impact our financial situation.

We are not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act and therefore are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. Although we will be required to disclose changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until our second annual report required to be filed with the SEC.

To comply with the requirements of being a public company, we may need to undertake various actions, to develop, implement and test additional processes and other controls. Testing and maintaining internal controls can divert our management's attention from other matters related to the operation of our business.

We are not insured against all risks affecting our activities and our insurance coverage may not be sufficient to cover all losses and/or liabilities that may be incurred by our operations.

We cannot provide assurance that our insurance coverage will always be available or will always be sufficient to cover any damages resulting from any kind of claims. In addition, there are certain types of risks that may not be covered by our policies, such as war, force majeure or certain business interruptions. In addition, we cannot provide assurance that when our current insurance policies expire, we will be able to renew them with sufficient and favorable terms, and the failure to renew our insurance policies may adversely affect us.

We could be subject to changes in our tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities, which could have a material and adverse effect on our operating results, cash flows and financial condition.

We are subject to taxes in the United States and in the U.K., where our subsidiary Olaplex UK Limited is organized. Tax laws, regulations, administrative practices and interpretations in the U.K. or other jurisdictions may be subject to change, with or without notice, due to economic, political and other conditions. As a result, significant judgment is required in evaluating and estimating our provision for income taxes. Our future effective tax rates could be affected by numerous factors, such as intercompany transactions, changes in our business operations, acquisitions and dispositions, entry into new markets, the amount of our earnings and where earned, losses incurred in jurisdictions, the inability to realize tax benefits, changes in foreign currency exchange rates,

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changes in our stock price, uncertain tax positions, allocation and apportionment of state taxes, changes in our deferred tax assets and liabilities and their valuation. In addition, U.S. and foreign governments may enact tax laws that could result in further changes to global taxation and may materially affect our operating results and financial condition.

The recent presidential and congressional elections in the United States could also result in significant changes in, and uncertainty with respect to, tax legislation, regulation and government policy directly affecting us and our business. For example, the United States government may enact significant changes to the taxation of business entities including, among others, a permanent increase in the corporate income tax rate, an increase in the tax rate applicable to the global intangible low-taxed income and elimination of certain exemptions, and the imposition of minimum taxes or surtaxes on certain types of income. The likelihood of these changes being enacted or implemented is unclear.

We are not currently subject to tax controversies in any jurisdiction. However, an audit, investigation or other tax controversy could have a material effect on our operating results, cash flows or financial condition. We regularly assess the likelihood of an adverse outcome resulting from these proceedings to determine the adequacy of our tax accruals. Although we believe our tax estimates are reasonable, the outcome of audits, investigations and any other tax controversies could be materially different from our historical income tax provisions.

Our business could be negatively impacted by corporate citizenship and sustainability matters.

There is an increased focus from certain investors, customers, consumers, employees and other stakeholders concerning corporate citizenship and sustainability matters. From time to time, we may announce certain initiatives, including goals, regarding our focus areas, which include environmental matters, packaging, responsible sourcing, social investments and inclusion and diversity. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could fail in accurately reporting our progress on such initiatives and goals. Such failures could be due to changes in our business (e.g., shifts in business among distribution channels). Moreover, the standards by which citizenship and sustainability efforts and related matters are measured are developing and evolving, and certain areas are subject to assumptions. The standards or assumptions could change over time. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Any such matters, or related corporate citizenship and sustainability matters, could have an adverse effect on our business.

If we pursue acquisition, such acquisitions may expose us to additional risks.

We may review acquisition and strategic investment opportunities to expand our current product offerings and distribution channels, increase the size and geographic scope of our operations or otherwise offer growth and operating efficiency opportunities. There can be no assurance that we will be able to identify suitable candidates or consummate these transactions on favorable terms. If required, the financing for these transactions could result in an increase in our indebtedness, dilute the interests of our stockholders or both. The purchase price for some acquisitions may include additional amounts to be paid in cash in the future, a portion of which may be contingent on the achievement of certain future operating results of the acquired business. If the performance of any such acquired business exceeds such operating results, then we may incur additional charges and be required to pay additional amounts.

Our failure to successfully complete the integration of any acquired business or to achieve the long-term plan for such business, as well as any other adverse consequences associated with our acquisition and investment activities, could have an adverse effect on our business.

As we outsource functions, we become more dependent on the entities performing those functions.

As part of our long-term strategy, we are continually looking for opportunities to provide essential business services in a more cost-effective manner. In some cases, this requires the outsourcing of functions or parts of

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functions that can be performed more effectively by external service providers. These include certain information technology, e-commerce, logistics, finance and human resource functions. While we believe we conduct appropriate due diligence before entering into agreements with the outsourcing entity, the failure of one or more entities to provide the expected services, provide them on a timely basis or to provide them at the prices we expect may have an adverse effect on our business. In addition, if we transition systems to one or more new, or among existing, external service providers, we may experience challenges that could have an adverse effect on our business.

Our quarterly results of operations may fluctuate, and if our operating and financial performance in any given period does not meet the guidance that we have provided to the public or the expectations of our investors and securities analysts, the trading price of our common stock may decline.

Our quarterly results of operations may fluctuate for a variety of reasons, many of which are beyond our control. These reasons include those described in these risk factors as well as the following:

- fluctuations in product mix;
- our ability to effectively launch and manage new products;
- fluctuations in the levels or quality of inventory;
- fluctuations in capacity as we expand our operations;
- our success in engaging existing customers and consumers and attracting new customers and consumers;
- the amount and timing of our operating expenses;
- the timing and success of new product launches and expansion into new geographic markets;
- the impact of competitive developments and our response to those developments;
- the impact of the COVID-19 pandemic;
- our ability to manage our existing business and future growth; and
- economic and market conditions, particularly those affecting our industry.

Fluctuations in our quarterly results of operations may cause those results to fall below the guidance that we have provided to the public or the expectations of our investors and securities analysts, which could cause the trading price of our common stock to decline. Fluctuations in our results could also cause a number of other problems. For example, analysts or investors might change their models for valuing our common stock, we could experience short-term liquidity issues, our ability to retain or attract key personnel may diminish and other unanticipated issues may arise.

In addition, we believe that our quarterly results of operations may vary in the future and that period-to-period comparisons of our results of operations may not be meaningful. You should not rely on the results of one quarter as an indication of future performance.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, or at all.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including as a result of any of the risks described in this prospectus.

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The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable customers covered by our market opportunity estimates will purchase our products at all or generate any particular level of net revenues for us. In addition, our ability to expand in any of our target markets depends on a number of factors, including the cost, performance and perceived value associated with our products and other haircare products. Even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

Our results of operations could be adversely affected by natural disasters, public health crises, political crises or other catastrophic events.

Our finished products are primarily manufactured and fulfilled by companies located in Southern California, an area which has a history of earthquakes, and are thus vulnerable to damage. Natural disasters, such as earthquakes, wildfires, hurricanes, tornadoes, floods and other adverse weather and climate conditions; unforeseen public health crises, such as epidemics and pandemics, including the ongoing COVID-19 pandemic; political crises, such as terrorist attacks, war and other political instability; or other catastrophic events, whether occurring in the United States or internationally, could disrupt our operations in any of our offices and fulfillment center or the operations of one or more of our third-party providers or vendors. In particular, these types of events could impact our merchandise supply chain, including the ability of third parties to manufacture and ship merchandise and our ability to ship products to customers from or to the impacted region. In addition, these types of events could negatively impact customer spending in the impacted regions. To the extent any of these events occur, our business, financial condition and results of operations could be adversely affected.

We will incur significant additional costs as a result of being a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

Upon completion of this offering, we expect to incur increased costs associated with corporate governance requirements that will become applicable to us as a public company, including rules and regulations of the SEC, under the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Customer Protection Act of 2010, and the Exchange Act, as well as the rules of the . These rules and regulations are expected to significantly increase our accounting, legal and financial compliance costs and make some activities more time consuming.

We expect such expenses to further increase after we are no longer an “emerging growth company.” We also expect these rules and regulations to make it more expensive for us to maintain directors’ and officers’ liability insurance. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board of Directors or as executive officers. Furthermore, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the timing of such costs. In addition, our management team will need to devote substantial attention to transitioning to interacting with public company analysts and investors and complying with the increasingly complex laws pertaining to public companies, which may divert attention away from the day-to-day management of our business. Increases in costs incurred or diversion of management’s attention as a result of becoming a publicly traded company may adversely affect our business, financial condition and results of operations.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below the expectations of our investors and securities analysts, resulting in a decline in the trading price of our common stock.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. We base our

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estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as discussed in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, net sales and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Upon the closing of this initial public offering, we will become subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business,” contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, us. These statements include, but are not limited to, statements about our strategies, plans, objectives, expectations, intentions, expenditures and assumptions and other statements contained in or incorporated by reference in this prospectus that are not historical facts. When used in this document, words such as “may,” “will,” “could,” “should,” “intend,” “potential,” “continue,” “anticipate,” “believe,” “estimate,” “expect,” “plan,” “target,” “predict,” “project,” “seek” and similar expressions as they relate to us are intended to identify forward-looking statements. These statements reflect our current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate.

Examples of forward-looking statements include, among others, statements we make regarding: our financial position and operating results; business plans and objectives; general economic and industry trends; business prospects; future product development; growth and expansion opportunities; cybersecurity profile; and expenses, working capital and liquidity. We may not achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place significant reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make.

The forward-looking statements in this prospectus are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements, including such statements taken from third-party industry and market reports. See “Market and Industry Data.” You should understand that the following important factors, in addition to those discussed herein under the caption “Risk Factors,” could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements, including the following:

- our ability to execute on our growth strategies and expansion opportunities;
- increased competition causing us to reduce the prices of our products or to increase significantly our marketing efforts in order to avoid losing market share;
- our existing and any future indebtedness, including our ability to comply with affirmative and negative covenants under the Credit Agreement to which we will remain subject to until maturity, and our ability to obtain additional financing on favorable terms or at all;
- our dependence on a limited number of customers for a significant portion of our net sales;
- our ability to effectively market and maintain a positive brand image;
- changes in consumer preferences or changes in demand for haircare products or other products we may develop;
- our ability to accurately forecast consumer demand for our products;
- our ability to maintain favorable relationships with suppliers;
- our relationships with and the performance of distributors and retailers who sell our products to haircare professionals and other customers;
- impacts on our business from the sensitivity of our business to unfavorable economic and business conditions;

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- our ability to develop, manufacture and effectively and profitably market and sell future products;
- failure of markets to accept new product introductions;
- our ability to attract and retain senior management and other qualified personnel;
- regulatory changes and developments affecting our current and future products;
- our ability to service our existing indebtedness and obtain additional capital to finance operations and our growth opportunities;
- impacts on our business from political, regulatory, economic, trade, and other risks associated with operating internationally including volatility in currency exchange rates, and imposition of tariffs;
- our ability to establish and maintain intellectual property protection for our products, as well as our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of others;
- the impact of material cost and other inflation and our ability to pass on such increases to our customers;
- the impact of changes in laws, regulations and administrative policy, including those that limit U.S. tax benefits or impact trade agreements and tariffs;
- the outcome of litigation and governmental proceedings;
- impacts on our business from the COVID-19 pandemic; and
- the other factors identified under the heading “Risk Factors” elsewhere in this prospectus.

These forward-looking statements involve known and unknown risks, inherent uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Actual results and the timing of certain events may differ materially from those contained in these forward-looking statements.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this prospectus as anticipated, believed, estimated, expected, intended, planned or projected. We discuss many of these risks in greater detail under the heading “Risk Factors.” The forward-looking statements included in this prospectus are made only as of the date hereof. Unless required by United States federal securities laws, we neither intend nor assume any obligation to update these forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ (or approximately \$ if the underwriters exercise in full their option to purchase additional shares of common stock), assuming an initial public offering price of \$ per share (which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus).

We will not receive any of the proceeds from the selling stockholders named in this prospectus. The selling stockholders will receive approximately \$ of proceeds from this offering.

We intend to use the net proceeds to us from this offering for general corporate purposes.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$ million, assuming the number of shares offered by us, shown on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us for this offering. An increase (decrease) of 1,000,000 shares from the expected number of shares to be sold by us in this offering, assuming no change in the assumed initial public offering price per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our net proceeds from this offering by \$ million. To the extent we raise more proceeds in this offering than currently estimated, we intend to use the proceeds for general corporate purposes.

DIVIDEND POLICY

We do not currently anticipate paying any dividends on our common stock following this offering and currently expect to retain all future earnings for use in the operation and expansion of our business. Following this offering, we may reevaluate our dividend policy. The declaration, amount and payment of any future dividends on our common stock will be at the sole discretion of our Board of Directors, which may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our Credit Agreement, our obligations under the Tax Receivable Agreement and other indebtedness we may incur, and such other factors as our Board of Directors may deem relevant. If we elect to pay such dividends in the future, we may reduce or discontinue entirely the payment of such dividends at any time.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2021:

- on an actual basis; and
- on a pro forma basis to reflect to the Reorganization that will be completed in connection with this offering, as described under “The Reorganization,” as if it had occurred on June 30, 2021; and
- on a pro forma as adjusted basis to reflect (i) the issuance and the sale by us of _____ shares of common stock in this offering at an assumed public offering price of \$ _____ per share (which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus), after deducting underwriting discounts, commissions and estimated offering expenses, and (ii) the application of the net proceeds therefrom as described in “Use of Proceeds.”

You should read the information in this table in conjunction with our financial statements and the related notes thereto appearing elsewhere in this prospectus, as well as the information under the headings “The Reorganization,” “Use of Proceeds,” “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of June 30, 2021		
	Actual	Pro Forma(1)	Pro Forma As Adjusted
<i>(dollars in thousands except per share amounts)</i>			
Cash and cash equivalents	\$ _____	\$ _____	\$ _____
Debt:			
Term Loan, due January 8, 2026	\$ _____	\$ _____	\$ _____
Revolver, due January 8, 2025			
Less: unamortized deferred financing fees	_____	_____	_____
Total debt(2)	_____	_____	_____
Total stockholders’ equity:			
Olaplex Holdings, Inc. Preferred stock, \$0.001 par value per share; no shares authorized, issued or outstanding, actual; _____ shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted			
Common stock, \$0.001 par value; 2,000,000 shares authorized, 959,868 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted			
Olaplex Holdings, Inc. Common stock, \$0.001 par value per share; no shares authorized, issued or outstanding, actual; _____ shares authorized, _____ shares issued and outstanding, pro forma; _____ shares authorized, _____ shares issued and outstanding, pro forma as adjusted(2)			
Additional paid-in capital			
Total stockholders’ equity(2)	_____	_____	_____
Total capitalization(2)	\$ _____	\$ _____	\$ _____

(1) Gives effect to the recording of a liability associated with the Tax Receivable Agreement entered into with the Existing Stockholders which will require us to make payments to the Existing Stockholders upon the realization of tax benefits from certain Pre-IPO Tax Assets. See “The Reorganization” and “The Tax Receivable Agreement.”

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- (2) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would decrease (increase) total debt by \$ _____ million, increase (decrease) common stock, including paid-in capital, and total stockholders' equity by \$ _____ million and increase (decrease) total capitalization by \$ _____ million, assuming the number of shares offered by us, shown on the cover page of this prospectus remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering in this offering. Each increase (decrease) of 1,000,000 shares offered by us from the expected number of shares to be sold by us in this offering, would decrease (increase) total debt by \$ _____ million, and increase (decrease) each of common stock, including paid-in capital, total stockholders' equity and total capitalization by \$ _____ million, assuming no change in the assumed initial public offering price per share, which is the midpoint of the estimated offering price range shown on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

DILUTION

If you invest in our common stock in this offering, your ownership interest in us will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the as adjusted net tangible book value (deficit) per share of our common stock after this offering. Dilution results from the fact that the per share offering price of the common stock is substantially in excess of the book value (deficit) per share attributable to the shares of common stock held by our pre-IPO equity holders.

Our pro forma net tangible book value (deficit) as of June 30, 2021 would have been \$ _____ million, or \$ _____ per share of our common stock after giving effect to the Reorganization, assuming the Reorganization had taken place on June 30, 2021. Pro forma net tangible book value (deficit) represents the amount of our total tangible assets less our total liabilities, after giving effect to the pro forma adjustments described above. Pro forma net tangible book value (deficit) per share represents pro forma net tangible book value (deficit) divided by the number of shares outstanding as of June 30, 2021, after giving effect to the pro forma adjustments described above.

After giving further effect to (i) the sale by us of _____ shares of common stock in this offering at an initial public offering price of \$ _____ per share (which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us, including our obligations under the Tax Receivable Agreement, and (ii) the application of the net proceeds to us from this offering as set forth under "Use of Proceeds," our pro forma as adjusted net tangible book value (deficit) as of June 30, 2021 would have been \$ _____ million, or \$ _____ per share of our common stock. This amount represents an immediate increase in net tangible book value (or a decrease in net tangible book value) of \$ _____ per share to existing stockholders and an immediate and substantial dilution in net tangible book value (deficit) of \$ _____ per share to investors purchasing shares in this offering at the initial public offering price.

The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share	\$ _____
Pro forma net tangible book value (deficit) per share as of June 30, 2021	\$ _____
Increase in pro forma as adjusted net tangible book value (deficit) per share attributable to investors in this offering	\$ _____
Pro forma as adjusted net tangible book value (deficit) per share after this offering	\$ _____
Dilution per share to new investors purchasing common stock in this offering	\$ _____

Dilution is determined by subtracting as adjusted net tangible book value (deficit) per share of common stock after this offering from the initial public offering price per share of common stock.

If the underwriters exercise in full their option to purchase additional shares in this offering, the as adjusted net tangible book value (deficit) per share after giving effect to this offering and the use of proceeds therefrom would be \$ _____ per share. This represents an increase in as adjusted net tangible book value (or a decrease in as adjusted net tangible book value) of \$ _____ per share to existing stockholders and results in dilution in as adjusted net tangible book value (deficit) of \$ _____ per share to investors purchasing shares in this offering at the initial public offering price.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would decrease (increase) our pro forma as adjusted net tangible book value (deficit) by approximately \$ _____ million or by approximately \$ _____ per share, assuming the number of shares offered by us, shown on the cover page of this prospectus remains the same and after deducting estimated underwriting discounts, commissions and estimated offering expenses payable by us.

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The following table summarizes, as of June 30, 2021, the differences between the number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid by existing stockholders and by new investors. As the table shows, new investors purchasing shares in this offering will pay an average price per share substantially higher than our existing stockholders paid. The table below is based on an initial public offering price of \$ _____ per share for shares of common stock purchased in this offering and excludes underwriting discounts and commissions and estimated offering expenses payable by us:

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Avg/Share</u>
	<u>Number</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	
(\$ in millions, except per share amounts)					
Existing stockholders		%	\$	%	\$
Investors in this offering		%		%	
Total		%	\$	%	\$

If the underwriters were to fully exercise their option to purchase _____ additional shares of our common stock in this offering, the percentage of shares of our common stock held by existing stockholders as of June 30, 2021 would be _____ % and the percentage of shares of our common stock held by new investors would be _____ %, based on an assumed initial public offering price of \$ _____ per share (which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus).

To the extent that outstanding options are exercised, or we grant options, restricted stock, restricted stock units or other equity-based awards to our employees, executive officers and directors in the future, or other issuances of common stock are made, there will be further dilution to new investors.

The dilution information above is for illustrative purposes only. Our net tangible book value (deficit) following the completion of this offering is subject to adjustment based on the actual initial public offering price of our shares of common stock and other terms of this offering determined at pricing.

THE REORGANIZATION

Penelope Group Holdings is a holding company and the direct parent of Penelope Holdings Corp., which is the indirect parent of Olaplex, Inc., our primary operating subsidiary. The consolidated financial statements of Penelope Holdings Corp., as the predecessor of the issuer of the shares offered by this prospectus, are the financial statements included in this prospectus. Olaplex Holdings is a newly formed Delaware corporation, formed by the Existing Owners, which together also hold 100% of the economic equity interests in Penelope Group Holdings. Fund IX also holds 100% of the equity interests in Penelope Group Holdings GP II, which will be designated as, and replace Penelope Group GP in the capacity of, general partner of Penelope Group Holdings, and will hold a non-economic general partner interest in the partnership prior to the consummation of this offering. Following such designation and prior to the consummation of this offering, we intend to complete a series of transactions pursuant to which (i) the Existing Owners will contribute 100% of their respective economic equity interests in Penelope Group Holdings, and Fund IX will further contribute 100% of the equity interests in Penelope Group GP II, to Olaplex Holdings in exchange for (1) shares of common stock of Olaplex Holdings and (2) certain rights to payments under the Tax Receivable Agreement, and (ii) each outstanding option to purchase equity interests in Penelope Holdings Corp. will become an option to purchase shares of common stock of Olaplex Holdings, and each outstanding cash-settled unit of Penelope Holdings Corp. will become a cash-settled unit of Olaplex Holdings.

As a result of the Pre-IPO Reorganization, pursuant to the terms of a Contribution Agreement, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part:

- each outstanding Class A unit of Penelope Group Holdings will be exchanged for (1) _____ shares of common stock of Olaplex Holdings and (2) certain rights to payments under the Tax Receivable Agreement;
- each outstanding time-based option to purchase shares of common stock of Penelope Holdings Corp. will be converted into an outstanding time-based option to purchase shares of common stock of Olaplex Holdings; adjusted on a -for- basis, with a corresponding adjustment to the exercise price;
- each outstanding performance-based option to purchase shares of common stock of Penelope Holdings Corp. that would vest in accordance with its terms based on the performance conditions specified below will be converted into an outstanding time-based option to purchase shares of common stock of Olaplex Holdings, adjusted on a -for- basis, with a corresponding adjustment to the exercise price; and
- each outstanding cash-settled unit of Penelope Holdings Corp. will be converted into an outstanding cash-settled unit of Olaplex Holdings, adjusted on a -for- basis, with a corresponding adjustment to the base price per unit.

Prior to the Pre-IPO Reorganization, Olaplex Holdings is the sole owner of Olaplex Intermediate, Inc. and has no other material assets. Following the Pre-IPO Reorganization, Olaplex Holdings will also be the direct parent of Penelope Group Holdings and Penelope Group GP II. Following the consummation of this offering, we intend to complete a series of additional transactions pursuant to which (i) Olaplex Holdings will contribute 100% of the equity interests of Penelope Group Holdings and 100% of the equity interests of Penelope Group GP II to Olaplex Intermediate, Inc., and (ii) Penelope Group Holdings and Penelope Group GP II will each merge with and into Olaplex Intermediate, Inc. with Olaplex Intermediate, Inc. surviving each merger.

Immediately following the Reorganization, Olaplex Holdings will be a holding company with no material assets other than 100% of the equity interest in Olaplex Intermediate, Inc., which will be the direct parent of Penelope Holdings Corp. and indirect parent of Olaplex, Inc., and Olaplex Holdings will consolidate Penelope Holdings Corp. and its subsidiaries in its historical consolidated financial statements. See “The Reorganization.”

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Treatment of Performance-Based Options and Cash-Settled Units

Our performance-based options vest upon the achievement by the Advent Funds of certain returns on their investment in the Company. In the event of an initial public offering, each unvested performance-based options that would vest if the Advent Funds were to sell for cash its equity interest in Penelope Group Holdings at a share price equal to the initial public offering price will be converted into a time-based option to purchase shares of common stock of Olaplex Holdings that will vest in equal installments on each of the first three anniversaries of the offering, subject to the option holder’s continued service through each vesting date. Each unvested performance-based option that would not vest if the Advent Funds were to sell for cash its equity interest in Penelope Group Holdings at a share price equal to the initial public offering price will be forfeited. The fair value of the performance-based options are recognized as share-based compensation expense over the requisite service period. See Note 10 of the consolidated financial statements included elsewhere in this prospectus.

Our performance-based cash-settled units vest upon the achievement by the Advent Funds of certain returns on their investment in the Company. In the event of an initial public offering, each unvested performance-based cash-settled unit that would vest if the Advent Funds were to sell for cash its equity interest in Penelope Group Holdings at a share price equal to the initial public offering price will be converted into a time-based cash-settled unit of Olaplex Holdings that will vest in equal installments on each of the first three anniversaries of the offering, subject to the unitholder’s continued service through each vesting date. Each unvested performance-based cash-settled unit that would not vest if the Advent Funds were to sell for cash its equity interest in Penelope Group Holdings at a share price equal to the initial public offering price will be forfeited.

In addition, upon the consummation of an initial public offering, cash-settled unitholders have the right to receive for each vested time-based cash-settled unit they then hold an amount equal to the excess, if any, of the initial public offering price per share over the applicable base price per unit. Any outstanding unvested time-based cash-settled units will continue to vest in accordance with their terms. However, no time-based cash-settled units will be vested until March 2, 2022.

Because the number of shares of our common stock underlying the stock options and number of cash-settled units that, in each case, will be outstanding as of the consummation of this offering will be determined by reference to the initial public offering price in this offering, a change in the initial public offering price would have a corresponding impact on the number of shares of our common stock underlying the stock options and the number of cash-settled units after giving effect to this offering. The following presents the total number of shares of our common stock underlying stock options and total cash-settled units to be outstanding as of the consummation of this offering assuming the initial public offering prices for our common stock shown below.

	<u>Assumed Initial Public Offering Price</u>
Shares underlying outstanding options	
Cash-settled units	

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following summary consolidated financial and other data together with the “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of this prospectus and our audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

Historically, our business has been operated through Penelope Group Holdings and its consolidated subsidiaries, including Olaplex Holdings Corp, which is the indirect parent of Olaplex, Inc., our primary operating subsidiary. The consolidated financial statements of Penelope Holdings Corp. are the financial statements included in this prospectus. Olaplex Holdings was formed for the purpose of this offering and has engaged to date only in activities in contemplation of this offering. Immediately following the Reorganization, Olaplex Holdings will be a holding company with no material assets other than 100% of the equity interest in Olaplex Intermediate, Inc., which will be the direct parent of Penelope Holdings Corp. and indirect parent of Olaplex, Inc., and Olaplex Holdings will consolidate Penelope Holdings Corp. and its subsidiaries in its historical consolidated financial statements.

On the Acquisition Date, we acquired the Olaplex business. Subsequent to the Acquisition Date, all of our operations are comprised of the operations of Olaplex, Inc. We have presented the financial statements in a format with a 2020 successor fiscal year from January 1, 2020 to December 31, 2020 and 2019 predecessor fiscal year. Given the insignificance of the operations of the acquired Olaplex business between, January 1, 2020 and the Acquisition Date, a separate financial statement has not been presented and the associated acquisition accounting has been reflected as occurring as of January 1, 2020.

The predecessor period includes the consolidated financial position and results of operations of the Olaplex LLC entity and LIQWD IP, carried out by the Sellers during the 2019 predecessor fiscal year applying U.S. generally accepted accounting principles that coincide with the Sellers’ accounting policies. The predecessor period does not include an income tax provision due to the Sellers operating the Olaplex business through pass through entities subject to tax at the unitholder level.

Due to the change in the basis of accounting resulting from the application of the acquisition method of accounting, the predecessor period includes the financial position and results of operations of the Olaplex business. The selected consolidated statement of operations data for the years ended December 31, 2020 (successor) and 2019 (predecessor) and the selected consolidated balance sheet data as of December 31, 2020 (successor) and 2019 (predecessor) is derived from our audited consolidated financial statements and related notes thereto included elsewhere in this prospectus.

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Our historical results are not necessarily indicative of the results expected for any future period.

	Year ended December 31,	
	2020	2019
	(Successor)	(Predecessor)
	(in thousands, except share, unit, per share and per unit data)	
Consolidated Statements of Operations and Comprehensive Income Data:		
Net sales	\$ 282,250	\$ 148,206
Cost of sales:		
Cost of product (excluding amortization)	96,611	31,171
Amortization of patented formulations	6,052	—
Total cost of sales	102,663	31,171
Gross profit	179,587	117,035
Operating expenses:		
Selling, general, and administrative	37,170	56,698
Amortization of other intangible assets	39,825	—
Acquisition costs	16,499	—
Total operating expenses	93,494	56,698
Operating income	86,093	60,337
Interest (expense) income, net	(38,645)	39
Other (expense) income, net	(190)	503
Income before provision for income taxes	47,258	60,879
Income tax provision	7,980	—
Net income	\$ 39,278	\$ 60,879
Comprehensive income	\$ 39,278	\$ 60,879
Net income per share (unit) attributable to common stockholders (members):		
Basic	\$ 41.73	\$ 60.88
Diluted	\$ 41.63	\$ 60.88
Weighted-average shares (units) used in computing net income per share attributable to common stockholders (members):		
Basic	941,313	1,000,000
Diluted	943,437	1,000,000
Consolidated Balance Sheet Data:		
Cash and cash equivalents	\$ 10,964	\$ 3,155
Working capital	14,480	18,129
Total assets	1,332,833	28,081
Total liabilities	802,160	9,672
Total stockholder's and members' equity	530,673	18,409

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the section titled "Summary Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from management's expectations as a result of various factors, including but not limited to those discussed in the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Historically, our business has been operated through Penelope Group Holdings and its consolidated subsidiaries, including Olaplex Holdings Corp, which is the indirect parent of Olaplex, Inc., our primary operating subsidiary. The consolidated financial statements of Penelope Holdings Corp. are the financial statements included in this prospectus. Olaplex Holdings was formed for the purpose of this offering and has engaged to date only in activities in contemplation of this offering. Immediately following the Reorganization, Olaplex Holdings will be a holding company with no material assets other than 100% of the equity interest in Olaplex Intermediate, Inc., which will be the direct parent of Penelope Holdings Corp. and indirect parent of Olaplex, Inc., and Olaplex Holdings will consolidate Penelope Holdings Corp. and its subsidiaries in its historical consolidated financial statements.

On the Acquisition Date, we acquired the Olaplex business. Subsequent to the Acquisition Date, all of our operations are comprised of the operations of Olaplex, Inc. We have presented the financial statements in a format with a 2020 successor fiscal year from January 1, 2020 to December 31, 2020 and 2019 predecessor fiscal year. Given the insignificance of the operations of the acquired Olaplex business between, January 1, 2020 and the Acquisition Date, a separate financial statement has not been presented and the associated acquisition accounting has been reflected as occurring as of January 1, 2020.

The predecessor period includes the consolidated financial position and results of operations of the Olaplex LLC entity and LIQWD IP carried out by the Sellers during the 2019 predecessor fiscal year applying U.S. generally accepted accounting principles that coincide with the Sellers' accounting policies. The predecessor period does not include an income tax provision due to the Sellers operating the Olaplex business through pass through entities subject to tax at the unitholder level.

In this "Management's discussion and analysis of financial condition and results of operations," the term "Olaplex" is used to refer to either the operations of the business prior to or after the Acquisition depending on the respective period discussed.

Company Overview

OLAPLEX is an innovative, science-enabled, technology-driven beauty company. We are founded on the principle of delivering effective, patented and proven performance in the categories where we compete. We strive to empower our consumers to look as beautiful on the outside as they feel on the inside.

We believe every person deserves to have healthy, beautiful hair, whether they are visiting a salon or caring for their hair at home. Our commitment to deliver results that are visible on first use, coupled with our strong sense of community across both professional hairstylists and consumers, has driven tremendous brand loyalty. We offer our award-winning products through a global omni-channel platform serving the professional, specialty retail, and DTC channels.

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OLAPLEX disrupted and revolutionized the professional haircare industry by creating the bond building category in 2014. We have grown from an initial offering of three products sold exclusively through the professional channel to a broader suite of products strategically developed to address three key uses: treatment, maintenance and protection. Our unique bond building technology can repair disulfide bonds in human hair that are destroyed via chemical, thermal, mechanical, environmental and aging processes. Our current product portfolio comprises nine unique, complementary products specifically developed to provide a holistic regimen for hair health. We have strategically expanded our product line over time to create a self-care routine that our consumers look forward to and rely upon on a daily basis.

We have developed a cohesive and synergistic distribution strategy that leverages the strength of each of our channels, including the specific attributes of each channel as depicted below, and our strong digital capabilities that we apply across our omni-channel sales platform. Our specialty retail channel grew 75% from 2019 to 2020, representing 18% of our 2020 total net sales. Our DTC channel, comprised of OLAPLEX.com and sales through third-party e-commerce platforms, grew 260% from 2019 to 2020, and represented 27% of our 2020 total net sales. This channel also provides us with the opportunity to engage directly with our consumers to help power a feedback loop that drives decisions we make around new product development.

The strength of our business model and ability to scale have created a compelling financial profile characterized by revenue growth and very strong profitability over the past two years that we believe is among the best in our industry. Our net sales increased from \$148.2 million in 2019 to \$282.3 million in 2020, representing a 90% increase. Our net income decreased from \$60.9 million in 2019 to \$39.3 million in 2020, representing a 36% decrease, and our adjusted net income increased from \$100.5 million in 2019 to \$131.1 million in 2020, representing a 30% increase. We have also experienced robust adjusted EBITDA growth over the past year, increasing our adjusted EBITDA from \$100.5 million in 2019 to \$199.3 million in 2020, representing a 98% increase, and an increase in our adjusted EBITDA margins from 68% in 2019 to 71% in 2020.

Key Factors Affecting Our Performance

We believe that our continued success and growth are dependent on a number of factors. These factors provide both significant areas of opportunity as well as potential challenges that we will need to address in order to sustain the growth of our business. We have outlined some of these factors below, as well as in the section of this prospectus titled “Risk Factors.”

Ability to Grow Our Brand Awareness and Penetration

Our brand is integral to the growth of our business and is essential to our ability to engage with our community. Our performance will depend on our ability to attract new customers and encourage consumer spending across our product portfolio. Despite rapid growth in our brand awareness, Olaplex still only has aided brand awareness of 45% among prestige haircare consumers, which is lower than most haircare peers according to the April 2021 Study. We believe the core elements of continuing to grow our awareness, and thus increase our penetration, are highlighting our products’ quality, our continued ability to drive innovative new haircare solutions and our digital first marketing tactics. As we seek to enter new markets, it will be important for us to be able to expand our brand awareness and engage with new consumers across all of our channels.

Continued Execution of Omni-channel Strategy

Since our founding, the professional channel has provided our brand with credibility in the hairstylist community and with consumers, which translated into meaningful brand equity and success in the specialty retail and DTC channel, allowing us to gain deeper consumer insights. These channels broaden the scope of our brand’s awareness and customer penetration, which also serves to grow our professional channel. This synergistic omni-channel strategy has been key to our growth thus far, and we expect it will continue to serve as a valuable tool for growing our business. We intend to continue to find ways to deepen our channel integration through our digital platform, engaged social community, and vendor relationships with salons and key retailers. Our ability to execute this strategy will depend on a number of factors, such as retailers’ and salons’ satisfaction with the sales and profitability of our products.

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Continued Geographic Expansion Across All Channels

We believe our ability to enter new markets across all of our channels will continue to be part of our future growth. Since our founding, we have expanded into Europe, Asia, Latin America and other markets, with plans to continue to increase our presence in all of these markets. As we scale in new markets, we anticipate that we will leverage our existing relationships with partners who operate in these markets, as well as engage with new professional and retail customers. We believe our ability to continue expanding in new markets will be powered by our integrated omni-channel efforts to enable a synergistic relationship between the professional, specialty retail and DTC channels. Our ability to grow our business geographically will depend on a number of factors, including our marketing efforts and continued customer satisfaction with the quality of our products.

Continued Product Innovation

We anticipate a meaningful portion of our future growth will come from new product development and innovation. We believe our robust in-house research and development team, dedicated Olaplex laboratory, independent lab testing and real-world salon testing enables us to continue to develop innovative products and positions us to maintain a full product pipeline for several years into the future. Though we have a well-built pipeline for our future products, we are relentlessly focused on staying at the forefront of cutting edge and technologically enhancing innovation. Our attention in this area is a critical component of our growth plan, and thus our performance will depend, in part, on our ability to continue to deliver new and high-performance products.

Impact of COVID-19

The COVID-19 pandemic has impacted our business beginning in March 2020. The degree to which the COVID-19 pandemic will directly or indirectly impact our cash flow, business, financial condition, results of operations and prospects will depend on future developments that are highly uncertain and cannot be predicted, many of which are outside of our control.

We believe the COVID-19 pandemic shifted demand from our professional channel to our specialty retail and DTC channels, as consumers were unable to treat their hair in salons as a result of restrictions, such as mandatory lockdowns, that caused the closure of many of our professional salon partners and consumers turned to purchasing our products online for home treatment. This shift enabled us to scale our DTC capability faster than expected. Even as salons in our professional channel locations have reopened, we have not seen a decline in the demand for our products in our DTC channel, nor do we expect to, as COVID-19 restrictions continue to ease globally.

One impact on our business due to COVID-19 was the implementation of our Affiliate Program. We created this program during April and May of 2020 to support hairstylists during salon closures imposed by COVID-19 safety measures, allowing hairstylists to connect with their consumers and generate income by selling Olaplex products for at-home use. As we continue to monitor developments related to the COVID-19 pandemic, including the impacts on our customers, suppliers and consumers, we have taken and will continue to take further measures.

Components of Our Results of Operations and Trends Affecting Our Business

Net Sales

We develop, market and sell premium haircare products through our wholly owned subsidiary, Olaplex, Inc., which is our primary operating subsidiary and conducts business under the name “Olaplex”. We operate through three customer channels: professional, specialty retail, and DTC.

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Net sales are comprised of the transaction price to customers for product sales less expected allowances, discounts, and allowance for returns. Our growth in net sales is driven by a number of trends, including the levels of consumer spending, increasing awareness of and demand for our products, and the broader economic environment. Our largest channel, professional, includes sales through external distributors who sell to professional hairstylists throughout the world who use our products to treat their customers' hair. Net sales in our professional channel also include products sold to consumers for use at home. Net sales within this channel has continued to grow with increased awareness and distribution. Our specialty retail channel includes sales through national retail accounts, such as Sephora. Net sales in this channel have continued to grow through increased distribution across new stores within our existing customers, new customer relationships, and increasing sales within existing stores. We expect to continue to grow through increased penetration in additional stores within existing accounts as well as the addition of new retail customers and stores, both domestically and internationally. The DTC channel includes direct sales to the consumer through our website, olaplex.com, and sales through third-party e-commerce customers who resell our products solely through online platforms.

Cost of Sales

Cost of sales reflects the aggregate costs to procure our products, including the amounts invoiced by our third-party contract manufacturers and suppliers for finished goods, as well as costs related to transportation to our distribution center, and amortization of our patented formulations. For the 2020 fiscal year, we amortized a one-time non-recurring fair value step-up adjustment to inventory as part of purchase accounting related to the Acquisition that is recorded in cost of sales.

Gross Profit and Gross Margin

Gross profit is our net sales less cost of sales. Gross margin measures our gross profit as a percentage of net sales.

We have a network of domestic and international third-party manufacturers from whom we purchase finished goods. Over the past several years, we have worked to evolve our supply chain to increase capacity and technical capabilities while maintaining and reducing overall costs as a percentage of sales. We intend to continue to leverage our innovation and sourcing capabilities to lower costs margin in future periods.

Operating Expenses

Our operating expenses consist of selling, general and administrative expenses, amortization of brand name and customer relationship intangible assets and purchase accounting acquisition costs.

Selling, general and administrative expenses include personnel-related expenses, including salaries, success payments, fringe benefits and share-based compensation. See “—Critical accounting policies and estimates—Share-based compensation” below for more detail. Other significant operating expenses include sales and marketing, research and development, outbound shipping, fulfillment, information technology costs, merchant fees, professional fees for accounting, auditing, consulting and legal services, and travel and overhead expenses.

In relation to the Acquisition, and included in the operating expenses, are amortization of brand name and customer relationship intangible assets and non-recurring purchase accounting acquisition costs that consist of legal, accounting, and banking fees.

In the near term, we expect selling, general and administrative expense to increase as we invest to support our growth initiatives, including investments in the Olaplex brand and infrastructure. Additionally, we expect our operating expenses will increase compared to prior periods due to the reporting and compliance costs associated with being a public company.

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Interest (Expense) Income, Net

Interest expense primarily consists of interest incurred on our outstanding indebtedness and amortization of debt issuance costs. See “Financial condition, liquidity and capital resources” below and a description of our indebtedness in Note 8 of the consolidated financial statements included elsewhere in this prospectus.

Other (Expense) Income, Net

Other (expense) income primarily reflects gains (losses) caused by fluctuations of foreign currency exchange rates, as well as reduction of diversion income that results from penalty payments received from distributors for sales in violation of their distribution agreements.

Income Tax Provision

For the 2020 fiscal successor period, we operated as a C-Corporation. The fiscal 2020 provision for income taxes represents U.S. federal, foreign, state and local income taxes. The effective rate differs from statutory rates due to the effect of state and local income taxes, tax rates in foreign jurisdictions and certain permanent tax adjustments. The U.S. federal statutory tax rate was primarily lower due to the foreign derived intangible income deduction. This deduction results in income from the Company’s sales to foreign customers being taxed at a lower effective tax rate. Our effective tax rate will change from quarter to quarter based on recurring and nonrecurring factors including, but not limited to, the geographical mix of earnings, enacted tax legislation, state and local income taxes, the impact of permanent tax adjustments, and the interaction of various tax strategies. For the 2019 predecessor period, the Olaplex business operated through pass through entities subject to tax at the unitholder level. See “Critical Accounting Policies and Estimate-Income Taxes and Tax Receivable Agreement” pertaining to the pre-IPO Reorganization.

Net Income

Our net income for future periods will be affected by the various factors described above.

Segments

Operating segments are components of an enterprise for which separate financial information is available that is evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Utilizing these criteria, we manage our business on the basis of one operating and one reportable segment.

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Results of operations

The following table sets forth our consolidated statements of operations data for each of the periods presented:

	Year Ended December 31,			
	2020		2019	
	(Successor)		(Predecessor)	
	(in thousands)	% of Net sales	(in thousands)	% of Net sales
Net sales	\$ 282,250	100.0%	\$ 148,206	100.0%
Cost of sales:				
Cost of product (excluding amortization)	96,611	34.2	31,171	21.0
Amortization of patented formulations	6,052	2.1	—	—
Total cost of sales	102,663	36.4	31,171	21.0
Gross profit	179,587	63.6	117,035	79.0
Operating expenses:				
Selling, general, and administrative	37,170	13.2	56,698	38.3
Amortization of other intangible assets	39,825	14.1	—	—
Acquisition costs	16,499	5.8	—	—
Total operating expenses	93,494	33.1	56,698	38.3
Operating income	86,093	30.5	60,337	40.7
Interest (expense) income, net	(38,645)	(13.7)	39	—
Other (expense) income, net	(190)	(0.1)	503	0.3
Income before provision for income taxes	47,258	16.7	60,879	41.1
Income tax provision	7,980	2.8	—	—
Net income	\$ 39,278	13.9	\$ 60,879	41.1
Comprehensive income	\$ 39,278	13.9%	\$ 60,879	41.1%

Comparison of the Successor Year Ended December 31, 2020 to the Predecessor Year Ended December 31, 2019

Net Sales

We distribute products through professional salon channels, national and international retailers, as well as direct to consumers through e-commerce. As such, our three business channels consist of professional, specialty retail and DTC as follows.

(in thousands)	For the Year Ended December 31,			
	2020 (Successor)	2019 (Predecessor)	\$ Change	% Change
Net sales by Channel:				
Professional	\$ 156,199	\$ 98,333	\$ 57,866	58.8%
Specialty retail	50,718	28,946	21,772	75.2
DTC	75,333	20,927	54,406	260.0
Total Net sales	\$ 282,250	\$ 148,206	\$ 134,044	90.4%

Net sales increased \$134 million, or 90%, to \$282.3 million in the year ended December 31, 2020, from \$148.2 million in the year ended December 31, 2019. As a result of our omni-channel approach and marketing strategy to drive brand awareness, sales volume increased across all channels and in particular, through our DTC channel. Growth was primarily driven by volume through the addition of new customers across all channels,

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increased velocity of existing products, and the launch of new products.

Cost of Sales and Gross Profit

(in thousands)	For the Year Ended December 31,			
	2020	2019	\$	% Change
	(Successor)	(Predecessor)		
Cost of sales	\$ 102,663	\$ 31,171	\$71,492	229.4%
Gross profit	\$ 179,587	\$ 117,035	\$62,552	53.4%

Our cost of sales increased \$71.5 million or 229% to \$102.7 million in the year ended December 31, 2020 from \$31.2 million in the year ended December 31, 2019 due to a \$6.1 million increase in the amortization of our acquired patented formulations plus a \$44.7 million one-time fair value inventory adjustment due to the Acquisition in January 2020. The remaining \$20.7 million was driven by increased sales volume.

Our gross profit increased \$62.6 million, or 53%, to \$179.6 million in the year ended December 31, 2020, from \$117.0 million in the year ended December 31, 2019. Our gross profit margin, as a percentage of sales, decreased from 79% in the year ended December 31, 2019 to 64% in the year ended December 31, 2020 due to a one-time, non-recurring, non-cash fair value inventory adjustment plus amortization cost with regard to the fair value of our patented formulations that resulted from applying purchase accounting. Our adjusted gross profit margin (see “—Non-GAAP Financial Measures”) increased by 3% from 79% in the year ended December 31, 2019 to 82% in the year ended December 31, 2020 due primarily to a favorable customer mix shift to specialty retail and DTC channels and favorable product mix, including the launch of innovative, higher margin products.

Operating Expenses

(in thousands)	For the Year Ended December 31,			
	2020	2019	\$ Change	% Change
	(Successor)	(Predecessor)		
Selling, general, and administrative expenses	\$ 37,170	\$ 56,698	\$(19,528)	34.4%
Amortization of other intangible assets	39,825	—	39,825	—
Acquisition costs	16,499	—	16,499	—
Total operating expenses	\$ 93,494	\$ 56,698	\$ 36,796	64.9%

Our operating expenses increased \$36.8 million, or 65%, from \$56.7 million in the year ended December 31, 2019 to \$93.5 million in the year ended December 31, 2020.

Selling, general and administrative expenses decreased by \$19.5 million, or 34%, from \$56.7 million in the year ended December 31, 2019 to \$37.2 million in the year ended December 31, 2020. Included in December 31, 2019 selling, general and administrative expenses are \$22.4 million in non-recurring legal costs regarding patent litigation enforcement and \$16.3 million of non-recurring success payments made by the Sellers to employees upon the sale of the Olaplex business. In 2020, there were increases of \$5.9 million in payroll, \$3.5 million in fulfillment costs related to the increase in product sales volume, \$6.4 million in professional fees, \$2.9 million in dividend financing costs, and \$0.8 million in other selling, general and administrative expenses pertaining to general business growth. We expect marketing, research & development, and other selling, general and administrative expenses to increase in the future as we continue to expand brand awareness, develop and introduce new products, and implement new marketing strategies.

Amortization of intangible assets and acquisition costs increased by \$39.8 million and \$16.5 million, respectively, in 2020 due to the Acquisition. Refer to Note 5 and Note 6 to the consolidated financial statements included elsewhere in this prospectus.

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Interest (Expense) Income, Net

(in thousands)	For the Year Ended December 31,		\$ Change	% Change
	2020	2019		
	(Successor)	(Predecessor)		
Interest (expense) income, net	\$ (38,645)	\$ 39	\$(38,684)	(99,189.7)%

Prior to the Acquisition, the predecessor entity had no long-term debt. As a result, interest expense increased \$38.7 million in the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to interest related to borrowings under our Original Credit Agreement (as defined herein) entered into on January 8, 2020 and the Amendment to the Original Credit Agreement entered into on December 18, 2020. See “—Description of indebtedness”.

Other (Expense) Income, Net

(in thousands)	For the Year Ended December 31,		\$ Change	% Change
	2020	2019		
	(Successor)	(Predecessor)		
Other (expense) income, net	\$ (190)	\$ 503	\$ (693)	(137.8)%

In the year ended December 31, 2020, net other expense increased \$0.7 million compared to the year ended December 31, 2019, primarily due to a \$0.4 million reduction of income from penalty payments received from distributors for sales in violation of their distribution agreements and additional \$0.3 million in foreign currency translation losses and other miscellaneous items.

Income Tax Provision

(in thousands)	For the Year Ended December 31,		\$ Change	% Change
	2020	2019		
	(Successor)	(Predecessor)		
Income tax provision	\$ 7,980	\$ —	\$ 7,980	—

The provision for income taxes increased to \$8.0 million, or an effective tax rate of 16.9%, for the year ended December 31, 2020 from \$0.0 million, or an effective tax rate of 0.0%, for the year ended December 31, 2019. The predecessor entity was a pass-through entity and paid no income taxes. As a result of the January 2020 transaction, the successor entity is a taxable C Corporation. Our pre-tax income will be subject to tax in all future periods. Our effective tax rate of 16.9% is lower than the statutory rate primarily due to the foreign derived intangible income deduction that results in income from sales to foreign customers being taxed at a lower effective tax rate.

Non-GAAP Financial Measures

We prepare and present our consolidated financial statements in accordance with GAAP. However, management believes that adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income, and adjusted net income per share (unit), which are non-GAAP financial measures, provide investors with additional useful information in evaluating our performance.

Adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income, and adjusted net income per share (unit) are financial measures that are not required by or presented in accordance with GAAP. We believe that adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income, and adjusted net income per share (unit), when taken together

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with our financial results presented in accordance with GAAP, provide meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of these non-GAAP measures is helpful to our investors as they are measures used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes.

We calculate adjusted EBITDA as net income, adjusted to exclude: (1) interest expense (income), net; (2) income tax provision; (3) amortization; (4) share-based compensation expense; (4) inventory fair value adjustment; (5) Acquisition costs and financing fees; (6) expenses associated with non-recurring success payments made upon the sale of the Olaplex business; (7) non-recurring patent infringement litigation and settlement fees; and (8) as applicable tax receivable agreement liability adjustments. We calculate adjusted EBITDA margin by dividing adjusted EBITDA by net sales.

We calculate adjusted gross profit as gross profit, adjusted to exclude: (1) inventory fair value adjustments and (2) amortization of patented formulations, pertaining to the Acquisition. We calculate adjusted gross profit margin by dividing adjusted gross profit by net sales.

We calculate adjusted net income as net income, adjusted to exclude: (1) amortization of intangible assets; (2) share-based compensation expense; (3) inventory fair value adjustment amortization pertaining to the Acquisition; (4) Acquisition costs and financing fees; (5) expenses associated with non-recurring success payments made upon the sale of the Olaplex business; (6) non-recurring patent infringement litigation and settlement fees; (7) as applicable, tax receivable agreement liability adjustments and (8) the tax effect of non-GAAP adjustments. Adjusted net income per share (unit) is defined as adjusted net income per share (unit) using the weighted average basic and diluted shares outstanding.

Adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income, and adjusted net income per share (unit) are presented for supplemental informational purposes only, which have limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of these non-GAAP measures include that they (1) do not reflect capital commitments to be paid in the future, (2) do not reflect that, although amortization is a non-cash charge, the underlying assets may need to be replaced and non-GAAP measures do not reflect these capital expenditures and intangible asset amortization that contributes to revenue recognition will recur in future periods until fully amortized, (3) do not consider the impact of share-based compensation expense, (4) do not reflect other non-operating expenses, including, in the case of adjusted EBITDA and adjusted EBITDA margin, interest expense, (5) in the case of adjusted EBITDA and adjusted EBITDA margin, do not reflect tax payments that may represent a reduction in cash available to us and (6) do not include certain non-ordinary cash expenses that we do not believe are representative of our business on a steady-state basis. In addition, our use of non-GAAP measures may not be comparable to similarly titled measures of other companies because they may not calculate adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income, and adjusted net income per share (unit) in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider these non-GAAP measures alongside other financial measures, including our gross profit, gross profit margin, net income, net income per share (unit) and other results stated in accordance with GAAP.

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The following tables present a reconciliation of net income and gross profit, as the most directly comparable financial measure stated in accordance with GAAP, to adjusted EBITDA, adjusted EBITDA margin, adjusted gross profit, adjusted gross profit margin, adjusted net income and adjusted net income per share (unit) for each of the periods presented.

(in thousands)	For the Year Ended December 31,	
	2020	2019
	(Successor)	(Predecessor)
Reconciliation of Net Income to Adjusted EBITDA		
Net income	\$ 39,278	\$ 60,879
Interest expense (income)	38,645	(39)
Income tax provision	7,980	—
Amortization	45,877	—
Acquisition costs and financing fees(1)	21,242	938
Non-recurring success payments(2)	—	16,347
Non-recurring litigation costs(3)	—	22,358
Inventory fair value adjustment(4)	44,721	—
Share-based compensation	1,527	—
Tax receivable agreement liability adjustment(5)	—	—
Adjusted EBITDA	\$ 199,270	\$ 100,483
Adjusted EBITDA margin	70.6%	67.8%

(in thousands)	For the Year Ended December 31,	
	2020	2019
	(Successor)	(Predecessor)
Reconciliation of Gross Profit to Adjusted Gross Profit		
Gross profit	\$ 179,587	\$ 117,035
Inventory fair value adjustment(4)	44,721	—
Amortization of patented formulations	6,052	—
Adjusted gross profit	\$ 230,360	\$ 117,035
Adjusted gross profit margin	81.6%	79.0%

(in thousands)	For the Year Ended December 31,	
	2020	2019
	(Successor)	(Predecessor)
Reconciliation of Net Income to Adjusted Net Income		
Net income	\$ 39,278	\$ 60,879
Amortization of intangible assets	45,877	—
Acquisition costs and financing fees(1)	21,242	938
Non-recurring success payments(2)	—	16,347
Non-recurring litigation costs(3)	—	22,358
Inventory fair value adjustment(4)	44,721	—
Share-based compensation	1,527	—
Tax receivable agreement liability adjustment(5)	—	—
Tax effect of adjustments(6)	(21,529)	—
Adjusted net income .	\$ 131,116	\$ 100,522
Adjusted net income per share (unit):		
Basic	\$ 139.29	\$ 100.52
Diluted	\$ 138.98	\$ 100.52

(1) Includes acquisition costs related to the Acquisition of the Olaplex business and dividend financing costs.

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- (2) Includes expenses for non-recurring success payments made by the Sellers to employees upon the sale of the Olaplex business.
- (3) Includes non-recurring litigation costs incurred related to patent enforcement by the Predecessor.
- (4) Includes the non-cash, non-recurring fair value inventory step-up adjustment amortization as part of the purchase accounting of the Acquisition.
- (5) As applicable, represents the income statement impacts recognized during the applicable period due to adjustments in the tax receivable agreement liability that may result from items such as changes in the mix of earnings, tax legislation and tax rates in various jurisdictions impacting our tax savings.
- (6) The tax effect of non-GAAP adjustments is calculated by applying the applicable statutory tax rate by jurisdiction to the non-GAAP adjustments listed above, taking into consideration the estimated total tax impact of the adjustments.

Financial Condition, Liquidity and Capital Resources

Overview

Our primary recurring source of cash is the collection of proceeds from the sale of our products to our customers, including cash periodically collected in advance of delivery or performance.

Our primary use of cash is for working capital and payment of our operating costs, which consist primarily of employee-related expenses, such as compensation and benefits, as well as general operating expenses for marketing, fulfillment costs of customer orders, overhead costs, capital expenditures, and debt servicing. We also utilize cash for strategic investments. Fluctuations in working capital are primarily caused by customer demand of our product, timing of when a retailer rearranges or restocks our products, expansion of space within our existing retailer base, expansion into new retail stores and fluctuation in warehouse and distribution costs. Capital expenditures typically vary and are currently limited, and future capital expenditure requirements depend on strategic initiatives selected for the fiscal year, including investments in infrastructure, expansion into new national retailers and expansion of our customer base.

A considerable portion of our operating income is earned outside the United States; however, we do not have bank time deposits held outside of the United States.

As of December 31, 2020, we had \$11.0 million of cash and cash equivalents. In addition, as of December 31, 2020, we had borrowing capacity of \$51.0 million under our Revolver, providing us with a liquidity position of \$62.0 million plus \$14.6 million of working capital for a combined \$76.6 million liquidity position.

Although there is no current need, we primarily examine our options with respect to terms and sources of existing and future short-term and long-term capital resources to maintain financial flexibility and may from time to time elect to raise capital through the issuance of additional equity or the incurrence of additional debt.

Cash Flows

The following table summarizes our cash flows for the periods presented:

(in thousands)	For the Year Ended December 31,	
	2020 (Successor)	2019 (Predecessor)
Net cash provided (used in) provided by:		
Operating activities	\$ 128,975	\$ 52,569
Investing activities	(1,381,609)	3,411
Financing activities	1,263,598	(65,024)
Net increase (decrease) in cash	\$ 10,964	\$ (9,044)

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Operating Activities

For the year ended December 31, 2020, net cash provided by operating activities was \$129.0 million. This included net income, before deducting amortization and other non-cash items of \$39.3 million, plus \$45.9 million in amortization of patents and other intangibles, \$44.7 million for fair value of acquired inventory, \$1.8 million in amortization of debt issuance costs, \$1.5 million in share-based compensation expense offset partly by a \$4.4 million increase in deferred tax assets. Additionally, there was a \$0.2 million decrease in working capital excluding cash during the period. The decrease in net working capital was largely driven by a \$23.7 million increase in accounts payable, accrued expenses and other liabilities caused by increased inventory and other purchases, offset partly by a \$14.3 million increase in inventory to support growth in the business, a \$7.1 million increase in accounts receivable reflecting the overall growth in net sales and a \$2.1 million increase in other current assets for customer deposits and prepaids.

For the year ended December 31, 2019, net cash provided by operating activities was \$52.6 million. This included net income of \$60.9 million offset partly by an \$8.3 million increase in working capital excluding cash during the period. The increase in net working capital was largely driven by a \$4.9 million increase in accounts receivable and a \$3.9 million increase in inventory and 0.1 million increase in other current assets to support growth in the business, offset partly by a net increase of \$0.6 million in accounts payable and accrued expenses.

Investing Activities

For the year ended December 31, 2020, net cash used for investing activity was \$1,381.6 million. This was due to the net cash outflow related to the Acquisition in January 2020.

For the year ended December 31, 2019 net cash provided by investing activity was \$3.4 million. This was due to the proceeds from the sale of short-term money market investments.

Financing Activities

For the year ended December 31, 2020, net cash provided by financing activities was \$1,264 million. This was primarily driven by \$959.4 million of cash proceeds received for the issuance of 959.4 thousand common shares to Penelope Group Holdings in connection with the Acquisition in January 2020, plus \$0.5 million of cash proceeds received for the additional issuance of 500 common shares to Penelope Group Holdings in May 2020.

In connection with the Acquisition, on the Acquisition Date, we received cash proceeds of \$450.0 million from the issuance by Olaplex, Inc. of term loans pursuant to the Original Credit Agreement. In addition, in December 2020, we received \$350 million of proceeds from the issuance by Olaplex, Inc. of term loans pursuant to the Amendment to the Original Credit Agreement and used the proceeds to fund the payment of a \$470.0 million dividend to Penelope Group Holdings, which further distributed \$470.0 million to holders of all of its Class A common units. Additional offsets to the issuance of the two debt instruments include payment of \$15.6 million of debt issuance costs and \$10.7 million in principal repayments related to the Credit Agreement.

For the year ended December 31, 2019, net cash used in financing activities was \$65.0 million for cash distributions to the predecessor entity unitholders.

Liquidity and Capital Resources Requirements

Based on past performance and current expectations, we believe that our cash, cash equivalents and cash generated from operations and draws on our Revolver will be sufficient to meet anticipated operating costs, required payments of principal and interest, working capital needs, ordinary course capital expenditures, and other commitments for at least the next 12 months.

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If necessary, we may borrow funds under our Revolver to finance our liquidity requirements, subject to customary borrowing conditions. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all. Our ability to meet our operating, investing and financing needs depends, to a significant extent, on our future financial performance, which will be subject in part to general economic, competitive, financial, regulatory and other factors that are beyond our control, including those described elsewhere in “Risk Factors”. In addition to these general economic and industry factors, the principal factors in determining whether our cash flows will be sufficient to meet our liquidity requirements will be our ability to continue providing innovative products to our customers and consumers and manage production and our supply chain.

Description of Indebtedness

Credit Facility

On January 8, 2020, Olaplex Inc. entered into the Original Credit Agreement consisting of a \$450 million term loan (“Term Loan”) and a \$50 million Revolver that includes a \$10 million letter of credit sub-facility and a \$5 million swingline loan facility. In addition, on December 18, 2020 Olaplex Inc. entered into the Amendment to the Original Credit Agreement to increase the Term Loan Facility by \$350 million and increase the Revolver capacity by \$1 million to a revised \$800 million Term Loan and \$51 million Revolver facility. The unused balance of the Revolver as of December 31, 2020 was \$51 million.

The Term Loan maturity date is January 8, 2026 and the loans made under the Term Loan Facility are secured by substantially all of our assets. Installment payments on the Term Loan are required to be made in quarterly installments of \$5,028,000, with the remaining balance due upon maturity. The Term Loan can be prepaid at any time subject to a 2% or 1% penalty provision (with certain exceptions) if paid prior to July 8, 2021 and July 8, 2022, respectively, and is subject to mandatory prepayments with respect to (i) excess cash flow, which is defined as adjusted EBITDA less certain customary deductions, subject to certain threshold amounts of excess cash flow during the relevant period and percentage reductions of the prepayment amount upon the attainment of certain consolidated first lien net leverage ratio levels, (ii) certain non-ordinary course asset dispositions that result in net proceeds in excess of \$2.5 million during the relevant measurement period, unless reinvested in accordance with the terms of the Credit Agreement within twelve months (with an additional 180 days to reinvest, if committed within 12 months) of receipt of such proceeds, or (iii) issuance of additional non permitted debt or certain refinancing debt.

Both the Revolver and the Term Loan bear interest, at Olaplex Inc.’s option, at either a rate per annum equal to (i) an adjusted LIBO rate determined by reference to the cost of funds for U.S. dollar deposits (or any other applicable currency available under the Credit Agreement), as adjusted for statutory reserve requirements for the applicable interest period (with a 1.00% floor), plus an applicable margin ranging from 6.25% to 6.50% based on our consolidated first lien net leverage ratio or (ii) a base rate determined by reference to the highest of (x) the Federal Funds effective rate plus 0.5%, (y) the one-month LIBO rate plus 1.0% and (z) the prime rate, plus an applicable margin ranging from 5.25% to 5.50% based on our consolidated first lien net leverage ratio. The interest rate on both outstanding amounts under the Revolver and the outstanding Term Loan was 7.5% per annum as of December 31, 2020. The Revolver matures on January 8, 2025.

We incurred costs directly related to the Credit Facilities of \$15.6 million, consisting primarily of lender fees of \$13.5 million and third-party fees of \$2.1 million. These fees were allocated between the Revolver and the Term Loan Facility and recorded as a reduction of the carrying amount of non-current debt.

The Credit Facilities contain a number of covenants that, among other things, restrict our ability to (subject to certain exceptions) pay dividends and distributions or repurchase our capital stock, incur additional indebtedness,

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create liens on assets, engage in mergers or consolidations and sell or otherwise dispose of assets. The Credit Facilities also include reporting, financial and maintenance covenants that require us to, among other things, comply with certain consolidated secured net leverage ratios. As of December 31, 2020, we were in compliance with our financial maintenance covenant.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of December 31, 2020 (in thousands):

(in thousands)	Payments due by period			
	Total	Less than 1 year	1 – 3 years	More than 3 years
Term Loan Facility debt(1)	\$ 789,347	\$ 20,112	\$ 60,336	\$ 708,899
Interest on Term Loan Facility debt(2)	285,805	58,869	169,444	57,492
Total contractual obligations(3)	\$ 1,075,152	\$ 78,981	\$ 229,780	\$ 766,391

- (1) Long-term debt payments include scheduled principal payments only.
- (2) The Term Loan Facility is subject to variable interest rates. The weighted average interest rate of borrowings under the Term Loan Facility was 7.5% during the year ended December 31, 2020. Assumes annual interest rate of 7.5% on Term Loan Facility over the term of the loan.
- (3) Does not reflect any borrowings under the Revolver. As of December 31, 2020, we had no outstanding borrowings under the Revolver. We are required to pay a commitment fee of 0.50% per annum on unused commitments under the Revolver.

Off-Balance Sheet Arrangements

We are not party to any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our consolidated financial statements included elsewhere in this prospectus have been prepared in accordance with GAAP. The preparation of financial statements requires us to make estimates and assumptions about future events that affect amounts reported in our consolidated financial statements and related notes, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. We evaluate our accounting policies, estimates and judgments on an on-going basis. We base our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

We evaluated the development and selection of our critical accounting policies and estimates and believe that the following involve a higher degree of judgment or complexity and are most significant to reporting our results of operations and financial position, and are therefore discussed as critical. The following critical accounting policies reflect the significant estimates and judgments used in the preparation of our consolidated financial statements. With respect to critical accounting policies, even a relatively minor variance between actual and expected experience can potentially have a materially favorable or unfavorable impact on subsequent results of operations. More information on all of our significant accounting policies can be found in the footnotes to our audited consolidated financial statements included elsewhere in this registration statement.

Revenue Recognition

We recognize revenue when control of promised goods are transferred to a customer in an amount that reflects the consideration that we expect to receive in exchange for those goods. Control of the products that we sell are transferred at a point in time. Factors that determine the specific point in time a customer obtains control, and a

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performance obligation is satisfied, are when we have a present right to payment for the goods, whether the customer has physical possession and title to the goods, and whether significant risks and rewards of ownership have transferred. Delivery is typically considered to have occurred at the time the title and risk of loss passes to the customer. Revenue from transactions is generally recognized at a point in time based on the contractual terms with the customer.

In the normal course of business, we offer various incentives to customers such as sales discounts and other incentives and allowances, which give rise to variable consideration. The amount of variable consideration is estimated at the time of sale based on either the expected value method or the most likely amount, depending on the nature of the variability. We regularly review and revise, when deemed necessary, our estimates of variable consideration based on both customer-specific expectations as well as historical rates of realization.

Our terms of sale provide limited return rights, discounts and allowances. We record estimated sales returns, discounts, and miscellaneous customer claims as reductions to net sales at the time revenues are recorded. We base our estimates upon historical experience and trends, and upon approval of specific returns or discounts. Actual returns and discounts in any future period are inherently uncertain and thus may differ from our estimates. If actual or expected future returns and discounts were significantly greater or lower than the reserves we had established, we would record a reduction or increase to net sales in the period in which we made such determination.

Revenue from the sale of gift cards is initially deferred and recognized as a contract liability until the gift card is redeemed by the customer.

We have elected to account for shipping and handling as fulfillment activities and not as separate performance obligations. Shipping and handling fees billed to customers are included in net sales. All fulfillment activity costs are recognized as selling, general and administrative expenses at the time the related revenue is recognized. Sales taxes collected from customers and remitted directly to government authorities are excluded from net sales and cost of goods sold.

Inventory

Inventory is comprised primarily of finished goods and are stated at the lower of cost (average cost method) or estimated net realizable value. Cost is computed based on average historical costs. We allocate the amortization of our patented formulations to the carrying value of our finished goods. The carrying value of inventories is reduced for any excess and obsolete inventory. Excess and obsolete inventory reductions are determined based on assumptions about future demand and sales prices, estimates of the impact of competition, and the age of inventory. If actual conditions are less favorable than those previously estimated by management, additional inventory write-downs could be required. We realized a fair value step up adjustment of \$44.7 million to finished goods inventory with respect to the Acquisition of the Olaplex business. We fair valued the inventory utilizing the comparative sales method applying historical selling prices reduced for remaining costs to sell and estimated profit on costs to complete and dispose of finished goods inventory.

Business Combinations

The purchase price of a business acquisition is allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the business combination date. The excess of purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. Tangible and identifiable intangible assets acquired, and liabilities assumed as of the date of acquisition are recorded at the acquisition date fair value. Determining fair value of identifiable assets, particularly intangibles, and liabilities acquired requires us to make estimates, which are based on all available information and in some cases assumptions with respect to the timing and amount of future revenues and expenses associated with an asset.

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The estimates are inherently uncertain and subject to revision as additional information is obtained during the measurement period for an acquisition, which may last up to one year from the acquisition date. During the measurement period, we may record adjustments to the fair value of tangible and intangible assets acquired and liabilities assumed, with a corresponding offset to goodwill. After the conclusion of the measurement period or the final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to earnings.

Valuation of Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net identifiable tangible and intangible assets acquired in an acquisition. We test for impairment of goodwill at our one reporting unit level annually at the beginning of the fourth quarter or whenever events or changes in circumstances indicate the carrying amount may be impaired. The goodwill impairment test consists of a comparison of the reporting unit's fair value to its carrying value. In conducting our annual impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the asset, or reporting unit, is less than its carrying amount. If upon performing a qualitative assessment it indicates that the fair value of our reporting unit is less than its carrying amount, we perform a quantitative assessment.

If a quantitative assessment is performed, we utilize a combination of income and market approaches to estimate the fair value of our reporting unit. The income approach utilizes estimates of discounted cash flows of the reporting units, which requires assumptions for, the reporting units' revenue growth rates, operating margins terminal growth rates, and discount rates, all of which require significant management judgment. These assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy (described in "Fair Value Measurements in Note 1, Organization and Significant Accounting Policies,"). The market approach applies market multiples derived from the historical earnings data of selected guideline publicly traded companies to our reporting units' businesses to yield a second assumed value of each reporting unit., which requires significant management judgement. We base our fair value estimates on assumptions we believe to be reasonable, but which are unpredictable and inherently uncertain. A change in these underlying assumptions would cause a change in the results of the tests and, as such, could cause fair value to be less than the carrying amounts and result in an impairment of goodwill in the future. Additionally, if actual results are not consistent with the estimates and assumptions or if there are significant changes to our planned strategy, it may cause fair value to be less than the carrying amounts and result in an impairment of goodwill in the future.

Based on our qualitative assessment performed for our one reporting unit, we determined that it is more likely than not that the fair value is higher than its carrying value; therefore, the quantitative impairment test was not required and as such we did not record a goodwill impairment charge during the year ended December 31, 2020. No goodwill was recorded in the predecessor period.

Valuation of Long-Lived Assets and Definite Lived Intangible Assets

We assess potential impairments to our long-lived assets, which include property and equipment, and our brand name, customer relationships and product formulation intangible assets, whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. Recoverability of an asset is measured by a comparison of the carrying amount of an asset group to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized as the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or estimated fair value less costs to sell. There were no impairment charges recorded on long-lived assets during the years ended December 31, 2020 and December 31, 2019.

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Fair value measurements are based on significant inputs that are not observable in the market, therefore represents a Level 3 measurement. Significant changes in the underlying assumptions used to value long-lived assets could significantly increase or decrease the fair value estimates used for impairment assessments.

Share-Based Compensation

The Company grants share-based options under the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the “Plan”) to employees and non-employees. All outstanding options have been in the form of options to purchase common stock of Penelope Holdings Corp. with vesting based on either time or market (performance) conditions. The time-based service options are eligible to vest in equal installments on the first five anniversaries of the vesting start date, subject to the option holder’s continued service through the applicable vesting date. The performance condition options are eligible to vest based on specified rates of return on invested capital of the Advent investors. Upon a qualifying initial public offering (“IPO”) the unvested performance condition options that would have vested had the third-party investors were to sell for cash their equity in the Company at the IPO price will convert to time-based service options, vesting ratably on the first three anniversaries of the IPO, subject to the option holder’s continued service through the applicable vesting date.

As of December 31, 2020, a total of 106,596 shares have been authorized for issuance under the Plan, and 40,330 remain available to grant. As of December 31, 2020, there were 66,266 options outstanding under the Plan.

We recognize share-based compensation expense for employees and non-employees based on the grant-date fair value of share-based awards over the requisite service period. For awards that vest based on continued time-based service, share-based compensation expense is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. The grant date fair value of share-based awards that contain time-based service conditions is estimated using the Black-Scholes option-pricing model. For awards with performance vesting conditions, the fair value is estimated using a Monte Carlo simulation model, which incorporates the likelihood of achieving the performance condition with compensation expense recognized over the requisite service period, which is the derived service period as determined by an independent valuator. Determining the fair value of share-based awards requires judgment. The Black-Scholes and Monte Carlo option-pricing models are respectively used to estimate the fair value of share-based options that have time-based and performance-based vesting conditions. The assumptions used in these option-pricing models requires the input of subjective assumptions and are as follows:

- Fair value—As our common stock is not currently publicly traded, the fair value of our underlying common stock was determined by our compensation committee based upon a number of objective factors that include comparable publicly traded peer groups plus comparable transactions. Our compensation committee will determine the fair value of our common stock until such time as our common stock commences trading on an established stock exchange or national market system.
- Expected volatility—Expected volatility is based on historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the share-based option grants.
- Expected term—For share-based options with only time-based service vesting conditions the expected term is determined using the simplified method, which estimates the expected term using the contractual life of the option and the vesting period. For share-based options with performance conditions, the term is estimated in consideration of the time period expected to achieve the performance condition, the contractual term of the award, and estimates of future exercise behavior.
- Risk-free interest rate—The risk-free interest rate is based on the U.S. Treasury yield of treasury bonds with a maturity that approximates the expected term of the options.
- Expected dividend yield—The dividend yield is based on our current expectations of dividend payouts. Except for the 2020 dividend, we have never declared or paid any cash dividends on our common stock, and we do not anticipate paying any cash dividends in the foreseeable future.

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The determination of share-based compensation cost is inherently uncertain and subjective and involves the application of valuation models and assumptions requiring the use of judgment. If factors change and different assumptions are used, share-based compensation expense could be significantly different.

In the event of an employee or other service provider's termination of service for any reason or violation of any restrictive covenant obligation, we have the option to repurchase exercised shares. The repurchase price is generally the fair market value of the shares, except in the event of a termination for cause or restrictive covenant breach, in which case, the repurchase price is the lower of the fair market value of the shares and the amount paid by the employee or other service provider to acquire the shares.

Income Taxes and Tax Receivable Agreement

We use the asset and liability method to account for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance will be established for deferred tax assets where their recoverability is deemed to be uncertain, reducing the carrying amount of such deferred tax assets to the amount that is more likely than not to be sustained based on all available evidence. The carrying value of the net deferred tax assets is based upon estimates and assumptions related to our ability to generate sufficient future taxable income in certain tax jurisdictions. If these estimates and related assumptions change in the future, we will be required to adjust our deferred tax valuation allowances.

As of December 31, 2020, we had no federal, state or foreign net operating loss or tax credit carryforwards and did not maintain a valuation allowance against any of our deferred tax assets. On a quarterly basis, we assess the likelihood of realization of our deferred tax assets considering all available evidence, both positive and negative. While we have concluded that no valuation allowance is appropriate as of December 31, 2020, we are continually monitoring actual and forecasted earnings. If there is a change in management's assessment of the amount of deferred income tax assets that is realizable, adjustments to the valuation allowance will be made.

In the normal course of business, Olaplex and its subsidiaries are subject to examination by various taxing authorities, including the Internal Revenue Service in the United States. We regularly assess the likelihood of assessments by tax authorities and provide for these matters as appropriate. Audits by tax authorities typically involve examination of the deductibility of certain permanent items, intercompany arrangements and related transfer pricing, and tax credits among other items. Although we believe our tax estimates are appropriate, the final determination of tax audits and any related litigation could result in material changes in our estimates.

As part of the IPO, we will enter into a Tax Receivable Agreement under which generally we will be required to pay to the Existing Owners % of the cash savings, if any, in U.S. federal, state or local tax that we actually realize on our taxable income following this offering (or are deemed to realize in certain circumstances) as a result of (i) certain existing tax attributes, including tax basis in intangible assets and capitalized transaction costs relating to taxable years ending on or before the date of this offering (calculated by assuming the taxable year of the relevant entity closes on the date of this offering), that are amortizable over a fixed period of time (including in tax periods beginning after this offering) and which are available to us and our wholly-owned subsidiaries, and (ii) tax benefits attributable to payments made under the Tax Receivable Agreement, together with interest accrued at a rate of from the date the applicable tax return is due (without extension) until paid. Under the Tax Receivable Agreement, generally we will retain the benefit of the remaining % of the applicable tax savings. We expect the payments we will be required to make under the Tax Receivable Agreement will be substantial. If we were to elect to terminate the Tax Receivable Agreement immediately after this offering, we estimate that we would be required to pay approximately \$ million in the aggregate under the Tax Receivable Agreement.

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Tax Receivable Agreement

Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the Tax Receivable Agreement, (i) we expect that future payments under the Tax Receivable Agreement relating to the Pre-IPO Tax Assets could aggregate to between \$ million and \$ million over the next six years, which we estimate will represent approximately % to % of the total payments we will be required to make under the Tax Receivable Agreement and (ii) we expect material payments to occur beginning in . Payments under the Tax Receivable Agreement are not conditioned upon the parties' continued ownership of the company. See "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

New Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for information regarding new accounting pronouncements.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks arising from transactions in the normal course of our business. Such risk is principally associated with interest rates and foreign exchange.

Interest Rate Risk

Our results are subject to risk from interest rate fluctuations on borrowings under the Credit Facilities. Our borrowings bear interest at a variable rate; therefore, we are exposed to market risks relating to changes in interest rates. Interest rate changes generally do not affect the market value of our Term Loan; however, they do affect the amount of our interest payments and, therefore, our future earnings and cash flows. As of December 31, 2020, we had \$800.0 million of outstanding variable rate loans under the Term Loan Facility. Based on our December 31, 2020 variable rate loan balances, an increase or decrease of 1% in the effective interest rate would cause an increase or decrease in interest cost of approximately \$7.9 million over the next 12 months.

Foreign Exchange Risk

Our reporting currency including our U.K. foreign subsidiary, Olaplex UK Limited's functional currency, is the U.S. dollar. Gains or losses due to transactions in foreign currencies are reflected in the consolidated statements of comprehensive income under the line-item other (expense) income, net. We have not engaged in the hedging of foreign currency transactions to date, although we may choose to do so in the future. We do not believe that an immediate 10% increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on our consolidated financial statements.

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107(b) of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, we will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies which may make comparison of our financials to those of other public companies more difficult.

BUSINESS

Company Overview

OLAPLEX: Our Mission to Improve Hair Health

OLAPLEX is an innovative, science-enabled, technology-driven beauty company. We are founded on the principle of delivering effective, patented and proven performance in the categories where we compete. We strive to empower our consumers to look as beautiful on the outside as they feel on the inside.

We believe every person deserves to have healthy, beautiful hair, whether they are visiting a salon or caring for their hair at home. Our commitment to deliver results that are visible on first use, coupled with our strong sense of community across both professional hairstylists and consumers, has driven tremendous brand loyalty. We offer our award-winning products through a global omni-channel platform serving the professional, specialty retail, and DTC channels.

Solution-Oriented and Science-Backed Brand

Our primary focus is to provide solutions that improve the hair health of our consumers. We identify our consumers' most relevant haircare concerns in collaboration with our passionate and highly engaged community of professional hairstylists and consumers, and strive to address them through our proprietary technology and innovation capabilities. Our deep roots in the professional haircare community and strong ties with our global network of hairstylists creates a continuous feedback loop, providing unique insight into the hair health goals and concerns of our consumers. Our hairstylists are our strongest advocates; they have grown with our business since our founding in 2014, and through mutual support, we have empowered them to connect with their clients and to champion our brand through an engaged and active social community. This community also provides insight into consumer needs and positions OLAPLEX to leverage our research and development platform to respond to consumers' demands for improved hair health by creating high-quality products that result in healthy, beautiful hair. Results have validated our approach. Based on the April 2021 Study, over 90% of our surveyed consumers believed OLAPLEX products make their hair healthier, representing the #1 brand rating in this category relative to select competitors. Moreover, based on the April 2021 Study, OLAPLEX had the highest professional net promoter score of 71% as of April 2021, which was 26 percentage points higher than the average score for other brands in our category. The quality of our products, combined with our community-driven approach to engaging with both professional hairstylists and our consumers, have created a strong and loyal following for OLAPLEX that we believe provides a unique competitive advantage and foundation for growth.










Disruptive Force in the Industry

OLAPLEX disrupted and revolutionized the professional haircare industry by creating the bond building category in 2014. We have grown from an initial offering of three products sold exclusively through the professional channel to a broader suite of products offered through the professional, specialty retail and DTC channels that have been strategically developed to address three key uses: treatment, maintenance, and protection. Our unique bond building technology is able to repair disulfide bonds in human hair that are destroyed via chemical, thermal, mechanical, environmental and aging processes. We have strategically expanded our product line over time to create a self-care routine that our consumers look forward to and rely upon on a daily basis. Our current product portfolio comprises nine unique, complementary products specifically developed to provide a holistic regimen for hair health. Our proprietary, patent-protected ingredient, Bis-amino, serves as the common thread across our products and is a key differentiator in our ability to create trusted, high-quality products. Underpinning our product range is a portfolio of more than 100 patents which protect our proprietary technology and, we believe, create both barriers to entry and a foundation for entry into adjacent categories over time.

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Our current hair health platform is presented below and is championed by two products that can be purchased only through professional hairstylists, No.1 and No.2. These two products often serve as an introduction to our brand and a gateway to seven additional products that can be used both at home and in the salon.

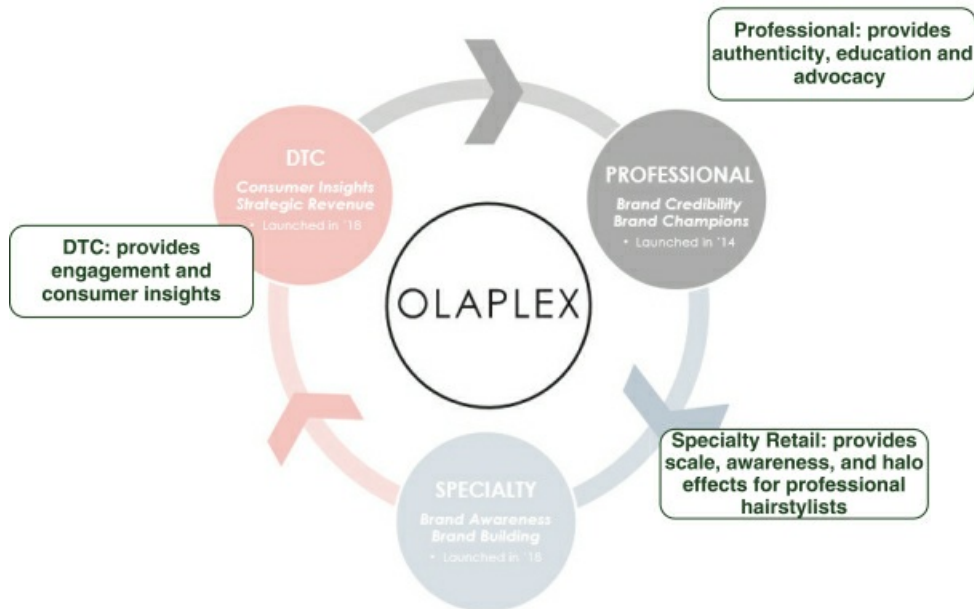
Our Products

Use Case	Functional Need		Launch Year
PRO RX	No. 1	Bond Multiplier	 2014
	No. 2	Bond Perfector	 2014
Treatment	No. 3	Hair Perfector	 2014
	No. 0	Intensive Bond Building Hair Treatment	 2020
	No. 8	Bond Intense Moisture Mask	 2021
Maintenance	No. 4	Bond Maintenance Shampoo	 2018
	No. 5	Bond Maintenance Conditioner	 2018
Protection	No. 6	Bond Smoother	 2019
	No. 7	Bonding Oil	 2019

Note: No. 1 and No. 2 are only available for professional use, whereas the other products are sold across all of Olaplex's channels.

Synergistic Channel Strategy Underpinned by Our Omni-Channel Approach

We have developed a cohesive and synergistic distribution strategy that leverages the strength of each of our channels, including the specific attributes of each channel as depicted below, and our strong digital capabilities that we apply across our omni-channel sales platform.



We launched our first product in 2014 through the professional channel in order to build trust and support within the hairstylist community. Our professional channel, which includes both products used by hairstylists in-salon and products sold by hairstylists to consumers for use at home, comprised 55% of our 2020 total net sales and grew 59% from 2019 to 2020. The professional channel serves as the foundation for our brand, validating the quality of our products and influencing our consumers' purchasing decisions. According to the April 2021 Study, use of a particular product by hairstylists is the #1 driver of consumer brand awareness.

In 2018, as OLAPLEX continued to grow, we established our retail presence through expansion into the DTC channel and specialty retail channel (principally Sephora), both of which have continued to grow as we have developed our omni-channel platform. Our specialty retail channel grew 75% from 2019 to 2020, representing 18% of our 2020 total net sales. Our DTC channel, comprised of OLAPLEX.com and sales through third-party e-commerce platforms, grew 260% from 2019 to 2020, and represented 27% of our 2020 total net sales. This channel also provides us with the opportunity to engage directly with our consumers to help create a feedback loop that drives our decisions around new product development.

Since our first product launch, we have focused on developing clean, technology-based beauty products and created powerful engagement between professional hairstylists and our consumers, which has driven strong organic growth.

Commitment to Social and Environmental Consciousness

We are passionate about promoting wellness, starting with the integrity of your hair and extending to supporting our communities and minimizing our impact on the environment, allowing us to drive social and environmental awareness in the beauty industry.

- *Supporting Small Businesses.* We are invested in the success of our hairstylist community as their businesses grow alongside ours. We are especially focused on providing support to the small business community and minority hairstylists; currently 98% of our salon community are small businesses and a meaningful percentage of our hairstylists are racial or ethnic minorities. During the height of the COVID-19 pandemic in 2020, we implemented several initiatives to support hairstylists during salon closures. One example is our Affiliate Program that allowed hairstylists to connect with their consumers and generate income by selling OLAPLEX products for at-home use. This program generated more than \$300,000 in income for our professional hairstylist community during a time when their salons were closed.
- *Diversity, Equity, and Inclusion.* We believe it is important that our employees reflect the diversity of our hairstylist and consumer community. Our DEI initiatives focus on promoting a workplace of inclusion and acceptance. As a result of our efforts, we have created a diverse workplace environment with 76% of our employees identifying as female and 40% identifying as non-white, as of May 31, 2021. We are especially proud that our diverse workforce mirrors the community of professional hairstylists we serve, of which 92% identify as women and 37% identify as African American, Asian or Latino. We believe our shared commitment to diversity helps us better understand our professional consumer base and connect with the hairstylist community. We are also proud of the fact that an employee survey from February 2021 found that 90% of our employees agree that we have an inclusive environment that makes them feel comfortable bringing their true selves to work.
- *Environmental Sustainability.* We continue to explore ways to reduce our carbon footprint and contribute to a more sustainable future for our planet. By taking preventative measures, we're able to lighten our carbon footprint and do our part in making the world a better place. One of our key initiatives is to reduce the impact of packaging. We are focused on limiting the use of secondary packaging in which our products are sold. By pursuing these packaging reduction initiatives, we believe that between 2015 to 2021, we prevented approximately 23 million pounds of greenhouse gas from being emitted into the environment, conserved approximately 37 million gallons of water and saved approximately 29,000 trees from deforestation, as compared to manufacturing, packaging and distribution alternatives. In addition, we strive to produce clean products that exclude certain harmful ingredients. These efforts are well recognized in the industry. As of June 2021, OLAPLEX is one of only 19 haircare brands (out of 45 total haircare brands sold by Sephora) accredited with the "Clean at Sephora" designation, which is defined as products that are free from over 50 ingredients including sulfates, parabens, phthalates, mineral oil, and formaldehyde.

Scaled and Nimble Supply Chain

We have developed a flexible and resilient supply chain, designed to support long-term growth at scale. A core tenet of this strategy is leveraging strong partnerships with our co-manufacturers and distributors to create an expansive supply network with ample capacity without significant additional capital investment. Maintaining an asset-light business model has helped us to generate strong free cash flow.

Robust Financial Performance

The strength of our business model and ability to scale have created a compelling financial profile characterized by revenue growth and very strong profitability over the past two years that we believe is among the best in our industry. Our net sales increased from \$148.2 million in 2019 to \$282.3 million in 2020, representing a 90% increase. Our net income decreased from \$60.9 million in 2019 to \$39.3 million in 2020, representing a 36% decrease, primarily as a result of interest expense on debt incurred in January 2020 upon the Acquisition, and our

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adjusted net income increased from \$100.5 million in 2019 to \$131.1 million in 2020, representing a 30% increase. We have experienced robust adjusted EBITDA growth over the past year, increasing our adjusted EBITDA from \$100.5 million in 2019 to \$199.3 million in 2020, representing a 98% increase, and an increase in our adjusted EBITDA margins from 68% in 2019 to 71% in 2020. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for additional information regarding our financial performance and non-GAAP measures, together with a reconciliation of non-GAAP measures to their most directly comparable GAAP measures.

Historical Net Sales and Adjusted EBITDA



Our Market Opportunity

Haircare Represents a Large, Growing Market

Haircare represents a large, addressable market and presents significant opportunities for growth. In 2020, the market was sized at \$77 billion globally and is expected to grow at a compound annual rate of ~6% from 2020 to 2025. The \$13 billion premium segment of the haircare market, on which we focus, is projected to grow at an even faster rate of ~7% from 2020 to 2025 according to Euromonitor.

Consumers are Increasingly Focused on Health and Wellness

In particular, we focus on hair health, a key driver of our consumers’ purchasing decisions. Our first area of focus was damaged hair, among the most important components of hair health, which we addressed through our proprietary bond building technology. Based on the April 2021 Study, approximately 70% of U.S. women do something every day to damage their hair, which we believe has driven strong demand for our bond-building products.

Several significant tailwinds support the long-term growth prospects of the haircare market. The way our consumers feel about their hair has a strong impact on how they perceive themselves; we believe that continued focus on personal appearance and wellness will drive increased spend in the category. We believe consumers are also becoming increasingly health-conscious, generating a high demand for clean, technology-backed beauty products that achieve results, and that the importance of hair health has driven increased willingness among our consumers to invest in premium-quality products. Our offerings, which are able to deliver results after the first use, position us well to meet this rising consumer demand. In addition, we have seen a shift in demand for haircare products to omni-channel retailing and online shopping, in particular. Our omni-channel strategy has positioned us well to connect with our consumers globally, however they choose to shop, and to grow our market share.

Innovative, Consumer-Connected Brands Are Taking Share

As consumers increasingly demand high-performance, innovative solutions for hair health, we believe that the haircare industry is ripe for disruption. Heritage beauty brands have lost market share to innovative, consumer-

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connected brands that are more agile and better equipped to meet evolving consumer needs. According to Euromonitor, the top three haircare companies globally (by retail sales) have lost over 430 basis points of market share since 2015. This dynamic has created a significant opportunity for OLAPLEX to gain market share. Increasing focus on hair health also provides significant runway for future growth as we extend our product offering to focus on providing other haircare solutions.

Whitespace in the Broader Beauty and Wellness Category

We also are well positioned to expand into the \$633 billion beauty and personal care category by leveraging our differentiated technology platform, and we believe consumers would be interested in OLAPLEX product offerings in other beauty categories, such as skincare. We intend to utilize our innovation expertise to enter adjacent categories and create clean, healthy solutions for the broader personal care needs of our consumers. Our rigorous product development process combines a deep knowledge of science with community-driven testing and feedback, as we work with professional hairstylists to develop and test new products before they launch. We are confident that our deep connection with our consumer community, which has driven significant engagement as we launch new haircare products, will allow us to expand into beauty and wellness categories in the future.

Our Strengths

Differentiated Brand Positioning Steeped in Technology

OLAPLEX is built upon a vision of delivering scientific hair health solutions to both professional hairstylists and our consumers. We believe that demand for OLAPLEX products is driven by the visible results of our products, and that our ability to provide scientifically supported hair health solutions has engendered trust, loyalty, and advocacy among our consumers across channels. This has enabled OLAPLEX to become the #1 bond-building haircare brand in the professional channel, and a top ranked haircare brand within our specialty retail channel. The success of our brand is also demonstrated by the fact that over 70% of surveyed consumers cite OLAPLEX as both a brand they trust and a brand that helps them take care of their hair, according to the April 2021 Study. OLAPLEX also has a loyal customer base at BSG, a network of stores and direct sales consultants selling professional salon brands to professional hairstylists, with over 170,000 returning customers between 2020 and 2021 alone. We have continued to rank as a top selling brand, including # 1 Haircare Brand and # 16 Beauty brand in all classes of beauty at Amazon in the United States and # 1 Haircare brand on Look Fantastic in the U.K. as of June 15, 2021.

Beloved Brand with Passionate and Loyal Consumer Following

Our dedication to providing science-driven-solutions has created an engaged consumer base that we believe are the most authentic advocates for the quality of our products. We continue to build loyal relationships with elite hairstylists and brand ambassadors who educate our consumers, test our products, participate in our brand campaigns and introduce our products to their clientele. Our brand ambassadors also have leadership influence and reach throughout the hairstylist community which reinforces our brand positioning. We believe that consumers' trust in our brand promise has driven exceptional loyalty and the relationships we have nurtured have enabled OLAPLEX to gain a larger proportion of our consumers' spend over time, as demonstrated by the fact that the April 2021 Study found that the average OLAPLEX consumer has purchased over 3.5 products from our product suite.

Furthermore, our consumers have continued to engage with the OLAPLEX brand online. As of June 2021, The OLAPLEX hashtag has been used over 11.5 million times since across social media platforms by our community of professional hairstylists and consumers who create their own content about their haircare regimen. In the past year, we had exceptional engagement with our Instagram community of over 2 million followers, which generated over 2.4 million likes and approximately 13,000 story views daily. Our passionate consumer base is also demonstrated by our presence on TikTok where our videos have been viewed nearly 765,000 times in March and April 2021 alone and, as of June 2021, videos using the OLAPLEX hashtag have been viewed over 272 million times since the hashtag first appeared on the platform.

Positioned in Compelling Sub-Verticals

We believe our focus on large, high-growth segments of the haircare industry separates us from our competitors. Our products address the most relevant categories within haircare: treatment, maintenance and protection. Maintenance is one of the largest haircare subcategories and consists of products such as shampoos and conditioners. Our shampoo and conditioner products are key areas of focus and have experienced growth of approximately 93% from 2019 to 2020. We believe that treatment and protection are two areas that consumers are most concerned about, and therefore are categories that deliver strong loyalty where consumers are less likely to switch brands and products. According to the April 2021 study, 74% of consumers indicated that they have experienced one of the following: hair loss, damage, coarseness, thinness, frizz, or dryness. We help consumers address many of these haircare concerns with our patented and proven Bond Building Hair Treatment, Hair Perfector and Bond Intense Moisture Mask.

Powerful Product Portfolio Supported by Proven Innovation Capabilities

Our innovation capabilities and unique approach to product development have allowed us to develop a portfolio of powerful, patent-protected and proven hair health solutions. In seeking to address the most important concerns in hair health, we incorporate feedback from our community of professional hairstylists and consumers into solution-oriented products that speak to our consumers' needs. These consumer insights inform the efforts of our in-house research and development team, dedicated OLAPLEX laboratory, independent lab testing, and real-world salon testing, creating a virtuous feedback loop. Bis-amino is an example of science-enabled technology. This molecule is the formulating ingredient in all of our products and addresses a root cause of damage by repairing broken hair bonds.

We have a strong track-record of successful product launches. The launch of our No. 0 Intense Bond Building Treatment created exceptional social media engagement, which resulted in our product ranking as the #1 selling SKU at Sephora during the first weeks following its launch, according to Sephora's internal reporting. Similarly, the launch of our No. 8 Bond Intense Moisture Mask was the biggest haircare launch in 2021 at Sephora based on sales. No. 8 has also performed well within our professional hairstylist community, resulting in it becoming the number one product at BSG in April 2021. In addition, No. 8 generated over \$7 million in sales and sold over 400,000 units within the first three weeks of launching in March 2021 at our top U.S. accounts and represented the largest launch in our history by net sales. We are supporting our future innovation pipeline through the development of new technology that seeks to address other key components of hair health.

Synergistic Omni-channel Strategy and Market Leadership Across Channels

Our integrated channel strategy across the professional, specialty retail and DTC channels creates a powerful feedback loop that reinforces consumer spending across channels. Our digital capabilities support each of our channels and provide us with direct touchpoints with our consumers. We believe that our professional channel provides credibility as a trusted source of product recommendation to our consumers, thereby supporting our specialty retail and DTC channels by serving as an introduction to our brand. According to the April 2021 Study, 36% of our consumers purchased OLAPLEX products after being introduced to the product by their hairstylist. Once this introduction is made, our consumers often begin purchasing our products through our specialty retail and DTC channels. Our specialty retail and DTC presence allows us to reach our consumers everywhere they shop, and drives revenue to professional hairstylists when clients seek professional-strength OLAPLEX treatments in the salon to complement at-home use. This cycle has driven significant cross-channel shopping opportunities and is supported by our digital initiatives: for example, according to the April 2021 Study, nearly 50% of our customers that purchased product on OLAPLEX.com had also purchased OLAPLEX products in retail locations and 40% have also purchased in a salon. This integrated channel approach has also driven strong growth across channels and geographies as we have expanded. Our recent expansion in the U.K. illustrates the success of our approach. In 2019, we improved our professional distribution network in the U.K., which expanded our salon presence. We then focused on developing our DTC and specialty retail channels in 2020. As a result, from 2019 to 2020, net sales in our professional channel grew 59% and in our specialty retail channel grew 75%,

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highlighting the additive relationship between our channels. Our ability to succeed across channels is a hallmark of our business model. For example, in 2020, OLAPLEX was the #1 haircare brand at Sephora based on sales and 5 of our products were the best selling in their respective categories at BSG. In addition, as of June 15, 2021, our No. 0 + No. 3 kit and No. 5 solutions were two of the top ten haircare products sold on Amazon.

Experienced and Visionary Management Team and Board

Our strategic vision and culture are directed by our skilled management team, who collectively have decades of strategic and operating experience in the beauty and luxury fashion industries. Our leadership is further augmented by a board of directors with expertise in beauty, innovation, digital and operations. Our Board members have experience across world-class companies such as Chanel, Conde Nast, Stitch Fix, Instagram, Facebook, Lululemon and Sonos.

Robust Organic Growth and Margin Profile

The strength of our business model and ability to scale have created a compelling financial profile characterized by revenue growth and very strong profitability over the past two years that we believe is among the best in our industry. Our net sales increased from \$148.2 million in 2019 to \$282.3 million in 2020, representing a 90% increase. Our net income decreased from \$60.9 million in 2019 to \$39.3 million in 2020, representing a 36% decrease, and our adjusted net income increased from \$100.5 million in 2019 to \$131.1 million in 2020, representing a 30% increase. We have also experienced robust adjusted EBITDA growth over the past year, increasing our adjusted EBITDA from \$100.5 million in 2019 to \$199.3 million in 2020, representing a 98% increase, and an increase in our adjusted EBITDA margins from 68% in 2019 to 71% in 2020. We have a proven track record of strong financial performance as we continue to build out our global omni-channel platform. Our attractive financial profile gives us significant flexibility as we pursue new growth initiatives.

Our Growth Strategies

Grow Brand Awareness and Household Penetration

We believe that there is significant opportunity to continue to grow brand awareness and educate consumers about OLAPLEX and the benefits of our solution-based regimen. Based on the April 2021 Study, only 45% of surveyed prestige haircare consumers had aided awareness of OLAPLEX compared to a competitor peer median of 69% and at Sephora, a key retail account, approximately only 7% of shoppers had purchased an OLAPLEX product in 2020 despite the fact that we believe we were the #1 haircare brand sold at Sephora in 2020. We believe our powerful and highly-engaged digital community and network of brand advocates will allow us to reach new consumers rapidly. As of June 2021, our powerful digital community includes more than 100 brand advocates, including licensed cosmetologists supporting our content creation, two professional-dedicated communities on social media consisting of over 230,000 hairstylists and several company-operated accounts including on Instagram, TikTok, Facebook and other social media platforms, where we have demonstrated robust followership and engagement. Our recent digital engagement efforts have been instrumental in attracting a younger consumer demographic to our brand. According to the April 2021 Study, 56% of our consumers were between the ages of 18 and 34, compared to 39% in 2019. We plan to continue to grow our social media engagement by increasing our digital marketing spend and expanding our capabilities to interact with our consumers through OLAPLEX.com and other digital channels. We also plan to grow our brand awareness by continuing to deepen our relationships within the professional community by providing technology-backed haircare solutions that we believe are the best in the industry. As our total product portfolio grows, we also expect our brand visibility to increase as more consumers are introduced to our brand through new product offerings. We believe these efforts to expand awareness and household penetration will enable the OLAPLEX brand to continue growing in the future.

Continue to Grow OLAPLEX Through Existing Points of Distribution

We plan to drive sustained growth in our core channels by increasing repeat purchase rates and brand awareness. As we have expanded, we have demonstrated our ability to drive continued growth in with existing customers,

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as evidenced by our products generating a compound annual growth rate of 134% in sell-through sales from 2018 to 2020 in Sephora, which we believe to be well in excess of our competitors. In addition, our core products represented five of the top ten selling products at Sephora during May 2021. Within the professional channel, we intend to expand our consumer base of professional hairstylists by growing our brand ambassador community and increasing adoption of our professional-only offerings. Similarly, within specialty retail, our low penetration levels among Sephora customers and relatively limited brand awareness provide us with strong growth opportunities in their existing locations and our products were curated by Sephora and Kohl's as a prestige beauty brand that will be available as part of the upcoming Sephora at Kohl's partnership that is expected to roll out to 200 Kohl's locations in the Fall of 2021 and to at least 850 stores by 2023. Furthermore, within our DTC channel, we continue to see opportunities to enhance OLAPLEX.com, including our recently developed hair diagnostic platform to engage and educate our consumers. Since we began offering our online diagnostic platform in October 2020, more than 1.2 million consumers have taken the OLAPLEX hair diagnostic test and shared their haircare needs with us.

Expand Distribution to New Geographies and Retailers

We plan to pursue large and meaningful opportunities across specialty retail, travel retail, specialty pharmacy, and international markets. We expect to grow our retail distribution by establishing commercial relationships with new customers, where we see many untapped opportunities.

Internationally, we intend to capitalize on growing brand awareness to deepen our reach in existing markets throughout Europe and Asia. In Europe, we particularly see an opportunity to attract more consumers by partnering with specialty pharmacies to expand our points of distribution. In Asia, key areas of focus include accelerating our partnership with Tmall Global in China and broadening our existing distribution channels in Japan. Furthermore, we also plan to focus on growth opportunities in new markets in Latin America where we have a smaller presence compared to other geographies.

Expand our Product Offerings by Utilizing Innovation Capabilities

We plan to continue to leverage our product-solution brand mindset, consumer relevance and brand strategy to expand into new categories. Our dedicated R&D department's unique approach to innovation supplies us with a meaningful pipeline of haircare opportunities that we believe resonate with the concerns faced by in-house OLAPLEX hairstylists and our consumers. We internally develop our products in our lab and in partnership with national co-manufacturers, universities, and biotech companies to be on the cutting edge of haircare technology. Our large and expanding community of professional hairstylists helps us selectively test our products in real world scenarios, which enables us to gain rapid consumer insights and product feedback. We see opportunities to extend our product technology to new areas of hair health and treatment, such as scalp care, as well as other haircare categories in which we have yet to participate. We are also developing other potentially patentable technologies to support extension into non-haircare beauty and wellness categories that provide us with long-term growth opportunities. For example, according to the April 2021 Study, nearly 50% of surveyed consumers would be interested in an OLAPLEX skincare offering. We plan to continue to leverage our powerful research and development strategy to create new products and provide technology-based beauty solutions for our consumers.

Leverage OLAPLEX.com to Strengthen our Direct-To-Consumer Channel

We plan to continue to invest in our digital marketing capabilities and online platform to increase our DTC presence and attract more consumers to our brand. We expect to grow our DTC channel by creating new tools and programs available on our website that interact with our consumers and help them use our products. Specifically, we believe we have an opportunity to gain greater insights from our consumers and enhance connectivity by offering customized feedback for each of their haircare needs. We recently launched an online hair diagnostic tool on OLAPLEX.com that enables us to better engage with our consumers and listen to the most important haircare concerns they face. We envision expanding our omni-channel platform to offer multiple hair

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health solutions to our consumers based on the feedback they provide us. Our DTC capabilities and omni-channel platform are critical to achieving future revenue growth and further developing and nurturing the strong connection we have with our consumers. Key areas of focus in our DTC channel strategy include creating new revenue opportunities, increasing the cross-product purchasing patterns of our online consumers and highlighting our DTC channel when expanding in new international geographies.

Our Synergistic Omni-Channel Sales Platform

Our products are sold through our global omni-channel platform in more than 100 countries across the world. In 2020, approximately 53% of our net sales were generated in the United States and approximately 47% of our net sales were international. We sell our products through distributors, retailers, and directly to consumers.

Professional Channel Rooted in our Hairstylist Community

In our professional channel, our products are sold primarily through wholesale beauty supply distributors who sell to professional beauty industry outlets, such as salons and licensed cosmetologists, for use in the salon or for hairstylists to sell to consumers for use at home. In 2020, we sold our products through over 100 professional distributors. Our international distributors are generally only permitted to sell our products to professional beauty industry outlets in specific territories, with some having the exclusive right to sell our products in the territory. Our agreements with professional beauty distributors also typically contain minimum purchase and sell-through requirements and prohibit the distributor from selling products deemed competitive with ours.

Specialty Retail Channel Focused on Reaching Consumers

Our specialty retail customers include specialty retailers, as well as luxury department stores with online and/or brick and mortar presences. In 2020, we sold our products through approximately 30 retailers in more than 61 countries throughout the world. Our biggest global retail partner is Sephora, where we are in more than 1,800 doors globally as well as through Sephora's own e-commerce sites.

Direct-to-Consumer Channel Leveraging our Digital Capabilities

We sell our products directly to consumers through our branded website, olaplex.com, and to industry leading pure play beauty and wellness partners. We have dedicated resources to implement creative, coordinated, brand-building strategies across our online activities to increase our direct access to consumer insights, engagement and conversion, which further enhances our innovation and branding performance.

Marketing and Engagement with Our Customer and Consumer Community

Our strategy to market and showcase our products begins with our omni-channel platform across the professional, specialty retail and DTC channels.

In our professional channel, we market our products using educational seminars on our products' application methods and consumer benefits. We have a dedicated portal on our website for professional customers to purchase and learn more about our products and have developed a mobile app for our professional community that serves as a resource on our brand and products and offers us the opportunity to more directly engage with hairstylists about our products. In addition, we use professional trade advertising, social media and other digital marketing to communicate to professionals and consumers the quality and performance characteristics of our products. We believe that our presence in professional salons benefits the marketing and sale of our products sold through our specialty retail and DTC channels as it introduces consumers to our products who may start shopping through our other channels in addition to shopping at the salon.

In our specialty retail channel, we support our authorized retailers to drive in-store and e-commerce sales of our products, and work with them to ensure the optimal presentation of our products in their stores or on their

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e-commerce sites. Advertising activities, in-store displays, and online navigation are designed to attract new consumers, build demand and loyalty and introduce existing consumers to other product offerings. Our marketing efforts also benefit from cooperative advertising programs with some retailers. We typically do not use promotional activities in our marketing efforts but may occasionally offer limited-time product kits to help introduce our products to consumers.

Our digital first approach to performance marketing is designed to offer best-in-class customer experience on Olaplex.com, from load times, navigation to a more intuitive check-out experience. All of which is designed to increase brand awareness, site traffic and conversion.

We continue to increase our brand awareness and sales through our strategic emphasis on performance marketing and by leveraging technology. We see opportunities to further enhance our online presence and consumer engagement through our digital properties, especially as the COVID-19 pandemic has had a significant impact on consumer behaviors and has accelerated the trend for a digital-first consumer journey and e-commerce, and we continue to elevate our digital presence encompassing e-commerce and m-commerce, as well as digital, social media and influencer marketing and engagement. We have top celebrity hairstylists and colorists from around the world as Olaplex brand ambassadors. These brand ambassadors help market our brand through educational events, social media and other publicity. We also are investing in new analytical capabilities to promote a more predictive and personalized experience across our sales channels. For example, we developed an online hair diagnostic quiz that allows consumers to discover our products to predict and personalize their hair health needs. We continue to innovate to better meet consumer shopping preferences, support e-commerce and m-commerce via digital and social marketing activities designed to build brand equity and consumer connection, engagement and conversion.

Our Innovative Products



Fueled by our focus on providing solutions to improve our consumers' hair health, we have created a holistic product line employing our unique bond building technology that repairs and relinks disulfide bonds in human hair that are destroyed via chemical, thermal, mechanical, environmental and aging processes, as well as hair that is compromised by environmental and the aging process. Our proprietary, patent-protected ingredient, Bis-amino, serves as the common thread across our products and is a key differentiator in our ability to create trusted and high-performing products. Underpinning our product range is a portfolio of more than 100 patents, which protect our proprietary technology and, we believe, create both barriers to entry and a foundation for entry into adjacent categories over time.

Our current product portfolio comprises nine unique, complementary products specifically developed to provide a holistic regimen for hair health. The quality of our products drives consumer enthusiasm, strong repurchase trends and basket building behavior. Because our products augment each other, our consumers often utilize multiple products within our offering that work together to lead to consistently healthy hair—we believe this additive phenomenon drives exceptional consumer loyalty.

Our current product suite is championed by two professional use-only products: OLAPLEX Bond Multiplier (No. 1), and OLAPLEX Bond Perfector (No. 2). These two products often serve as an introduction to our brand, and a gateway to seven additional products that can be used at home, including a bond building treatment (No. 0), Hair

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Perfector (No. 3), shampoo and conditioner (No. 4 / 5), Bond Smoother (No. 6), Bonding Oil (No. 7) and Bonding Moisture Mask (No.8). Each product is created with our consumer in mind and with high-quality ingredients backed by scientifically proven formulas and independent validated claims. We also offer combination kits comprising related products to drive new customer acquisitions and trial.

Customers

Our customers in the professional channel include Salon Centric, Beauty Systems Group, New Flag, Sally U.K., and Aston and Fincher. Our specialty retail customers include specialized retailers such as Sephora and Douglas, and our DTC customers include e-commerce retailers such as Amazon, ASOS and The Hut Group.

In 2020, Sephora, Salon Centric and Beauty Systems Group each accounted for greater than 10% of our net sales. While we have over 170 customers across our omni-channel sales platform, we expect Sephora, Salon Centric, Beauty Systems Group and a small number of other customers will continue to account for a large portion of our net sales.

Supply Chain and Global Distribution Network

Our finished products are manufactured in the United States and Europe by three manufacturers, two in the United States with multiple facilities and one in Europe. Cosway Company Inc. manufactures products that accounted for more than 70% of our net sales in 2020 and we continue to rely upon Cosway to manufacture a majority of our current product offerings. Our agreement with Cosway expires on January 1, 2023 and automatically renews for subsequent periods of two years each, unless terminated by either party upon 180 days' notice. Either party also may terminate the agreement upon the event of breach, default, or bankruptcy. Upon termination of our relationship, Cosway will return or destroy all confidential information and provide us with all formulas that were developed exclusively for us under the agreement along with any related manufacturing know-how. We utilize third parties with key operational facilities located inside and outside the United States to warehouse and distribute our products for sale throughout the world. We believe that our manufacturing and distribution network is sufficient to meet current and reasonably anticipated increased requirements. In addition, we have disaster recovery programs in place under some of our agreements with suppliers that allow for shifting of manufacturing capacity if necessary to account for disruptions due to natural disasters and other events outside of our or their control. We continue to implement improvements in capacity, technology, and productivity and to align our manufacturing and distribution capabilities with anticipated regional sales demand and expansion of our customer base in targeted geographies.

Our products rely on a single or limited number of suppliers. For example, a principal raw material for our products is Bis-amino, which is manufactured using our patented process by a contract manufacturing organization in the United States. Other raw materials used in our products include specialty chemicals and essential oils. Despite our use of a limited number of suppliers, we believe our suppliers have adequate resources and facilities to overcome most unforeseen interruptions of supply, and we are often able to leverage our relationships with suppliers to obtain raw materials directly while bypassing intermediaries. In the past, we have been able to obtain an adequate supply of essential raw materials and currently believe we have adequate sources of supply for virtually all components of our products, including by maintaining a supply of Bis-amino.

Seasonality

Our results of operations typically are slightly higher in the second half of the fiscal year due to increased levels of purchasing by consumers for special and holiday events and by retailers for the holiday selling seasons. However, fluctuations in net sales in any fiscal quarter may be attributable to the level and scope of new product introductions or the particular retail calendars followed by our customers that are retailers, which may impact their order placement and receipt of goods.

Competition

Competition in the haircare industry is based on a variety of factors, including innovation, effectiveness of beneficial attributes, accessible pricing, service to the consumer, promotional activities, advertising, special events, new product introductions, e-commerce initiatives and other activities. Our competitors include Henkel AG & Co. KGaA, Kao Corporation, L’Oreal S.A. and Unilever. We also face competition from a number of independent brands. Certain of our competitors also have ownership interests in retailers that are customers of ours.

The continued strength of our brand and products is based on our ability to compete with other companies in our industry. We compete primarily by:

- developing quality products with innovative performance features;
- educating consumers, retail customers and salon professionals about the benefits of our products;
- anticipating and responding to changing consumer, retail customer and salon professional demands in a timely manner, including the timing of new product introductions and line extensions;
- offering products at compelling and accessible price points across channels and geographies;
- maintaining favorable brand recognition;
- developing and sustaining our relationships with our key customers;
- ensuring product availability through effective planning and replenishment collaboration with our customers;
- leveraging e-commerce, social media and the influence of our brand ambassadors and developing an effective omni-channel strategy to optimize the opportunity for consumers to interact with and purchase our products both on-line and in brick and mortar outlets;
- attracting and retaining key personnel;
- maintaining and protecting our intellectual property;
- maintaining an effective manufacturing and distributor network; and
- obtaining and retaining sufficient retail display and floor space, optimal in-store positioning and effective presentation of our products on retailer’s shelves.

We believe we have a well-recognized and strong reputation in our core markets and that the quality and performance of our products, our emphasis on innovation, and engagement with our professional and consumer community position us to compete effectively.

Intellectual Property

Our trademarks and patents are essential to our business. As of June 15, 2021, we owned over 275 trademark registrations and applications globally. Our flagship trademark is OLAPLEX. We seek to register our OLAPLEX mark in all jurisdictions where we do business. In addition, as of June 15, 2021, we owned over 100 issued patents worldwide, including 13 U.S. patents, and over 55 pending patent applications worldwide. Our issued patents are generally expected to expire beginning in 2034, with some expiring in 2036.

Our patent portfolio includes patents with claims that cover Olaplex’s commercial formulations Nos.0-8, as well as their uses and patents with claims that cover other haircare and skincare products and/or their uses.

We intend to continue to enforce our intellectual property rights, including by pursuing litigation against third parties that we believe are infringing upon our rights.

Information Technology

Information technology supports all aspects of our business, including operations, marketing, sales, order processing, production and distribution networks, customer and consumer experiences finance, business intelligence, and product development. We continue to maintain and enhance our information technology systems and customer experiences in alignment with our long-term strategy. An increasing portion of our global information technology infrastructure is cloud-based and in partnership with industry-leading service providers. This approach allows for a more scalable platform to support current and future requirements and improves our agility and flexibility to respond to the demands of the business by leveraging advanced and leading edge technologies.

We recognize that technology presents opportunities for competitive advantage, and we continue to invest in new capabilities across various aspects of our business. During 2020, we improved our business-to-business and business-to-consumer integration, cybersecurity and technology infrastructure, supply chain integration, business resilience capabilities and analytics. In addition, we redesigned our e-commerce experience, developed new marketing capabilities to drive deeper consumer insight and engagement and created an app for our professional hairstylist and consumer community.

We have developed a cybersecurity profile to align with industry standard cybersecurity frameworks. We review our cybersecurity profile on an ongoing basis, and our policies and procedures establish processes for risk assessment, risk management, risk oversight, end user training, third-party reviews and general cybersecurity. We have assessed, and will continue to assess, the adequacy of our policies, procedures, and internal controls for ensuring we meet defined cyber security standards.

Properties

We do not own any real property or have a physical headquarters. We lease one facility in New York that we use for research and development. This lease expires in 2024. Our employees work remotely, from home or at shared co-working office spaces. We believe these arrangements support our current needs.

Employees and Human Capital Resources

Employees

As of May 31, 2021, Olaplex employed 75 employees, 73 of which are based in the United States and two of which are based in the U.K. We also leverage contractors to supplement work in areas that are quickly growing such as technology, operations and accounting. We do not have any employees governed by a union. We utilize a PEO to administer our human resources, payroll and employee benefits functions for our U.S. employees, who are co-employed by the PEO.

Since the Acquisition in January 2020, we have hired 61 employees, focusing primarily on building key capabilities at the executive level, organizational capabilities such as human resources, information technology, legal, finance and accounting, sales and marketing.

Culture

We believe our commitment to our heritage in the haircare space and encouragement of our employees to bring their whole self to work has created a culture that is paramount to our success. We embrace our employees' families as our own, one another as friends and celebrate life events as if we were together. We are passionate about what we do, how our products impact lives and what our brand means to our community.

Diversity, Equity, and Inclusion

DEI remains a key differentiator in both our consumer strategy and internal culture. We remain committed to supporting and standing up for our community with our talent, content, message and product offering. Currently,

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76% of our employees identify as female and 41% identify as a race other than Caucasian. We know through experience that different ideas, perspectives and backgrounds create a stronger and more creative work environment that can deliver better results.

In January 2021, we established DEI Champions who reinforce our collective commitment to foster a diverse, equitable and inclusive culture. Their roles are to identify opportunities to further engage our teammates through training and education, encouraging candid conversations and leading by example. The team is led by six individual volunteers across different departments and have a strong representation of race and sexual orientation.

Compensation and Benefits

The core objective of our compensation program is to provide a package that will attract, motivate and reward exceptional employees. Through our “Healthy Hair ~ Healthy Body ~ Healthy Mind” wellness strategy, we are committed to providing comprehensive benefit options that will allow our employees and their families to live healthier and more secure lives. We leverage both formal and informal programs to identify, foster and retain top talent.

Government Regulation

Our cosmetic products are subject to regulation by the FDA and the FTC in the U.S., as well as various other local and foreign regulatory authorities, including those in the European Union (“E.U.”), and other countries in which we operate. These laws and regulations principally relate to the ingredients, proper labeling, advertising, packaging, marketing, manufacture, safety, shipment and disposal of our products.

The Federal Food, Drug and Cosmetic Act (“FDCA”), defines cosmetics as articles or components of articles intended for application to the human body to cleanse, beautify, promote attractiveness, or alter the appearance, with the exception of soap. The labeling of cosmetic products is subject to the requirements of the FDCA, the Fair Packaging and Labeling Act, the Poison Prevention Packaging Act and other FDA regulations. Cosmetics are not subject to pre-market approval by the FDA; however, certain ingredients, such as color additives, must be pre-approved for the specific intended use of the product and are subject to certain restrictions on their use. If a company has not adequately substantiated the safety of its products or ingredients by, for example, performing appropriate toxicological tests or relying on already available toxicological test data, then a specific warning label is required. The FDA may, by regulation, require other warning statements on certain cosmetic products for specified hazards associated with such products. FDA regulations also prohibit or otherwise restrict the use of certain types of ingredients in cosmetic products.

In addition, the FDA requires that cosmetic labeling and claims be truthful and not misleading. Moreover, cosmetics may not be marketed or labeled for their use in treating, preventing, mitigating, or curing disease or other conditions or in affecting the structure or function of the body, as such claims would render the products to be a drug and subject to regulation as a drug. The FDA has issued warning letters to cosmetic companies alleging improper drug claims regarding their cosmetic products, including, for example, product claims regarding hair growth or preventing hair loss. In addition to FDA requirements, the FTC as well as state consumer protection laws and regulations can subject a cosmetics company to a range of requirements and theories of liability, including similar standards regarding false and misleading product claims, under which FTC or state enforcement or class-action lawsuits may be brought.

In the United States, the FDA has not promulgated regulations establishing GMPs for cosmetics. However, FDA’s draft guidance on cosmetic GMPs, most recently updated in June 2013, provides recommendations related to process documentation, recordkeeping, building and facility design, equipment maintenance and personnel, and compliance with these recommendations can reduce the risk that FDA finds such products have been rendered adulterated or misbranded in violation of applicable law. FDA also recommends that manufacturers maintain

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product complaint and recall files and voluntarily report adverse events to the agency. The FDA monitors compliance of cosmetic products through market surveillance and inspection of cosmetic manufacturers and distributors to ensure that the products are not manufactured under unsanitary conditions, or labeled in a false or misleading manner. Inspections also may arise from consumer or competitor complaints filed with the FDA. In the event the FDA identifies unsanitary conditions, false or misleading labeling, or any other violation of FDA regulation, FDA may request or a manufacturer may independently decide to conduct a recall or market withdrawal of product or to make changes to its manufacturing processes or product formulations or labels.

The FTC also regulates and can bring enforcement action against cosmetic companies for deceptive advertising and lack of adequate scientific substantiation for claims. The FTC requires that companies have a reasonable basis to support marketing claims. What constitutes a reasonable basis can vary depending on the strength or type of claim made, or the market in which the claim is made, but objective evidence substantiating the claim is generally required.

The FTC also has specialized requirements for certain types of claims. For example, the FTC's "Green Guides" regulate how "free-of," "non-toxic" and similar claims must be framed and substantiated. In addition, the FTC regulates the use of endorsements and testimonials in advertising as well as relationships between advertisers and social media influencers pursuant to principles described in the FTC's Endorsement Guides. The Endorsement Guides provide that an endorsement must reflect the honest opinion of the endorser, based on "bona fide" use of the product, and cannot be used to make a claim about a product that the product's marketer could not itself legally make. Additionally, companies marketing a product must disclose any material connection between an endorser and the company that consumers would not expect that would affect how consumers evaluate the endorsement. If an advertisement features endorsements from people who achieved exceptional, or even above average, results from using a product, the advertiser must have proof that the endorser's experience can generally be achieved using the product as described; otherwise, an advertiser must clearly communicate the generally expected results of a product and have a reasonable basis for such representations.

Although the Greed Guides and Endorsement Guides do not operate directly with the force of law, they provide guidance about what the FTC generally believes the Federal Trade Commission Act, or FTC Act, requires in the context using of "green" claims and endorsements and testimonials in advertising. Any practices inconsistent with the Greed Guides and Endorsement Guides can result in violations of the FTC Act's proscription against unfair and deceptive practices.

In the E.U., the sale of cosmetic products is regulated under the E.U. Cosmetics Regulation (EC) No 1223/2009 setting out the general regulatory framework for finished cosmetic products placed on the E.U. market. The overarching requirement is that a cosmetic product made available on the E.U. market must be safe for human health when used under normal or reasonably foreseeable conditions of use, taking account, in particular, of the following: (a) presentation including conformity with Directive 87/357/EEC regarding health and safety of consumers; (b) labelling; (c) instructions for use and disposal; (d) any other indication or information provided by the responsible person.

Generally, there is no requirement for pre-market approval of cosmetic products in the E.U. However, centralized notification of all cosmetic products placed on the E.U. market is required. Manufacturers are required to notify their products via the E.U. cosmetic products notification portal ("CPNP"). Manufacturers are responsible for safety of their marketed finished cosmetic products, and must ensure that they undergo an appropriate scientific safety assessment before cosmetic products are sold. A special (non-binding) database with information on cosmetic substances and ingredients, known as CosIng, enables easy access to data on cosmetic ingredients, including legal requirements and restrictions. We rely on expert consultants, Obelis, for our E.U. product registrations and review of our labelling for compliance with E.U. regulation.

The E.U. Cosmetics Regulation requires the manufacture of cosmetic products to comply with GMPs, which is presumed where the manufacture is in accordance with the relevant harmonized standards. In addition, in the

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labelling, making available on the market and advertising of cosmetic products, text, names, trademarks, pictures and figurative or other signs must not be used to imply that these products have characteristics or functions they do not have; any product claims in labelling must be capable of being substantiated.

The U.K. has left the E.U. and will no longer be required to comply with E.U. law. However, the European Union (Withdrawal) Act provides that EU-derived domestic legislation, as it had effect in domestic law immediately before exit day, continues to have effect in domestic law on and after exit day. The E.U. Cosmetics Regulation continues to be applicable to Great Britain (England, Scotland and Wales). Northern Ireland will continue to be subject to E.U. law under the Northern Ireland Protocol annexed to the E.U.-U.K. Withdrawal Agreement.

We are also subject to a number of U.S. federal and state and foreign laws and regulations that affect companies conducting business on the Internet, including consumer protection regulations that regulate retailers and govern the promotion and sale of merchandise. Many of these laws and regulations are still evolving and being tested in courts, and could be interpreted in ways that could harm our business. These may involve user privacy, data protection, content, intellectual property, distribution, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, product liability, taxation, economic or other trade prohibitions or sanctions and online payment services. We are subject to federal, state, local and international laws regarding privacy and protection of people's data. U.S. federal, state and foreign laws and regulations are evolving and can be subject to significant change. In addition, the application, interpretation and enforcement of these laws and regulations are often uncertain, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. In the E.U., the GDPR is a E.U. law instrument seeking to strengthen individuals' fundamental rights and facilitate business by clarifying rules for companies and public bodies by setting a high standard for personal data protection throughout the E.U., imposing a strict data protection compliance regime and providing for stricter punitive enforcement regime. The GDPR applies to the processing and transfer of personal data. The term 'processing' is broadly defined to include collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction. From 1 January 2021, the GDPR has been retained in U.K. national law by virtue of the U.K. GDPR and U.K. DPA. Additionally, a recent decision from the CJEU and related regulatory guidance may impact our ability to transfer personal data from the EEA or U.K. to the United States and other jurisdictions. The CCPA requires many companies that process information about California residents, including us, to make disclosures to consumers about their data collection, use and sharing practices, and, in some instances, allows California residents to request access to or the erasure of their personal information as well as to opt out of the sale of such information to third parties. It also creates a private right of action and statutory damages where the failure to adopt certain security measures results in a data breach compromising specific data elements related to California residents. In addition, in November 2020, California voters approved the CPRA, the most material provisions of which go into operation on January 1, 2023. The CPRA would, among other things, give California residents the ability to limit the use of their sensitive information, provide for penalties for CPRA violations concerning California residents under the age of 16, and establish a new California Privacy Protection Agency to implement and enforce the law. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning privacy and data protection, which could affect us. Some observers have noted that the CCPA, CPRA and the newly passed VCDPA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and adversely affect our business, results of operations, and financial condition. If our privacy or data security measures fail to comply with applicable current or future laws and regulations, we may be subject to litigation, regulatory investigations, enforcement notices requiring us to change the way we use personal data or our marketing practices, fines or other liabilities, as well as negative publicity and a potential loss of business.

Environmental Matters

Compliance with environmental laws and regulations impacting our global operations has not had, and currently is not anticipated to have, a material adverse effect on our financial position, capital expenditures or competitive position.

Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings incidental to our business, including, litigation related to intellectual property, regulatory matters, contract, advertising and other consumer claims. We are not currently a party to any litigation or legal proceeding that, in the opinion of our management, is likely to have a material adverse effect on our business, results of operations, financial condition or cash flows. However, management's assessment of our current litigation and other legal proceedings could change in light of the discovery of facts with respect to legal actions or other proceedings pending against us not presently known to us or determinations by judges, juries or other finders of fact that are not in accord with management's evaluation of the possible liability or outcome of such litigation or proceedings. Reasonably possible losses in addition to the amounts accrued for such litigation and legal proceedings are not material to our consolidated financial statements. In addition, we believe that protecting our intellectual property is essential to our business and we have in the past, and may in the future, become involved in proceedings to enforce our rights. Regardless of outcome, litigation can have an adverse impact on our reputation, financial condition and business, including by utilizing our resources and potentially diverting the attention of our management from the operation of our business.

MANAGEMENT**Executive Officers and Directors**

Below is a list of the names, ages as of May 31, 2021, and positions, and a brief account of the business experience, of the individuals who serve as our executive officers and directors as of the date of this prospectus.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Executive Officers		
JuE Wong	57	Chief Executive Officer and Director
Tiffany Walden	34	Chief Operating Officer & Chief Legal Officer and Director
Eric Tiziani	43	Chief Financial Officer
Non-Employee Directors		
Christine Dagousset	56	Director
Deirdre Findlay	47	Director
Tricia Glynn	40	Director
Janet Gurwitch	68	Director
Marti Morfitt	63	Director
David Mussafer	58	Director
Emily White	42	Director
Michael White	33	Director
Paula Zusi	60	Director

Executive Officers

JuE Wong has been a member of the board of managers of Penelope Group GP (the “Board of Managers of Penelope Group GP”)—the general partner of Penelope Group Holdings—since February 2020, will serve as a member of our Board of Directors following the completion of this offering and has served as our Chief Executive Officer since January 8, 2020. Ms. Wong has extensive experience in scaling business and financial performance for all classes of business from emerging businesses, middle market growth organizations and established/ legacy companies. She has strategic and operating expertise in digital and technology-driven platforms of growth. Prior to joining Olaplex, Ms. Wong served as the Global Chief Executive Officer of MoroccanOil Inc. from 2017 to 2019, the President of Elizabeth Arden from 2015 to 2017, and the Chief Executive Officer of StriVectin from 2012 to 2015. Ms. Wong currently serves as a director for Cosmetics Executive Women and Committee on 200 (C200). Ms. Wong earned a B.A. (Honors) in Political Science from the Australian National University.

Tiffany Walden has been a member of the Board of Managers of Penelope Group GP since January 2020, will serve as a member of our Board of Directors following the completion of this offering and currently serves as our Chief Operating Officer and Chief Legal Officer. Ms. Walden has deep knowledge of Olaplex, having joined the company in 2016 as our General Counsel, a position she held until 2018, and has since held a variety of roles, including Chief Administrative Officer from 2018 to 2019, Chief Legal Officer from 2018 to present, and Chief Operating Officer from 2020 to present. Ms. Walden is an integral part of the management team. Prior to her role at Olaplex, Ms. Walden served as Director of Intellectual Property and Senior Counsel at Tory Burch from 2011 to 2016, where she oversaw all intellectual property and brand protection matters for the company. Ms. Walden holds a J.D. from William & Mary School of Law and a B.A. in Individualized Study with a concentration in Journalism & Business from New York University.

Eric Tiziani has been our Chief Financial Officer since June 2021. Prior to joining Olaplex, Mr. Tiziani served as a finance leader for over 21 years at Unilever, a global consumer products company, where he held 11 roles in four countries. Mr. Tiziani has extensive expertise in finance leadership roles, M&A and the beauty industry. Mr. Tiziani served as Chief Financial Officer of Unilever North America from 2018 to 2021, Vice President

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Finance Unilever Global Beauty & Personal Care and Global R&D in London from 2016 to 2018, Vice President Finance Global Mergers & Acquisitions in London from 2013 to 2016 and Vice President Finance Unilever Canada in Toronto from 2010 to 2013. Mr. Tiziani earned an M.B.A. from Columbia University and a B.A. in Economics from Colgate University.

Non-Employee Directors

Christine Dagousset has been a member of the Board of Managers of Penelope Group GP since May 2020 and will serve as a member of our Board of Directors following the completion of this offering. Ms. Dagousset has worked at Chanel since 1998, holding various roles including Senior Vice President from 1998 to 2005, Executive Vice President from 2005 to 2014, Global President of Fragrance and Beauty from 2015 to 2018 and, most recently, Global Long Term Development Officer. Ms. Dagousset's current directorships include Capsum, Developer of Cosmetic Innovation Technologies, 2016 to present and Detox Market, a Clean Beauty Marketplace, 2018 to present. Ms. Dagousset earned a Marketing Degree from Institut Supérieur de Gestion – ISG. We believe Ms. Dagousset is qualified to serve on our Board of Directors because her extensive experience in the beauty industry enables her to provide valuable and current insights to the Board of Directors.

Deirdre Findlay has been a member of the Board of Managers of Penelope Group GP since September 2020 and will serve as a member of our Board of Directors following the completion of this offering. Ms. Findlay is currently the Chief Marketing Officer of Condé Nast, a global media company, a position she has held since January 2020. She was the Chief Marketing Officer of Stitch Fix, a personal style service company, from May 2018 to January 2020. Prior to Stitch Fix, she served as Senior Director of Global Hardware Marketing with Google, a global internet services and products company, from May 2013 to May 2018, Senior Director of Consumer Marketing at eBay, a global ecommerce company, from July 2011 to April 2013, and as Senior Vice President of Digitas, a marketing agency, from July 2000 to June 2011. Ms. Findlay currently serves as a director for Sonos. Ms. Findlay holds a B.A. in Economics from Williams College and an M.B.A. from The Tuck School of Business at Dartmouth College. We believe Ms. Findlay is qualified to serve on our Board of Directors because of her extensive experience in digital marketing and consumer insights leadership.

Tricia Glynn has been a member of the Board of Managers of Penelope Group GP since January 2020 and will serve as a member of our Board of Directors following the completion of this offering. In addition, Ms. Glynn is a member of our compensation committee. Ms. Glynn has worked at Advent International Corporation since 2016 as a managing director, focusing on buyouts and growth equity investments in the retail, consumer and leisure sector. Advent International Corporation is affiliated with the Advent Funds that acquired the Olaplex business in January 2020. Prior to Advent, Ms. Glynn spent 15 years investing across both Bain Capital Private Equity and the Private Equity Group of Goldman, Sachs & Co. She has closed transactions across the retail, healthcare, business services, real estate and media sectors, both domestically and internationally. From 2012 to 2018, Ms. Glynn served on the board of Burlington Stores Inc. Her current directorships include First Watch Restaurants Inc, lululemon athletica inc., and SavageXFenty. Ms. Glynn earned a B.A. in Biochemical Sciences cum laude from Harvard College and an M.B.A., with high distinction, as a Baker Scholar from Harvard Business School. We believe Ms. Glynn is qualified to serve on our Board of Directors because her experience advising and investing in retail and consumer companies enables her to provide valuable and current insights to our Board of Directors.

Janet Gurwitch has been a member of the Board of Managers of Penelope Group GP since May 2020 and will serve as a member of our Board of Directors following the completion of this offering. Ms. Gurwitch has worked with Advent International Corporation since April 2020 as an operating partner focusing on the beauty and wellness sector. Advent International Corporation is affiliated with the Advent Funds that acquired the Olaplex business in January 2020. Prior to Advent, Ms. Gurwitch served as an operating partner for Castanea Partners, a Boston-based private equity firm, from 2009 to 2019. In addition, Ms. Gurwitch founded Laura Mercier Cosmetics & Skincare in 1995, where she served as Chief Executive Officer from 1995 to 2008. Prior to founding Laura Mercier, Ms. Gurwitch served as the Executive Vice President of Neiman Marcus from 1992 to

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1995. Ms. Gurwitch currently serves on the board of directors of Drybar and the Houston Astros baseball team. She formerly served on the board of Tatcha from 2017 to 2019, First Aid Beauty from 2015 to 2018, Dollar Shave Club from 2013 to 2016, and Urban Decay Cosmetics from 2009 to 2012. Ms. Gurwitch earned a B.A. in Retail from the University of Alabama. We believe Ms. Gurwitch is qualified to serve on our Board of Directors because of her expertise in the beauty consumer industry and her experience founding, advising and investing in beauty and retail companies.

Martha (Marti) Morfitt has been a member of the Board of Managers of Penelope Group GP since April 2021 and will serve as a member of our Board of Directors following the completion of this offering. In addition, she is a member of our audit committee. Ms. Morfitt is a principal of River Rock Partners, Inc., a business and cultural transformation consulting firm, where she has served since 2008. Previously, Ms. Morfitt served as the Chief Executive Officer of Airborne, Inc. from 2009 to 2012. Ms. Morfitt also held various positions at CNS, Inc., including President and Chief Executive Officer from 2001 to 2007 and Chief Operating Officer from 1998 to 2001. Prior to that, Ms. Morfitt worked for The Pillsbury Company in a succession of marketing and leadership roles beginning in 1982. Ms. Morfitt currently serves on the board of directors of Graco, Inc. and Lululemon Athletica, Inc. She previously served on the Board of Mercer International, Inc. from 2017 to 2020 and Life Time Fitness, Inc. from 2008 to 2015. She earned her H.B.A. in Marketing & Strategy from the Richard Ivey School of Business at the University of Western Ontario, and an M.B.A. from the Schulich School of Business at York University. We believe Ms. Morfitt is qualified to serve on our Board of Directors because of her exceptional knowledge of business and strategy and her vast management experience.

David Mussafer has been a member of the Board of Managers of Penelope Group GP since January 2020 and will serve as a member of our Board of Directors following the completion of this offering. In addition, Mr. Mussafer is a member of our compensation committee. Mr. Mussafer is Chairman and Managing Partner of Advent International Corporation, which he joined in 1990. Advent International Corporation is affiliated with the Advent Funds that acquired the Olaplex business in January 2020. Prior to Advent, Mr. Mussafer worked at Chemical Bank from 1985 to 1988. Mr. Mussafer has led or co-led more than 30 buyout investments at Advent across a range of industries. Mr. Mussafer's current directorships include Aimbridge Hospitality, First Watch Restaurant Group, Inc., lululemon athletica inc. and Thrasio. Mr. Mussafer holds a B.S.M., cum laude, from Tulane University and an M.B.A. from the Wharton School of the University of Pennsylvania. We believe Mr. Mussafer is qualified to serve on our Board of Directors because his extensive experience enables him to provide valuable insights regarding board processes and operations as well as the relationship between our Board of Directors and shareholders.

Emily White has been a member of the Board of Managers of Penelope Group GP since January 2020 and will serve as a member of our Board of Directors following the completion of this offering. She has served as President of Anthos Capital, a Los Angeles-based investment firm since 2018. She spent the last two decades helping build and operate some of technology's most notable companies including Google, Facebook, Instagram and Snapchat. Ms. White served as Snapchat's Chief Operating Officer from 2014 to 2015. Prior to joining Snapchat, Ms. White held several leadership roles at Facebook Inc., a social networking company, from 2010 to 2013 including Director of Local Business Operations, Director of Mobile Business Operations and Head of Business Operations at Instagram. From 2001 to 2010, Ms. White worked at Google where she ran North American Online Sales and Operations, Asia Pacific & Latin America business and the Emerging Business channel. Ms. White is also a board member to companies including lululemon, a public athletic apparel retailer, and Graco, a publicly traded fluid handling systems and components company, and private companies including Railsbank and Guayaki. She has also served on the boards of the National Center for Women in I.T., a non-profit coalition working to increase the participation of girls and women in computing and technology, X-Prize, a non-profit focused on creating breakthroughs that pull the future forward. She received a BA in Art History from Vanderbilt University. We believe Ms. White is qualified to serve on our Board of Directors because of her extensive experience with social networking and technology companies, her understanding of the demographics in which our principal customers reside and the diversity in background and experience she provides to our Board of Directors.

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Michael White has been a member of the Board of Managers of Penelope Group GP since January 2020 and will serve as a member of our Board of Directors following the completion of this offering. In addition, Mr. White is a member of our audit committee. Mr. White is a principal at Advent International Corporation and has focused on buyouts and growth equity investments in the retail, consumer and leisure sector since joining Advent in 2019. Advent International Corporation is affiliated with the Advent Funds that acquired the Olaplex business in January 2020. Prior to Advent, Mr. White worked at TPG Capital from 2012 to 2018 and Bain & Company from 2009 to 2012. He is currently a director at First Watch Restaurant Group, Inc. Mr. White earned an H.B.A. with distinction and an Ivey Scholar designation, from Ivey Business School at Western University, and an M.B.A., with distinction, from Harvard Business School. We believe Mr. White is qualified to serve on our Board of Directors because of his experience advising and investing in retail and consumer companies.

Paula Zusi has been a member of the Board of Managers of Penelope Group GP since July 2020 and will serve as a member of our Board of Directors following the completion of this offering. In addition, she is a member of our audit committee. In 2015, Ms. Zusi founded Global Retail Advisors, LLC, which provides consulting on supply chain and operational capabilities to companies and investment firms, including Advent International Corporation and some of its portfolio companies. Advent International Corporation is affiliated with the Advent Funds that acquired the Olaplex business in January 2020. Ms. Zusi specializes in driving gross margin improvement, as well as building supply chain and operational capabilities for high growth companies. Previously, Ms. Zusi was the Executive Vice President and Chief Supply Chain Officer at Ann Inc., parent company of the Ann Taylor and Loft brands from 2008 to 2014. Prior to joining Ann Inc., Ms. Zusi was the Corporate Vice President at Liz Claiborne, Inc. from 1999 to 2008. Prior to joining Liz Claiborne Inc., Ms. Zusi held leadership roles in various apparel and retail related companies. Ms. Zusi is currently a Board member and former Chairman of the American Apparel and Footwear Association and serves on the Advisory Board of the University of Delaware college of Fashion and Apparel studies. Ms. Zusi earned a B.S. in Fashion and Apparel Studies from the University of Delaware. We believe Ms. Zusi is qualified to serve on our Board of Directors because of her more than 30 years of experience in supply chain and operations.

Controlled Company Status

After the completion of this offering, we will be a “controlled company” within the meaning of the corporate governance standards. Under these corporate governance standards, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or other company is a “controlled company” and may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of our Board of Directors consist of independent directors, (2) that our Board of Directors have a compensation committee that consists entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities, and (3) that our director nominations be made, or recommended to our full Board of Directors, by our independent directors or by a nominations committee that consists entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to these corporate governance requirements. In the event that we cease to be a “controlled company” and our shares continue to be listed on the , we will be required to comply with these provisions within the applicable transition periods.

Board Structure and Committee Composition

Upon consummation of this offering, our restated certificate of incorporation will provide that our Board of Directors shall consist of at least three but not more than directors and that the number of directors may be fixed from time to time by resolution of our Board of Directors. Our Board of Directors will initially consist of members. Our restated certificate of incorporation will provide that our Board of Directors will be divided into three classes of directors, as nearly equal in number as possible. The initial division of the three classes is as follows:

- Class I, which will initially consist of , and , whose terms will expire at our annual meeting of stockholders to be held in 2022;

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- Class II, which will initially consist of _____, _____ and _____, whose terms will expire at our annual meeting of stockholders to be held in 2023; and
- Class III, which will initially consist of _____, _____ and _____, whose terms will expire at our annual meeting of stockholders to be held in 2024.

Upon the expiration of the initial term of office for each class of directors, each director in such class shall be elected for a term of three years and serve until a successor is duly elected and qualified and until his or her earlier death, resignation or removal.

In addition, upon consummation of this offering, we will have an audit committee, a compensation committee and a nominating and corporate governance committee with the composition and responsibilities described below. Each committee will operate under a charter that will be approved by our Board of Directors. The composition of each committee will be effective upon the consummation of this offering. The members of each committee are appointed by the Board of Directors and serve until their successor is elected and qualified, unless they are earlier removed or resign. In addition, from time to time, special committees may be established under the direction of the Board of Directors when necessary to address specific issues.

Our Board of Directors evaluates any relationship of each director with the company and makes an affirmative determination whether or not such director meets the qualification requirements for being an independent director under applicable laws and the corporate governance listing standards of the _____. Our Board of Directors reviews any transaction or relationship between each non-employee director or any member of his or her immediate family and the company. The purpose of this review is to determine whether there were any such relationships or transactions and, if so, whether they were inconsistent with a determination that the director was independent. As a result of this review, our Board of Directors has affirmatively determined that _____, _____ and _____ are independent directors under the governance and listing standards of the _____.

Because we will be a “controlled company” within the meaning of the corporate governance standards of the _____, we will not have a majority of independent directors and our compensation committee and nominating and corporate governance committee will not be composed entirely of independent directors as defined under such standards. The controlled company exception does not modify the independence requirements for the audit committee and we intend to comply with the audit committee requirements of the Sarbanes-Oxley Act and the corporate governance standards of the _____. Pursuant to such requirements, the audit committee must be composed of at least three members, one of whom must be independent at the time of this offering, a majority of whom must be independent within 90 days of the date of this prospectus, and all of whom must be independent within one year of the date of this prospectus.

Audit Committee

The purpose of the audit committee will be set forth in the audit committee charter. The audit committee’s primary duties and responsibilities will be to:

- appoint or replace, compensate and oversee the outside auditors, who will report directly to the audit committee, for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us;
- pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by our outside auditors, subject to de minimis exceptions that are approved by the audit committee prior to the completion of the audit;
- review and discuss with management and the outside auditors the annual audited and quarterly unaudited financial statements, our disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the selection, application and disclosure of critical accounting policies and practices used in such financial statements; and

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discuss with management and the outside auditors any significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles, any major issues as to the adequacy of our internal controls and any special steps adopted in light of material control deficiencies.

Upon completion of this offering, the audit committee will consist of _____, _____ and _____, with _____ serving as the chairperson of the committee. Our Board of Directors has determined that _____ meets the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the governance and listing standards of the _____. We intend to comply with the audit committee requirements of the Sarbanes-Oxley Act and the governance and listing standards of the _____. Pursuant to such requirements, the audit committee must be composed of at least three members, a majority of whom must be independent within 90 days of the date of this prospectus, and all of whom must be independent within one year of the date of this prospectus. Our Board of Directors has determined that all members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the _____ and that _____ is an “audit committee financial expert” within the meaning of the SEC regulations. Prior to the consummation of this offering, our Board of Directors will adopt a written charter under which the audit committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and the _____, will be available on our website.

Compensation Committee

The purpose of the compensation committee is to assist the Board of Directors in fulfilling its responsibilities relating to oversight of the compensation of our directors, executive officers and other employees and the administration of our benefits and equity-based compensation programs. The compensation committee reviews and recommends to our Board of Directors compensation plans, policies and programs and approves specific compensation levels for all executive officers. Upon completion of this offering, the compensation committee will consist of _____, _____ and _____, with _____ serving as the chairperson of the committee. Our Board of Directors has determined that _____, _____ and _____ meet the independence requirements under the governance and listing standards of the _____. Pursuant to such requirements, the compensation committee must consist of a majority of independent members within 90 days of the date of this prospectus and all independent members within one year of the date of this prospectus. Prior to the consummation of this offering, our Board of Directors will adopt a written charter under which the compensation committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and the _____, will be available on our website.

Nominating and Corporate Governance Committee

The purpose of the nominating and corporate governance committee is to identify individuals qualified to become members of the Board of Directors, recommend to the Board of Directors director nominees for the next annual meeting of shareholders, develop and recommend to the Board of Directors a set of corporate governance principles applicable to the company, oversee the evaluation of the Board of Directors and its dealings with management as well as appropriate committees of the Board of Directors and review and approve all related party transactions. Upon completion of this offering, the nominating and corporate governance committee will consist of _____, _____ and _____, with _____ serving as the chairperson of the committee. Our Board of Directors has determined that _____, _____ and _____ meet the independence requirements under the governance and listing standards of the _____. Prior to the consummation of this offering, our Board of Directors will adopt a written charter under which the nominating and corporate governance committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and the _____, will be available on our website.

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Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the Board of Directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board of Directors or compensation committee. Upon the completion of this offering, our compensation committee will consist of _____, _____ and _____.

Code of Ethics

We have adopted a Code of Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. Following this offering, a current copy of the code will be available on our website.

EXECUTIVE COMPENSATION

Overview

The following tables and discussion relate to the compensation paid to the individuals collectively referred to in this information statement as our “named executive officers” for the period beginning on the Acquisition Date, and ending on the last day of fiscal year 2020. They include (1) JuE Wong, who served as our Chief Executive Officer for the full reporting period and continues to serve as our Chief Executive Officer, (2) Tiffany Walden, who served as our Chief Operating Officer and Chief Legal Officer for the full reporting period and continues to serve in such roles, and (3) James MacPherson, who joined the Company on May 4, 2020 and served as our Chief Financial Officer from such date until June 7, 2021, when he transitioned to the role of senior advisor to the Company. Ms. Walden and Mr. MacPherson were our two most highly compensated executive officers (other than Ms. Wong) who were serving as executive officers of Olaplex, Inc. on the last day of fiscal year 2020.

Summary Compensation Table

The following table sets forth information about certain compensation awarded to, earned by or paid to our named executive officers from the Acquisition Date through the last day of fiscal year 2020:

Name and principal position	Year	Salary (\$)	Bonus (\$)	Option awards (\$)	All other compensation (\$)	Total (\$)
	(a)	(b)	(c)	(d)	(e)	
JuE Wong, <i>Chief Executive Officer</i>	2020	966,279	500,000	5,721,531	10,000	7,197,810
Tiffany Walden, <i>Chief Operating Officer & Chief Legal Officer</i>	2020	627,496	1,675,000	2,041,512	110,000	4,454,008
James MacPherson, <i>Chief Financial Officer</i>	2020	248,471	133,333	715,282		1,097,086

- (a) Mr. MacPherson commenced employment with us on May 4, 2020.
- (b) Reflects the base salary earned by the named executive officers during fiscal year 2020 prior to any elective deferrals made by the executives to the Company’s 401(k) plan.
- (c) Amounts shown above for Ms. Wong and Mr. MacPherson, and \$425,000 of the amount shown above for Ms. Walden, reflect the bonuses earned by the executives under our annual bonus program for fiscal year 2020, which were paid on June 11, 2021. Bonus amounts were determined by the Compensation Committee based on overall Company and individual performance. Mr. MacPherson’s fiscal year 2020 bonus amount was pro-rated to reflect his service from his start date of May 4, 2020 through the last day of fiscal year 2020. Amount shown above for Ms. Walden also reflects a transaction bonus of \$1,250,000 paid to her in connection with the Acquisition.
- (d) Reflects the grant date fair value of non-qualified options to purchase common stock of Penelope Holdings Corp. granted to the named executive officers in fiscal year 2020, in each case, computed in accordance with the Accounting Standards Codification of the Financial Standards Board (“FASB ASC”), Topic 718, excluding the effect of estimated forfeitures. The assumptions used to calculate these amounts are disclosed in Note 10 to the consolidated financial statements for the year ended December 31, 2020, including the assumed probability that an exit event or other liquidity event will occur.
- (e) Amount shown for Ms. Wong reflects a monthly cash payment of \$2,500 made to Ms. Wong for four months during fiscal year 2020 to cover her private health coverage until the Company established a benefits program. Amount shown for Ms. Walden reflects a payment made to her in September 2020 related to certain tax obligations arising in connection with her transaction bonus.

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Base Salaries

Base salaries provide our named executive officers with a fixed amount of compensation each year. Base salary levels reflect the executive's title, experience, level of responsibility, and performance. The base salaries for our named executive officers were set forth in their employment letters, as described below under "Agreements with our Named Executive Officers."

Annual Bonuses

The target annual bonus for each named executive officer is fifty percent (50%) of the executive's base salary and is set forth in the executive's offer letter, as described below under "Agreements with our Named Executive Officers."

Each named executive officer was eligible to earn an annual bonus for fiscal year 2020. Bonus amounts were equal to each named executive officer's target annual bonus amount, except in the case of Ms. Walden who received an additional discretionary amount of \$100,000 for her performance in fiscal year 2020. The annual bonus amounts paid to our named executive officers for fiscal year 2020 are shown in the Summary Compensation Table above in the column titled "Bonus".

Equity-Based Compensation

Penelope Holdings Corp. has adopted the 2020 Omnibus Equity Incentive Plan to provide for grants of equity-based awards to employees and directors of Penelope Holdings Corp. and its subsidiaries. Each named executive officer was granted under the plan an award of options to purchase common stock of Penelope Holdings Corp. in fiscal year 2020. Each option has an exercise price equal to the fair market value of a share of Penelope Holdings Corp. common stock on the grant date. As described in more detail in the footnotes to the Outstanding Equity Awards at Fiscal Year End Table, a portion of each award is subject to time-based vesting and is eligible to vest in equal annual installments over five years and will vest in full upon a change of control, subject to the executive's continued employment through the applicable vesting date. The remaining portion of each award is subject to performance-based vesting and is eligible to vest based on vest upon the achievement by the Advent Funds of certain returns on their investment in Penelope Group Holdings.

Upon the consummation of an initial public offering, any unvested options held by the executives that are subject to time-based vesting will be exchanged for options to purchase common stock of Olaplex Holdings, Inc. and remain outstanding and eligible to vest on the same time-based vesting schedule in accordance with the terms of the awards. Any unvested options held by the executives that are subject to performance-based award and that would vest if the Advent Funds were to sell for cash their equity in Penelope Group Holdings at a per share price equal to the initial public offering price will be exchanged for options to purchase common stock of Olaplex Holdings, Inc. with time-based vesting and will be eligible to vest in three equal installments on the first three anniversaries of the initial public offering, subject to the executive's continued employment through the applicable vesting date.

Employee Benefits

Our full-time employees, including our named executive officers, are eligible to participate in health and welfare benefit plans sponsored by Insperty Business Services, L.P. ("Insperty"), a professional employer organization engaged by Olaplex, Inc., which include medical, dental, vision, life and accidental death and dismemberment and short-term and long-term disability insurance, flexible spending accounts, adoption assistance, an employee assistance program and commuter benefits. Our named executive officers participate in these plans on the same basis as our other eligible employees.

In fiscal year 2020, our named executive officers participated in a 401(k) plan sponsored by Insperty, a broad-based defined contribution plan offered to eligible employees immediately upon hire. Participants may elect to defer up to 80% of their annual eligible compensation, subject to annual Internal Revenue Code limits. Olaplex, Inc. did not make any employer contributions to the plan in fiscal year 2020. We do not sponsor or maintain any qualified or non-qualified defined benefit plans or supplemental executive retirement plans for our employees.

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Other than broad-based benefits offered by Olaplex, Inc., directly or indirectly through Insuperity, or as otherwise described herein, none of our named executive officers received prerequisites of any nature in fiscal year 2020.

Agreements with our Named Executive Officers

Olaplex, Inc. has entered into an offer letter, a severance or transition agreement, and agreements providing for restrictive covenants with each of our named executive officers. The terms of the agreements are reflected below.

Offer Letters

Under her offer letter, dated January 28, 2020, Ms. Wong is entitled to an annual base salary of \$1,000,000. She is also eligible for an annual incentive bonus targeted at fifty percent (50%) of her annual base salary, with the actual amount of the bonus payable based upon the achievement of individual and Company performance criteria established by the Board of Managers of Penelope Group Holdings GP, LLC. Ms. Wong's offer letter also provides for the grant of an option to purchase common stock of Penelope Holdings Corp., which award was granted to Ms. Wong in 2020 and is set forth in the Summary Compensation Table above and further described in the Outstanding Equity at Fiscal Year End Table below. Her offer letter also states that Ms. Wong will be eligible to invest up to \$500,000 in Class A Non-Voting Common Units of Penelope Group Holdings. In addition, Ms. Wong's offer letter provides for a housing and transportation allowance of up to \$10,000 per month should the Company establish its corporate headquarters in the greater Los Angeles, California area. No such housing and transportation benefits were paid to Ms. Wong in fiscal year 2020.

Under her offer letter, dated January 8, 2020, Ms. Walden is entitled to an annual base salary of \$650,000. She is also eligible for an annual incentive bonus targeted at fifty percent (50%) of her annual base salary, with the actual amount of the bonus payable based upon the achievement of individual and Company performance criteria established by Olaplex, Inc. Ms. Walden's offer letter also provides that, for so long as Ms. Walden serves as our Chief Operating Officer and Chief Legal Officer, she will also serve as a member of the Board of Managers of Penelope Group Holdings GP, LLC. In addition, Ms. Walden's offer letter provides for relocation benefits in the event that Olaplex, Inc. requires her to relocate more than forty (40) miles from her place of residence as of the date of the offer letter in the form of (i) reimbursement for any reasonable out-of-pocket costs, excluding housing costs, incurred in connection with such relocation and (ii) a monthly housing allowance of up to \$7,500 for at least twelve (12) months following such relocation. No such relocation amounts were paid to Ms. Walden in fiscal year 2020.

Under his offer letter, dated April 28, 2020, Mr. MacPherson is entitled to an annual base salary of \$400,000. He is also eligible for an annual incentive bonus targeted at fifty percent (50%) of his annual base salary, with the actual amount of the bonus payable based upon the achievement of individual and company performance criteria established by Olaplex, Inc.

Severance and Transition Agreements

Each of Ms. Wong and Ms. Walden has entered into a Termination Protection Agreement with Olaplex, Inc., providing for severance payments and benefits under certain qualifying terminations, subject to each signing a separation agreement containing a release of claims and continuing to comply with his or her restrictive covenants. If we terminate Ms. Wong's employment without cause, she is entitled under her severance agreement, dated January 28, 2020, to twelve (12) months of continued base salary. If we terminate Ms. Walden's employment without cause or she resigns for good reason, she is entitled under her severance agreement, dated January 5, 2020, to eighteen (18) months of continued base salary.

Mr. MacPherson and Olaplex, Inc. have entered into a transition letter agreement, dated April 5, 2021, providing for the terms of Mr. MacPherson's transition from his role as Chief Financial Officer and his continued service as senior advisor. His separation from Olaplex, Inc. is expected to occur on August 31, 2021. As of April 5, 2021, all of Mr. MacPherson's outstanding options to purchase common stock of Penelope Holdings Corp. (whether vested or unvested) were terminated and forfeited for no consideration.

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Restrictive Covenant Agreements

Each named executive officer has entered into an Employee Agreement with Olaplex, Inc. under which each executive is subject to confidentiality covenants (perpetual, in the case of Mr. MacPherson and Ms. Walden, and during and for five (5) years following her termination of employment with us, in the case of Ms. Wong), as well as intellectual property assignment obligations. These covenants are also set forth in Ms. Walden's Termination Protection Agreement.

In addition, as a condition to receiving their Olaplex, Inc. option awards, Ms. Wong, Ms. Walden and Mr. MacPherson entered into restrictive covenant agreements that include confidentiality covenants (perpetual, in the case of Mr. MacPherson and Ms. Walden, and during and for five (5) years following her termination of employment with us, in the case of Ms. Wong) and intellectual property assignment obligations. The agreements also provide for non-competition obligations and non-solicitation obligations with respect to customers, vendors, suppliers, manufacturers or other business partners during their employment with us and, in the case of Mr. MacPherson and Ms. Walden for twenty-four (24) months following their termination of employment with us, and, in the case of Ms. Wong, for twelve (12) months following her termination of employment with us. In addition, the agreements include non-solicitation obligations with respect to our employees and independent contractors during and for twenty-four (24) months following the executives' termination of employment with us.

Mr. MacPherson's transition letter agreement modifies the duration of his post-termination non-competition obligations to six (6) months following his separation date and the duration of his post-termination non-solicitation obligations with respect to our employees and independent contractors for twelve (12) months following his separation date. The separation letter agreement also provides for certain other changes to his non-solicitation obligations with respect to our customers, vendors, suppliers, manufacturers or other business partners, as well as with respect to our employees and independent contractors.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding equity awards held by our named executive officers as of the last day of fiscal year 2020:

Name	OPTION AWARDS				
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price (\$)	Option expiration date
	(a)	(b)	(c)		(c)
JuE Wong	—	12,386	27,507	510	03/26/2030
Tiffany Walden	—	4,414	9,884	510	05/02/2030
James MacPherson	—	1,713	1,287	510	07/08/2030

- (a) All non-qualified stock options shown in this column are eligible to vest 20% per year on the each of the first five anniversaries of January 8, 2020, in the case of Ms. Wong and Walden, and May 4, 2020, in the case of Mr. MacPherson, subject to the executive's continued employment through the applicable vesting date. All of the time-vested options vest in full upon a change of control, subject to the executive's continued employment through the change of control.
- (b) All non-qualified stock options shown in this column are eligible to vest upon the Advent Funds' achievement of certain returns on their investment in Penelope Group Holdings, subject to the executive's continued employment through the applicable vesting date.
- (c) The expiration date of the executives' non-qualified stock option grants is ten years from the date of grant.

Director Compensation

The following table sets forth information concerning the compensation earned by our directors from the Acquisition Date, through the last day of fiscal year 2020. Mses. Wong and Walden did not receive any compensation for their respective service as a director during fiscal year 2020. The compensation Mses. Wong and Walden received in respect of their employment is included in the Summary Compensation Table above. During fiscal year 2020, Mses. Glynn and White and Messrs. White and Mussafer were not paid any fees by Penelope Group Holdings or its subsidiaries for their services as directors.

Name	Fees earned or paid in cash (<u>\$</u>)	Option awards (<u>\$</u>)	Total (<u>\$</u>)
	(a)	(b)	
Christine Dagousset	66,666	179,000	245,666
Deirdre Findlay	25,833	242,812	268,645
Janet Gurwitch	233,333	476,854	710,187
Paula Zusi	69,565	242,812	312,377

- (a) Amounts shown in this column reflect annual cash retainers earned by certain of our directors in fiscal year 2020 at a rate of \$100,000 per year for Mses. Dagousset, Findlay, and Zusi, and a rate of \$350,000 per year for Ms. Gurwitch, with each amount reflecting pro ration for their partial year of service in fiscal year 2020.
- (b) Amounts shown in this column reflect the aggregate grant date fair value of non-qualified stock options granted to certain of our directors in fiscal year 2020, in each case, computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions used to calculate these amounts are disclosed in Note 10 to the consolidated financial statements for the year ended December 31, 2020, including the assumed probability that an exit event or other liquidity event will occur. Each of Mses. Dagousset, Findlay and Zusi was granted 750 non-qualified options to purchase common stock of Penelope Holdings Corp., 429 of which are eligible to vest in equal installments on each of the first five (5) anniversaries of a specified vesting commencement date, and the remaining 321 of which are eligible to vest upon the achievement by the Advent Funds of certain returns on their investment in Penelope Group Holdings. The dates of grant of Mses. Dagousset's, Findlay's and Zusi's options was May 23, 2020, September 28, 2020 and July 29, 2020, respectively, and their vesting commencement dates are May 1, 2020, September 28, 2020 and July 21, 2020, respectively. On May 3, Ms. Gurwitch was granted 2,000 non-qualified options to purchase common stock of Penelope Holdings Corp., 1,142 of which are eligible to vest in equal installments on each of the first five (5) anniversaries of May 1, 2020, and the remaining 858 of which are eligible to vest upon the achievement by the Advent Funds of certain returns on their investment in Penelope Group Holdings. The options that are subject to time-based vesting will vest in full upon a change of control. The vesting of the directors' options is subject, in each case, to their continued service through the applicable vesting date. Upon the consummation of an initial public offering, any unvested options held by the directors that are subject to time-based vesting will be exchanged for options to purchase common stock of Olaplex Holdings, Inc. and remain outstanding and eligible to vest on the same time-based vesting schedule in accordance with the terms of the awards. Any unvested options held by the directors that are subject to performance-based award and that would vest if the Advent Funds were to sell for cash their equity in Penelope Group Holdings at a per share price equal to the initial public offering price will be exchanged for options to purchase common stock of Olaplex Holdings, Inc. with time-based vesting and will be eligible to vest in three equal installments on the first three anniversaries of the initial public offering, subject to the executive's continued employment through the applicable vesting date.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table and accompanying footnotes set forth information with respect to the beneficial ownership of shares of our common stock as of June 30, 2021 by:

- each individual or entity known by us to beneficially own more than 5% of our outstanding common stock;
- each selling stockholder in this offering;
- each member of our Board of Directors and each of our named executive officers; and
- all members of our Board of Directors and our executive officers as a group.

Beneficial ownership has been determined in accordance with the applicable rules and regulations promulgated under the Exchange Act. The information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting or investment power and any shares as to which the individual or entity has the right to acquire beneficial ownership within 60 days after June 30, 2021 through the exercise of any option, warrant or other right. For purposes of calculating each person's or group's percentage ownership, shares of common stock issuable pursuant to options exercisable within 60 days after June 30, 2021 are included as outstanding and beneficially owned for that person or group but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group. The inclusion in the following table of those shares, however, does not constitute an admission that the named stockholder is a direct or indirect beneficial owner. To our knowledge, except under applicable community property laws or as otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all shares shown as beneficially owned. For more information regarding the terms of our common stock, see "Description of Capital Stock." For more information regarding our relationship with certain of the persons named below, see "Certain Relationships and Related Party Transactions."

The percentages of shares beneficially owned prior to this offering provided in the table below are based on _____ shares of our common stock outstanding as of June 30, 2021, after giving effect to the Reorganization as if it had occurred on that date.

The percentages of shares beneficially owned after this offering provided in the table below are based on _____ shares of our common stock outstanding, after giving effect to the Reorganization and sale of _____ shares of our common stock by us and the selling stockholders in this offering and assuming no exercise of the underwriters' option to purchase additional shares in this offering.

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Except as otherwise indicated in the footnotes below, the address of each beneficial owner is c/o Olaplex Holdings, 1187 Coast Village Rd, Suite 1-520, Santa Barbara, CA 93108.

Name of Beneficial Owner	Shares Beneficially Owned Prior to this Offering		Shares Offered Hereby	Shares Beneficially Owned After this Offering			
	Number	Percentage		Assuming No Exercise of the Underwriters' Option		Assuming Full Exercise of the Underwriters' Option	
				Number	Percentage	Number	Percentage
Greater than 5% Stockholders:							
Advent Funds (1)							
Mousse Partners (2)							
Named Executive Officers and Directors:							
JuE Wong (3)							
Tiffany Walden (4)							
Eric Tiziani							
Christine Dagousset (5)							
Deirdre Findlay							
Tricia Glynn (6)							
Janet Gurwitch (7)							
Marti Morfitt							
David Mussafer (8)							
Emily White (9)							
Michael White (6)							
Paula Zusi (10)							
All directors and executive officers as a group (12 persons) (11)							

* Less than one percent.

(1) Consists of shares held by Advent International GPE IX Limited Partnership, shares held by Advent International GPE IX-D SCSp, shares held by Advent International GPEIX-C Limited Partnership, shares held by Advent International GPEIX-G Limited Partnership, shares held by Advent International GPE IX-I Limited Partnership, shares held by Advent Partners GPE IX Limited Partnership, shares held by Advent Partners GPE IX-A Limited Partnership, shares held by Advent International GPE IX Strategic Investors SCSp, shares held by Advent Partners GPE IX-B Cayman Limited Partnership, shares held by Advent International GPE IX-A SCSp, shares held by Advent International GPEIX-B Limited Partnership, shares held by Advent International GPEIX-E SCSp, shares held by Advent International GPE IX-F Limited Partnership, shares held by Advent International GPEIX-H Limited Partnership, shares held by Advent Partners GPE IX Cayman Limited Partnership, and shares held by Advent Partners GPE IX-A Cayman Limited Partnership. GPE IX GP Limited Partnership is the general partner of Advent International GPE IX Limited Partnership, Advent International GPE IX-B Limited Partnership, Advent International GPEIX-C Limited Partnership, Advent International GPEIX-F Limited Partnership, Advent International GPE IX-G Limited Partnership, Advent International GPEIX-H Limited Partnership, and Advent International GPE IX-I Limited Partnership. GPE IX GP S.à r.l. is the general partner and Advent International GPE IX, LLC is the manager of, Advent International GPE IX Strategic Investors SCSp, Advent International GPE IX-A SCSp, Advent International GPE IX-D SCSp, and Advent International GPE IX-E SCSp. AP GPE IX GP Limited Partnership is the general partner of Advent Partners GPE IX Limited Partnership, Advent Partners GPE IX-A Limited Partnership, Advent Partners GPEIX-B Cayman Limited Partnership, Advent Partners GPE IX Cayman Limited Partnership, and Advent Partners GPE IX-A Cayman Limited Partnership. Advent International GPE IX, LLC is the general partner of GPE IX GP Limited Partnership and AP GPE IX GP

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Limited Partnership, and Advent International Corporation is the manager of Advent International GPE IX, LLC. Voting and investment decisions by Advent International Corporation are made by a number of individuals including David M. Mussafer, one of our directors. Mr. Mussafer disclaims beneficial ownership of the securities held by the Advent Funds. The address of each of the entities and individuals named in this footnote is c/o Advent International Corporation, Prudential Tower, 800 Boylston St., Suite 3300, Boston, MA 02199.

- (2) Consists of shares held by Mousserena, L.P. The general partner of Mousserena, L.P. is Serena Limited. The address of Mousserena, L.P. and Serena Limited is 9 West 57th Street, Suite 4605, New York, NY 10019.
- (3) Includes shares of common stock underlying outstanding stock options exercisable within 60 days of June 30, 2021.
- (4) Includes shares of common stock underlying outstanding stock options exercisable within 60 days of June 30, 2021.
- (5) Includes shares of common stock underlying outstanding stock options exercisable within 60 days of June 30, 2021.
- (6) The address for Ms. Glynn and Mr. White is c/o Advent International Corporation, Prudential Tower, 800 Boylston St., Suite 3300, Boston, MA 02199.
- (7) Includes shares of common stock underlying outstanding stock options exercisable within 60 days of June 30, 2021.
- (8) Excludes shares held by the Advent Funds. See Footnote 1 above. Mr. Mussafer's address is c/o Advent International Corporation, Prudential Tower, 800 Boylston St., Suite 3300, Boston, MA 02199.
- (9) Consists of (i) shares of common stock held by Anthos Capital IV, L.P. ("Anthos Capital IV") and (ii) shares of common stock held by Anthos Tribe, L.P. ("Anthos Tribe"). Anthos Associates IV, L.P. ("Anthos Associates IV") is the general partner of Anthos Capital IV and Anthos Associates GP IV, LLC ("Anthos Associates GP IV") is the general partner of Anthos Associates IV. Anthos Tribe GP, LLC ("Anthos Tribe GP") is the general partner of Anthos Tribe. Paul Farr and Bryan Kelly are the sole managers of Anthos Associates GP IV and Anthos Tribe GP. Ms. White is the spouse of Mr. Kelly and as a result also may be deemed to have beneficial ownership of the shares held directly by Anthos Capital IV and Anthos Tribe. Ms. White disclaims beneficial ownership of the shares held by Anthos Capital IV and Anthos Tribe except to the extent of her pecuniary interest therein.
- (10) Includes shares of common stock underlying outstanding stock options exercisable within 60 days of June 30, 2021.
- (11) Includes shares of common stock underlying outstanding stock options exercisable by our current officers and directors as a group within 60 days of June 30, 2021.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The agreements described in this section, or forms of such agreements as they will be in effect at the time of this offering, are filed as exhibits to the registration statement of which this prospectus forms a part, and the following descriptions are qualified by reference thereto.

Registration Rights Agreement

In connection with the Reorganization and prior to the completion of this offering, we will enter into a Registration Rights Agreement (the “Registration Rights Agreement”) with the shareholders of Olaplex Holdings as of immediately following the Reorganization, including the Advent Funds, other investors and certain of our directors and officers. The Registration Rights Agreement will provide the stockholders party thereto certain registration rights as described below.

Demand Registration Rights

At any time after the completion of this offering, the Advent Funds, will have the right to demand that we file registration statements. These registration rights are subject to specified conditions and limitations, including the right of the underwriters, if any, to limit the number of shares included in any such registration under specified circumstances. Upon such a request, we will be required to use reasonable best efforts to promptly effect the registration.

Piggyback Registration Rights

At any time after the completion of this offering, if we propose to register any shares of our equity securities under the Securities Act either for our own account or for the account of any other person, then all holders party to the Registration Rights Agreement will be entitled to notice of the registration and will be entitled to include their shares of common stock in the registration statement. These piggyback registration rights are subject to specified conditions and limitations, including the right of the underwriters, if any, to limit the number of shares included in any such registration under specified circumstances.

Shelf Registration Rights

At any time after the consummation of this offering, our Advent Funds will be entitled to have their shares of common stock registered by us on a Form S-3 registration statement at our expense. These shelf registration rights are subject to specified conditions and limitations.

Expenses and Indemnification

We will pay all expenses relating to any demand, piggyback or shelf registration, other than underwriting discounts and commissions and any transfer taxes, subject to specified conditions and limitations. The Registration Rights Agreement will include customary indemnification provisions, including indemnification of the participating holders of shares of common stock and their directors, officers and employees by us for any losses, claims, damages or liabilities in respect thereof and expenses to which such holders may become subject under the Securities Act, state law or otherwise.

Tax Receivable Agreement

Following our initial public offering, we expect to be able to utilize the Pre-IPO Tax Assets, which arose (or are attributable to transactions occurring) prior to the completion of this offering. These Pre-IPO Tax Assets will reduce the amount of tax that we and our subsidiaries would otherwise be required to pay in the future.

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Prior to the completion of this offering and in connection with the Pre-IPO Reorganization, we will enter into a Tax Receivable Agreement that provides the right to receive future payments from us to our Existing Stockholders of % of the amount of cash savings, if any, in U.S. federal, state or local income tax that we or our subsidiaries realize (or are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets. Consequently, stockholders purchasing shares in this offering will only be entitled to the economic benefit of the Pre-IPO Tax Assets to the extent of our continuing % interest in those assets.

These payment obligations will be our obligations and not obligations of any of our subsidiaries and are not conditioned upon the Existing Stockholders maintaining a continued direct or indirect ownership interest in us. For purposes of the Tax Receivable Agreement, the amount of cash savings in U.S. federal, state or local income tax that we or our subsidiaries realize (or are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets will be computed by comparing our actual U.S. federal, state and local income tax liability with our hypothetical liability had we not been able to utilize the Pre-IPO Tax Assets, taking into account several assumptions and adjustments, including, for example, that:

- we will pay state and local income taxes at a blended rate based on our historic nexus to applicable jurisdictions, even though our actual effective state and local income tax rate may be materially different;
- tax benefits existing at the time of the offering are deemed to be utilized before certain tax attributes acquired after this offering; and
- a non-taxable transfer of assets by us to a non-consolidated entity is treated under the Tax Receivable Agreement as a taxable sale at fair market value.

The actual amount and utilization of the Pre-IPO Tax Assets, as well as the timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the amount, character and timing of our and our subsidiaries' taxable income in the future and the rates then applicable to us and our subsidiaries. Payments under the Tax Receivable Agreement are expected to give rise to certain additional tax benefits. Any such tax benefits that we are deemed to realize under the terms of the Tax Receivable Agreement are covered by the Tax Receivable Agreement and will increase the amounts due thereunder.

The Tax Receivable Agreement provides that interest, at a rate equal to LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %, will accrue from the due date (without extensions) of the tax return to which the applicable tax benefits relate to the date of payment specified by the Tax Receivable Agreement. In addition, where we fail to make payment by the date so specified, the Tax Receivable Agreement generally provides for interest to accrue on the unpaid amount from the date so specified until the date of actual payment, at a rate equal to LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %, except under certain circumstances specified in the Tax Receivable Agreement where we are unable to make payment by such date, in which case interest will accrue at a rate equal to LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %.

We expect that the payments we make under this Tax Receivable Agreement will be substantial. As described above, the Tax Receivable Agreement will make certain simplifying assumptions and adjustments regarding the determination of the cash savings in U.S. federal, state or local income tax that we or our subsidiaries realize (or are deemed to realize in certain circumstances) as a result of the utilization of the Pre-IPO Tax Assets, which may result in payments pursuant to the Tax Receivable Agreement significantly greater than the benefits we realize in respect of the Pre-IPO Tax Assets.

Based on current tax laws and assuming that we and our subsidiaries earn sufficient taxable income to realize the full tax benefits subject to the Tax Receivable Agreement, we expect that future payments under the Tax Receivable Agreement relating to the Pre-IPO Tax Assets could aggregate to approximately \$. The aggregate amount payable pursuant to the Tax Receivable Agreement is dependent in large part on the reduction in taxes that we would have been required to pay absent the existence of the Pre-IPO Tax Assets. As a result,

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changes in tax law, and in particular the tax rate applicable to U.S. corporations and the tax rules on the amortization and depreciation of assets, may materially impact the timing and amounts of payments by us to the Existing Stockholders pursuant to the Tax Receivable Agreement. The Biden Administration has proposed a significant number of changes to U.S. tax laws, including an increase in the maximum tax rate applicable to U.S. corporations, which may materially increase our payment obligations to Existing Stockholders under the Tax Receivable Agreement.

Upon the effective date of the Tax Receivable Agreement, we expect to recognize a liability of between \$ and \$ for the payments to be made under the Tax Receivable Agreement, which will be accounted for as a reduction of additional paid-in capital on our consolidated balance sheet.

Changes in the utilization of the Pre-IPO Tax Assets will impact the amount of the liability that will be paid pursuant to the Tax Receivable Agreement. Changes in the utilization of these Pre-IPO Tax Assets are recorded in income tax expense (benefit) and any changes in the obligation under the Tax Receivable Agreement is recorded in other income (expense).

In addition, the Tax Receivable Agreement provides that (i) upon certain mergers, stock and asset sales, other forms of business combinations or other Changes of Control (as defined therein), (ii) a material breach of our obligations (that is not timely cured) under the Tax Receivable Agreement, or (iii) if, at any time, we elect an early termination of the Tax Receivable Agreement, our payment obligations under the Tax Receivable Agreement will accelerate and may significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement. We will be required to make a payment intended to be equal to the present value of future payments (calculated using a discount rate equal to the lesser of (i) % per annum and (ii) LIBOR (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus %, which may differ from our, or a potential acquirer's, then-current cost of capital) under the Tax Receivable Agreement, which payment would be based on certain assumptions, including the assumption that we and our subsidiaries have sufficient taxable income and tax liabilities to fully utilize anticipated future tax benefits. In these situations, our, or a potential acquirer's, obligations under the Tax Receivable Agreement could have a substantial negative impact on our, or a potential acquirer's, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other Changes of Control. These provisions of the Tax Receivable Agreement may result in situations where the Existing Stockholders have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the Tax Receivable Agreement that are substantial, significantly in advance of any potential actual realization of such further tax benefits, and in excess of our, or a potential acquirer's, actual cash savings in U.S. federal, state or local income tax.

Different timing rules will apply to payments under the Tax Receivable Agreement to Award Holders. Such payments will generally be deemed invested in a notional account rather than made on the scheduled payment dates, and the account will be distributed on the fifth anniversary of the initial public offering, together with an amount equal to the net present value of such Award Holder's future expected payments, if any, under the Tax Receivable Agreement. Moreover, payments to holders of stock options that are unvested prior to the completion of this offering will be subject to vesting on the same schedule as such holder's unvested stock options.

The Tax Receivable Agreement contains a Change of Control definition that includes, among other things, a Continuing Directors Provision. Delaware case law has stressed that such Continuing Directors Provisions could have a potential adverse effect on shareholders' right to elect a company's directors. In this regard, decisions of the Delaware Chancery Court (not involving us or our securities) have considered change of control provisions and noted that a board of directors may "approve" a dissident shareholders' nominees solely to avoid triggering the change of control provisions, without supporting their election, if the board determines in good faith that the election of the dissident nominees would not be materially adverse to the interests of the corporation or its stockholders. Further, according to these decisions, the directors' duty of loyalty to shareholders under Delaware law may, in certain circumstances, require them to give such approval.

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Payments under the Tax Receivable Agreement will be based in part on our reporting positions. The Existing Stockholders (or their transferees or assignees) will not reimburse us for any payments previously made under the Tax Receivable Agreement if such tax benefits are subsequently disallowed, although future payments would be adjusted to the extent possible to reflect the result of such disallowance and any excess payments made to any Existing Owners (or such Existing Owner's transferees or assignees) will be netted against future payments that would otherwise be made under the Tax Receivable Agreement, if any, after our determination of such excess. As a result, in certain circumstances, the payments we are required to make under the Tax Receivable Agreement could exceed the cash tax savings we actually realize in respect of the attributes in respect of which the Tax Receivable Agreement required us to make payment.

Certain transactions by us could cause us to recognize taxable income (possibly material amounts of income) without a current receipt of cash. Payments under the Tax Receivable Agreement with respect to such taxable income would cause a net reduction in our available cash. For example, internal restructurings or reorganizations involving the intercompany sale or license of intellectual property rights, transactions giving rise to cancellation of debt income, the accrual of income from original issue discount or deferred payments, a "triggering event" requiring the recapture of dual consolidated losses, or "Subpart F" income would each produce income with no corresponding increase in cash. In these cases, we may use some of the Pre-IPO Tax Assets to offset income from these transactions and, under the Tax Receivable Agreement, would be required to make a payment to our Existing Stockholders even though we receive no cash corresponding to such income.

Because we are a holding company with no operations of our own, our ability to make payments under the Tax Receivable Agreement is dependent on the ability of our subsidiaries to make distributions to us. To the extent that we are unable to make payments under the Tax Receivable Agreement for specified reasons, such payments will be deferred and will accrue interest at a rate of _____, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made. Among other reasons, we may be unable to timely make payments under the Tax Receivable Agreement due to limitations on distributions under the terms of the credit agreement to which one or more our subsidiaries are a party.

If we did not enter into the Tax Receivable Agreement, we would be entitled to realize the full economic benefit of the Pre-IPO Tax Assets. Stockholders purchasing shares in this offering will not be entitled, indirectly by holding such shares, to the economic benefit of the Pre-IPO Tax Assets that would have been available if the Tax Receivable Agreement were not in effect (except to the extent of our continuing _____ % interest in the Pre-IPO Tax Assets).

In the event that any determinations must be made under or any dispute arises involving the Tax Receivable Agreement, the Existing Stockholders will be represented by a shareholder representative that is an entity controlled by the Advent Funds. In any such instance, should any representatives of the Advent Funds then be serving on our Board of Directors, such directors will be excluded from decisions of the board related to the relevant determination or dispute.

The Tax Receivable Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the foregoing description of the Tax Receivable Agreement is qualified by reference thereto.

Equity Investments by Directors and Officers

In January 2020, we sold 500 Class A Non-Voting Common Units to JuE Wong, our Chief Executive Officer and one of the members of the Board of Managers of Penelope Group GP, for an aggregate purchase price of \$0.5 million. In February 2021, we sold 116.7362 Class A Non-Voting Common Units to Ms. Wong, for an aggregate purchase price of \$0.2 million.

In January 2020, we sold 871.25 Class A Non-Voting Common Units to Tiffany Walden, our Chief Operating Officer, Chief Legal Officer and one of the members of the Board of Managers of Penelope Group GP, for an

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aggregate purchase price of \$0.9 million. In February 2021, we sold 200 Class A Non-Voting Common Units to Ms. Walden for an aggregate purchase price of \$0.4 million.

In January 2020, we sold 400 Class A Non-Voting Common Units to Paula Zusi, one of the members of the Board of Managers of Penelope Group GP, for an aggregate purchase price of \$0.4 million.

In May 2020, we sold 500 Class A Non-Voting Common Units to Janet Gurwitch, one of the members of the Board of Managers of Penelope Group GP, for an aggregate purchase price of \$0.5 million.

Arrangements with our Directors and Officers

In addition, we have certain agreements with our directors and officers which are described in the sections entitled “Executive Compensation—Agreements with our Named Executive Officers” and “Executive Compensation—Director Compensation.”

We intend to enter into indemnification agreements with our officers and directors. These agreements and our amended and restated bylaws will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. The indemnification provided under the indemnification agreements will not be exclusive of any other indemnity rights. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

Related Persons Transaction Policy

In connection with this offering, we will adopt a policy with respect to the review, approval and ratification of related party transactions. Under the policy, the nominating and corporate governance committee will be responsible for reviewing and approving related party transactions. The policy will apply to transactions, arrangements and relationships (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in which the aggregate amount involved will, or may be expected to, exceed \$120,000 with respect to any fiscal year, and where we (or one of our subsidiaries) are a participant and in which a related party has or will have a direct or indirect material interest. In the course of reviewing potential related party transactions, the nominating and corporate governance committee will consider the nature of the related party’s interest in the transaction; the presence of standard prices, rates or charges or terms otherwise consistent with arms-length dealings with unrelated third parties; the materiality of the transaction to each party; the reasons for the company entering into the transaction with the related party; the potential effect of the transaction on the status of a director as an independent, outside or disinterested director or committee member; and any other factors the nominating and corporate governance committee may deem relevant.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following is a summary of certain of our indebtedness that is currently outstanding. The following descriptions do not purport to be complete and are qualified in their entirety by reference to the agreements and related documents referred to herein, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part, and may be obtained as described under “Where You Can Find More Information” in this prospectus.

Senior Secured First Lien Credit Facilities

Overview

In connection with the Acquisition, on the Acquisition Date, Olaplex, Inc., as borrower, entered into a credit agreement (the “Original Credit Agreement”) with MidCap Financial Trust, as administrative agent and collateral agent (the “Agent”), the lenders from time to time party thereto and the other parties party thereto providing for (a) a \$450.0 million initial term loan facility (the “Initial Term Loan Facility”) and (b) a \$50.0 million initial revolving facility (the “Initial Revolver”). On December 18, 2020, Olaplex, Inc. entered into an incremental amendment to the Original Credit Agreement (the “Amendment,” and the Original Credit Agreement, as amended by the Amendment and as otherwise modified or supplemented prior to the date hereof, the “Credit Agreement”), which among other things provided for (x) incremental term loans (as a fungible increase to the outstanding term loans under the Initial Term Loan Facility) in the amount of \$350.0 million (together with the outstanding term loans under the Initial Term Loan Facility, the “Term Loan Facility”) and (y) an increase to the Initial Revolver in the amount of \$1.0 million (together with the commitments under the Initial Revolver, the “Revolver”, and the Revolver, together with the Term Loan Facility, the “Credit Facilities”), the proceeds of which were used to, among other things, fund the 2020 Distribution.

Credit Facilities

The Credit Agreement provides that Olaplex, Inc. may at any time, on one or more occasions (a) add one or more new classes of term facilities and/or increase the principal amount of any existing class of term facilities by requesting new commitments to provide such term loans and/or (b) increase the aggregate amount of the revolving commitments of any existing class, in an aggregate principal amount not to exceed (w) the greater of \$50.0 million and 50.0% of consolidated EBITDA as of the last day of the most recently ended four consecutive fiscal quarter period for which financial statements are internally available and/or have been delivered (or required to have been delivered) to the lenders under the Credit Agreement (the “Shared Incremental Amount”), less any other commitments or borrowings incurred or issued in reliance on the Shared Incremental Amount, plus (x) in the case of any incremental facilities that serve to effectively extend the maturity of any existing term loans or revolving commitments or effectively replace any revolving commitment previously or contemporaneously terminated, an amount equal to the term loans or revolving commitments to be extended or replaced thereby, plus (y) the amount of any voluntary prepayment, redemption, repurchase or other retirement of indebtedness, or permanent reduction of revolving credit commitments, incurred under the Credit Facilities or any other indebtedness (other than intercompany indebtedness) secured by the collateral on a *pari passu* basis with the liens on such collateral securing the Credit Facilities (“First Lien Debt”), plus (z) an unlimited amount so long as (1) if such incremental indebtedness constitutes First Lien Debt, Olaplex, Inc. is in compliance on a pro forma basis with a first lien leverage ratio no greater than 4.50:1.00, (2) if such incremental indebtedness is secured by a lien on the collateral that is junior to the liens securing the Credit Facilities, Olaplex, Inc. is in compliance on a pro forma basis with a secured leverage ratio no greater than 5.50:1.00, or (3) if such incremental indebtedness is unsecured, Olaplex, Inc. is in compliance on a pro forma basis with a total leverage ratio no greater than 6.00:1.00. The lenders under the Credit Facilities are not obligated to provide such incremental commitments, and the incurrence of any incremental indebtedness is subject to customary terms and conditions precedent.

Interest Rate and Fees

Borrowings under the Credit Facilities bear interest at a rate per annum equal to, at our option (1) a base rate determined by reference to the highest of (A) the federal funds effective rate in effect on such day plus 0.50%, (B) to the extent ascertainable, the one-month LIBOR rate, plus 1.00% and (C) the “Prime Rate” last quoted by the Wall Street Journal or (2) a LIBOR rate (subject to a floor of 1.00%) determined by reference to the cost of funds for deposits denominated in U.S. dollars or any other applicable currency available under the Credit Agreement, as adjusted for certain statutory reserve requirements for interest periods of one, two, three or six months (or, if available to all applicable lenders, twelve months or a shorter period, as applicable), *plus*, in each case, a spread based upon the first lien leverage ratio, tested and adjusted quarterly, of (w) 6.50% for LIBOR based borrowings if the first lien leverage ratio exceeds 3.50:1.00, (x) 6.25% for LIBOR based borrowings if the first lien leverage ratio is equal to or less than 3.50:1.00, (y) 5.50% for base rate based borrowings if the first lien leverage ratio exceeds 3.50:1.00 or (z) 5.25% for base rate based borrowings if the first lien leverage ratio is equal to or less than 3.50:1.00.

In addition to paying interest on loans outstanding under the Credit Facilities, we are required to pay a commitment fee of 0.50% per annum on unused commitments under the Revolver. We are also required to pay (i) letter of credit fees on the maximum amount that is available to be drawn and/or which is unreimbursed under all outstanding letters of credit, at a rate equal to the applicable margin for LIBOR-based loans under the Revolver on a per annum basis and (ii) customary fronting fees and other customary documentary fees in connection with the issuance of letters of credit.

Mandatory Prepayments

Term Loan Facility. Subject to certain exceptions, Olaplex, Inc. is required to prepay outstanding term loans under the Term Loan Facility in a principal amount equivalent to:

- 75% of annual excess cash flow (subject to certain customary deductions including, without limitation, any optional prepayments or permanent reductions of revolving commitments constituting indebtedness under the Credit Facilities or other First Lien Debt), which percentage is subject to (i) a step-down to 50% if our first lien leverage ratio is less than or equal to 3.50:1.00, but greater than 3.00:1.00, and (ii) a step-down to 25% if our first lien leverage ratio is less than or equal to 3.00:1.00; provided that such prepayment is required only in the amount (if any) by which such prepayment would exceed \$2.5 million for the relevant measurement period;
- 100% of the net cash proceeds of any incurrence of indebtedness, subject to customary exceptions; and
- 100% of (i) net cash proceeds with respect to certain asset sales and (ii) certain net insurance / condemnation proceeds, in each case, only and to the extent the aggregate amount of such proceeds in any fiscal year exceeds \$2.5 million and subject, in each case, to reinvestment rights and certain other customary exceptions.

Voluntary Prepayment

We may voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans under the Credit Facilities at any time without premium or penalty other than (i) customary “breakage” costs with respect to LIBOR borrowings and (ii) with respect to certain prepayments of term loans outstanding under the Term Loan Facility made prior to July 8, 2022, a premium of (x) 2.00% of the aggregate principal amount of the term loans so prepaid, repaid or refinanced prior to July 8, 2021 and (ii) 1.00% of the aggregate principal amount of the term loans so prepaid, repaid, or refinanced on or after July 8, 2021, but prior to July 8, 2022.

Amortization and Final Maturity

All outstanding loans under the Term Loan Facility and the Revolver are due and payable in full upon the six- and five-year anniversaries of the Acquisition Date, respectively. With respect to the term loans borrowed

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under the Term Loan Facility, Olaplex, Inc. is required to make scheduled quarterly amortization payments of \$5,028,000 (which amount is subject to increase or reduction in accordance with the terms of the Credit Agreement) through and including December 31, 2025, with the remaining outstanding principal amount to be paid at maturity on January 8, 2026.

Guarantees and Security

All obligations of Olaplex, Inc., as borrower under the Credit Facilities are guaranteed by Penelope Intermediate Corp., as parent guarantor, and, subject to certain customary exceptions (including, without limitation, immaterial subsidiaries) the wholly-owned domestic subsidiaries of Olaplex, Inc. Such obligations are also secured, subject to certain exceptions, by a first priority security interest in substantially all of the assets of Olaplex, Inc. and the guarantors.

Certain Covenants and Events of Default

The Credit Agreement contains a number of restrictive covenants that, subject to certain thresholds, qualifications and exceptions, restrict the ability of Olaplex, Inc. and its subsidiaries to, among other things:

- incur additional indebtedness or grant liens;
- transfer material intellectual property outside of the credit group;
- pay dividends and distributions on, or purchase, redeem, defease, or otherwise acquire or retire for value, our capital stock;
- make prepayments or repurchases of any debt above a certain threshold amount that is contractually subordinated with respect to right of payment or security, unsecured or secured on a junior basis to the Credit Facilities (“Restricted Debt”);
- create negative pledge or other restrictions on the payment of dividends, the making of certain intercompany loan arrangements or the creation of liens in support of the Credit Facilities;
- make investments, acquisitions, loans and advances;
- engage in consolidations, amalgamations, mergers, liquidations, dissolutions, or dispositions;
- engage in transactions with affiliates;
- materially alter the conduct of the business;
- modify the terms of Restricted Debt; and
- change the fiscal year.

In addition, the Credit Agreement contains a financial covenant requiring Olaplex, Inc. to maintain a secured leverage ratio, tested quarterly and subject to cure rights, of (x) 6.90:1.00 through the quarter ending September 30, 2021, (y) 5.90:1.00, beginning with the quarter ending December 31, 2021 through the quarter ending September 30, 2022 and (z) 5.50:1.00, beginning with the quarter ending December 31, 2022 through maturity.

The Credit Agreement also contains certain customary representations and warranties, affirmative covenants, reporting obligations and a passive holding company covenant with respect to Penelope Intermediate Corp. In addition, the lenders under the Credit Agreement are permitted to accelerate the loans and terminate commitments thereunder or exercise other specified remedies available to secured creditors upon the occurrence of certain events of default, subject to certain grace periods and exceptions, which events of default include, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain material indebtedness, certain events of bankruptcy, certain events under the Employee Retirement Income Security Act of 1974, as amended, material judgments and changes of control.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock and provisions of our restated certificate of incorporation and amended and restated bylaws are summaries and are qualified in their entirety by reference to our restated certificate of incorporation and amended and restated bylaws as they will be in effect upon the consummation of this offering. Copies of these documents are filed as exhibits to the registration statement of which this prospectus is a part. The description of our common stock reflects the completion of the Pre-IPO Reorganization, which will occur prior to the completion of this offering. See "Reorganization" for more information concerning the Reorganization.

General

Upon the closing of this offering, the total amount of our authorized capital stock will consist of _____ shares of common stock, par value \$0.001 per share and _____ shares of undesignated preferred stock par value \$0.001 per share.

As of June 30, 2021, after giving effect to the Reorganization as if it had occurred on such date and the closing of this offering, there were _____ shares of our common stock outstanding and no shares of preferred stock outstanding, and had _____ stockholders of record of our common stock.

Common Stock

Dividend Rights

Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of our common stock will be entitled to receive dividends out of assets legally available at the times and in the amounts as the Board of Directors may from time to time determine.

Voting Rights

Each outstanding share of our common stock will be entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock shall have no cumulative voting rights.

Except as otherwise required under the DGCL or provided for in our restated certificate of incorporation, all matters other than the election of directors will be determined by a majority of the votes cast on the matter and all elections of directors will be determined by a plurality of the votes cast. Any director may resign at any time upon notice given in writing, including by electronic transmission, to the Company. Vacancies and newly-created directorships shall be filled exclusively by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director, except that any vacancy created by the removal of a director by the stockholders for cause shall be filled by vote of a majority of the outstanding shares of our common stock. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Preemptive Rights

Our common stock will not be entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or Redemption Rights

Our common stock will not have any conversion rights and there will be no redemption or sinking fund provisions applicable to our common stock.

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Liquidation Rights

Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

Stock Exchange Listing

We intend to apply to list our common stock on the _____ under the symbol “OLPX.”

Preferred Stock

Our restated certificate of incorporation will authorize our Board of Directors to establish one or more series of preferred stock (including convertible preferred stock). Once effective, our Board of Directors may, without further action by our stockholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges, and relative participating, optional or special rights as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our Board of Directors, without stockholder approval, may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of our common stock and the market value of our common stock. Upon consummation of this offering, there will be no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Options

As of June 30, 2021, after giving effect to the Reorganization as if it had occurred on such date, options to purchase _____ shares of our common stock were outstanding under our 2020 Plan, of which _____ options were vested as of that date, based on an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. Because the number of shares of our common stock underlying stock options to be outstanding as of the consummation of this offering will be determined by reference to the initial public offering price in this offering, a change in the initial public offering price would have a corresponding impact on the number of shares of our common stock underlying stock options after giving effect to this offering. See “The Reorganization Treatment of Performance—Based Options and Cash-Settled Units.”

Anti-Takeover Effects of Our Restated Certificate of Incorporation and Amended and Restated Bylaws and Certain Provisions of Delaware Law

Our restated certificate of incorporation and amended and restated bylaws will contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the Board of Directors and which may have the effect of delaying, deferring or preventing a future takeover or change in control of the Company unless such takeover or change in control is approved by the Board of Directors.

These provisions include:

Classified Board. Our restated certificate of incorporation will provide that our Board of Directors will be divided into three classes of directors, with the classes as nearly equal in number as possible. As a result,

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approximately one-third of our Board of Directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board. Our restated certificate of incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our Board of Directors. Upon completion of this offering, our Board of Directors will have _____ members.

Special Meetings of Stockholders. Our restated certificate of incorporation and amended and restated bylaws will provide that, except as otherwise required by law, special meetings of the stockholders may be called only (i) by our chairperson of the Board of Directors, (ii) by a resolution adopted by a majority of our Board of Directors, or (iii) by our Secretary at the request of the holders of 50% or more of the outstanding shares of our common stock so long as the Advent Funds beneficially own a majority of the outstanding shares of our common stock.

Removal of Directors. Our restated certificate of incorporation will provide that, so long as the Advent Funds beneficially own a majority of the outstanding shares of our common stock, our directors may be removed only for cause by the affirmative vote of a majority of the voting power of our outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class. Following the date on which the Advent Funds no longer beneficially own a majority of the outstanding shares of our common stock, no member of our Board of Directors may be removed from office except for cause by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of our outstanding shares of capital stock entitled to vote thereon.

Elimination of Stockholder Action by Written Consent Our restated certificate of incorporation will eliminate the right of stockholders to act by written consent without a meeting following the date on which the Advent Funds no longer beneficially own a majority of the outstanding shares of our common stock.

Advance Notice Procedures. Our amended and restated bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the Board of Directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the bylaws will not give the Board of Directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations with Interested Stockholders. We will elect in our restated certificate of incorporation not to be subject to Section 203 of the DGCL, an antitakeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the Company's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in

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which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are not subject to any anti-takeover effects of Section 203. However, our restated certificate of incorporation will contain provisions that have the same effect as Section 203, except that they provide that the Advent Funds and their respective successors, transferees and affiliates will not be deemed to be “interested stockholders,” regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

Choice of Forum. Our restated certificate of incorporation will provide that, subject to limited exceptions, the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware dismisses a Covered Claim (as defined above) for lack of subject matter jurisdiction, any other state or federal court in the State of Delaware that does have subject matter jurisdiction) will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for Covered Claims. This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Our restated certificate of incorporation will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our restated certificate of incorporation will provide that any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Company will be deemed to have notice of and consented to these choice-of-forum provisions and waived any argument relating to the inconvenience of the forums in connection with any Covered Claim.

The choice of forum provisions to be contained in our restated certificate of incorporation may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. While the Delaware courts have determined that such choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions to be contained in our restated certificate of incorporation are inapplicable or unenforceable if they are challenged in a proceeding or otherwise, which could cause us to incur additional costs associated with resolving such action in other jurisdictions.

Amendment of Charter Provisions and Bylaws. The amendment of any of the above provisions, following the date on which the Advent Funds no longer beneficially own a majority of the outstanding shares of our common stock, except for the provision making it possible for our Board of Directors to issue preferred stock, would require the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of our outstanding shares of capital stock entitled to vote thereon.

The provisions of Delaware law, our restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our Board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Corporate Opportunities

Our restated certificate of incorporation will provide that we renounce any interest or expectancy in the business opportunities of the Advent Funds and all of their respective all of their respective partners, principals, directors, officers, members, managers and/or employees, including any of the foregoing who serve as directors of the Company, and each such party shall not have any obligation to offer us those opportunities.

Limitations on Liability and Indemnification of Officers and Directors

Our restated certificate of incorporation will limit the liability of our directors to the fullest extent permitted by the DGCL or any other law of the state of Delaware and our bylaws will provide that we may indemnify our

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directors and our officers that are appointed by the Board of Directors to the fullest extent permitted by applicable law. We expect to enter into indemnification agreements with our current directors and executive officers prior to the completion of this offering and expect to enter into similar agreements with any new directors or executive officers. We expect to increase our directors' and officers' liability insurance coverage prior to the completion of this offering.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be . Its address is . Its telephone number is .

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have a total of _____ shares of our common stock outstanding (_____ shares if the underwriters exercise in full their option to purchase additional shares in this offering). Of the outstanding shares of common stock, the _____ shares sold in this offering by us or the selling stockholders (or _____ shares if the underwriters exercise in full their option to purchase additional shares in this offering) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, or Rule 144, including our directors, executive officers and other affiliates (including the Advent Funds), may be sold only in compliance with the limitations described below.

The _____ shares of common stock held by the Advent Funds and by certain of our directors and executive officers after this offering, representing _____ % of the total outstanding shares of our common stock following this offering, will be deemed “restricted securities” under the meaning of Rule 144 and may be sold in the public market only if registered under the Securities Act or if an exemption from registration is available, including the exemptions pursuant to Rule 144 and Rule 701 under the Securities Act, which we summarize below.

In addition, shares of our common stock will be authorized and reserved for issuance in relation to potential future awards under the 2021 Plan to be adopted in connection with this offering.

Prior to this offering, there has not been a public market for our common stock, and we cannot predict what effect, if any, market sales of shares of common stock or the availability of shares of common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of common stock, including shares issued upon the exercise of outstanding options, in the public market, or the perception that such sales could occur, could materially and adversely affect the market price of our common stock and could impair our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate. See “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—There may be sales of a substantial amount of our common stock after this offering by our current stockholders, and these sales could cause the price of our common stock to fall.”

Our restated certificate of incorporation will authorize us to issue additional shares of common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion. In accordance with the DGCL and the provisions of our restated certificate of incorporation, we may also issue preferred stock that has designations, preferences, rights, powers, and duties that are different from, and may be senior to, those applicable to shares of common stock. See “Description of Capital Stock.”

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person (or persons whose shares are aggregated) who is not deemed to be or have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than an affiliate, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of a prior owner other than an affiliate, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares of our common stock on behalf of our affiliates, who have met the six month holding period for beneficial ownership of “restricted shares” of our common stock, are entitled to sell upon the expiration of the lock-up agreements described below,

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within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately _____ shares immediately after this offering (or _____ shares if the underwriters exercise in full their option to purchase additional shares); or
- the average reported weekly trading volume of our common stock on the _____ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. The sale of these shares, or the perception that sales will be made, could adversely affect the price of our common stock after this offering because a great supply of shares would be, or would be perceived to be, available for sale in the public market.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who received shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering are entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, in the case of affiliates, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, holding period, volume limitation or notice filing requirements of Rule 144.

Lock-Up Agreements

In connection with this offering, we, our directors and executive officers, the selling stockholders and substantially all holders of our outstanding common stock prior to this offering will sign lock-up agreements with the underwriters that will, subject to certain exceptions, restrict the disposition of, or hedging with respect to, the shares of our common stock or securities convertible into or exchangeable for shares of our common stock, each held by them, during the period ending 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC. See “Underwriting” for a description of these lock-up agreements.

Registration Rights

Subject to certain exceptions, holders of _____ shares of our common stock will be entitled to the registration rights described under “Certain Relationships and Related Party Transactions—Registration Rights Agreement.” Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration.

Registration Statement on Form S-8

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all of the shares of common stock subject to outstanding stock options and the shares of common stock subject to issuance under the 2020 Plan and the 2021 Plan to be adopted in connection with this offering. We expect to file these registration statements as promptly as possible after the completion of this offering. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market. We expect that the initial registration statement on Form S-8 relating to the outstanding rollover options, restricted stock, restricted stock units and performance stock units issued under the 2020 Plan and the 2021 Plan will cover _____ shares.

CERTAIN UNITED STATES FEDERAL INCOME AND ESTATE TAX CONSEQUENCES TONON-U.S. HOLDERS

The following is a summary of certain U.S. federal income and estate tax consequences of the purchase, ownership and disposition of shares of our common stock issued pursuant to this offering as of the date hereof. Except where noted, this summary deals only with common stock that is held as a capital asset by a non-U.S. holder (as defined below).

A “non-U.S. holder” means a beneficial owner of shares of our common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), the existing and proposed U.S. Treasury regulations promulgated thereunder, administrative pronouncements, and rulings and judicial decisions interpreting the foregoing, in each case as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income and estate tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income and estate taxes and does not deal with the alternative minimum tax, the Medicare contribution tax, U.S. federal tax laws other than U.S. federal income or estate tax laws, or any foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their particular circumstances or status. In addition, it does not represent a detailed description of the U.S. federal income and estate tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws (including if you are a United States expatriate, foreign pension fund, “controlled foreign corporation,” “passive foreign investment company,” financial institution, broker-dealer, insurance company, tax-exempt entity, a corporation that accumulates earnings to avoid U.S. federal income tax, a person subject to special tax accounting as a result of any item of gross income taken into account in an applicable financial statement under Section 451(b) of the Code, a person in a special situation such as those who have elected to mark securities to market or those who hold shares of common stock as part of a straddle, hedge, conversion transaction, or synthetic security or a partnership or other pass-through entity (or beneficial owner thereof) for U.S. federal income tax purposes). We cannot assure you that a change in law will not alter significantly the tax considerations that we describe in this summary.

A modified definition of “non-U.S. holder” applies for U.S. federal estate tax purposes (as discussed below).

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds shares of our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our common stock, you should consult your tax advisors.

If you are considering the purchase of shares of our common stock, you should consult your own tax advisors concerning the particular U.S. federal income and estate tax consequences to you of the purchase, ownership and disposition of our common stock, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction, and the application of any tax treaties.

Distributions on Common Stock

In the event that we make a distribution of cash or other property (other than certain pro rata distributions of our stock) in respect of shares of our common stock, the distribution generally will be treated as a dividend for U.S. federal income tax purposes to the extent it is paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted tax basis of non-U.S. holder's shares of our common stock, and to the extent the amount of the distribution exceeds a non-U.S. holder's adjusted tax basis in shares of our common stock, the excess will be treated as gain from the disposition of shares of our common stock (the tax treatment of which is discussed below under "—Gain on Disposition of Common Stock").

Subject to the discussion below regarding effectively connected income, dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, as discussed further below. Even if our current or accumulated earnings and profits are less than the amount of the distribution, the applicable withholding agent may elect to treat the entire distribution as a dividend for U.S. federal withholding tax purposes. Dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment, or, in certain cases involving individual holders, a fixed base) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person as defined under the Code. To obtain this exemption, a non-U.S. holder must provide us with a valid IRS Form W-8ECI properly certifying such exemption. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed, valid IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals. You are urged to consult your own tax advisors regarding your entitlement to benefits under a relevant income tax treaty.

A non-U.S. holder eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may be entitled to a refund of any excess amounts withheld if the non-U.S. holder timely files an appropriate claim for refund with the IRS.

The foregoing discussion is subject to the discussion below under "—Information Reporting and Backup Withholding" and "—Additional Withholding Requirements."

Gain on Disposition of Common Stock

Subject to the discussion of backup withholding and Sections 1471 through 1474 of the Code (such Sections commonly referred to as “FATCA”) below, any gain realized by a non-U.S. holder on the sale or other disposition of shares of our common stock generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder or, in certain cases involving individual holders, a fixed base of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a “United States real property holding corporation” for U.S. federal income tax purposes during the applicable period specified in the Code, and certain other conditions are met.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the gain derived from the sale or other disposition in the same manner as if the non-U.S. holder were a United States person as defined under the Code. In addition, if any non-U.S. holder described in the first bullet point immediately above is a foreign corporation, the gain realized by such non-U.S. holder may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which gain may in certain cases be offset by United States source capital losses even though the individual is not considered a resident of the United States.

Generally, a corporation is a “United States real property holding corporation” if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe we are not and do not anticipate becoming a “United States real property holding corporation” for U.S. federal income tax purposes.

Federal Estate Tax

Common stock owned or treated as owned by an individual who is not a U.S. citizen or resident (as specifically determined for U.S. federal estate tax purposes) on the date of the individual’s death will be included in the individual’s gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Distributions made to a non-U.S. holder and the amount of any tax withheld with respect to such distributions generally will be reported to the IRS. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty or agreement for the exchange of information.

A non-U.S. holder will not be subject to backup withholding on dividends received if such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of shares of our common stock made within the United States or conducted through

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certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Provision of an IRS Form W-8 appropriate to the non-U.S. holder's circumstances will generally satisfy the certification requirements necessary to avoid the additional information reporting and backup withholding.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under FATCA, a 30% U.S. federal withholding tax may apply to any dividends paid on and (subject to the proposed U.S. Treasury regulations discussed below) gross proceeds from the sale or other disposition of shares of our common stock paid to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). An intergovernmental agreement between the United States and the entity's jurisdiction may modify these requirements. If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Distributions on Common Stock," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax upon filing a U.S. federal income tax return containing the required information (which may entail significant administrative burden).

Under the applicable U.S. Treasury regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed U.S. Treasury regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed U.S. Treasury regulations until final U.S. Treasury regulations are issued.

You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of shares of our common stock.

UNDERWRITING

We, the selling stockholders and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC is the representative of the underwriters.

<u>Underwriters</u>	<u>Number of Shares</u>
Goldman Sachs & Co. LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional _____ shares from us and up to an additional _____ shares from the selling stockholders to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase _____ additional shares.

<u>Paid by the Company</u>	<u>No Exercise</u>	<u>Full Exercise</u>
<u>Per Share</u>	\$	\$
Total	\$	\$

<u>Paid by the Selling Stockholders</u>	<u>No Exercise</u>	<u>Full Exercise</u>
<u>Per Share</u>	\$	\$
Total	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ _____ per share from the initial public offering price. After the initial offering of the shares, the representative may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock, including the selling stockholders, have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date _____ days after the date of this prospectus, except with the prior written consent of _____. This agreement does not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and our representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

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We intend to apply to list the common stock on _____ under the symbol “OLPX.” In order to meet one of the requirements for listing the common stock on _____, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 400 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company’s common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on _____, in the over-the-counter market or otherwise.

We estimate that the total expenses of the offering payable by us, excluding underwriting discounts and commissions, will be approximately \$ _____.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or

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otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

European Economic Area

In relation to each Member State of the EEA, each a “Relevant State”, no offer of securities which are the subject of the offering contemplated by this prospectus may be made to the public in that Relevant State, other than:

- at any time to any legal entity which is a “qualified investor” as defined in the Prospectus Regulation;
- at any time to fewer than 150 natural or legal persons (other than “qualified investors” as defined in the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or
- at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of securities referred to above shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of securities to the public” in relation to any securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the U.K., or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) of the Order or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”)) in connection with the issue or sale of any securities may otherwise lawfully be communicated or be caused to be communicated (all such persons together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

No offer of securities which are the subject of the offering contemplated by this prospectus may be made to the public in the U.K., other than:

- at any time to any legal entity which is a “qualified investor” as defined in Article 2 of the U.K. Prospectus Regulation;
- at any time to fewer than 150 natural or legal persons (other than “qualified investors” as defined in Article 2 of the U.K. Prospectus Regulation) in the U.K. subject to obtaining the prior consent of the underwriters; or
- at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of securities referred to above shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the U.K. Prospectus Regulation.

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For the purposes of this provision, the expression “an offer of securities to the public” in relation to any securities means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities and the expression “U.K. Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are “accredited investors,” as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are “permitted clients,” as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the “Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “Securities and Futures Ordinance”), (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) under Section 274 of the SFA, (ii) to a “relevant person” (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A)

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of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an “accredited investor” (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the “securities” (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a “relevant person” (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation’s securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (“Regulation 32”).

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an “accredited investor” (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a “relevant person” (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”). The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority (“FINMA”) as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended (“CISA”), and accordingly the securities being offered pursuant to this prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the securities have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the securities offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The securities may solely be offered to “qualified investors,” as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended (“CISO”), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus and any other materials relating to the securities are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus may only be used by those qualified investors to whom it has been

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handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus does not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the “DFSA”). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement, or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement, or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement, or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives, and circumstances, and, if necessary, seek expert advice on those matters.

Mexico

The shares have not been registered with the National Securities Registry (*Registro Nacional de Valores*) or reviewed or authorized by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de*

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Valores) of Mexico or listed in any Mexican securities exchange. Any Mexican investor who acquires shares does so at his or her own risk. The shares will be initially placed with less than 100 persons in Mexico. Once placed, the shares can be resold exclusively to persons that qualify as qualified investors or institutional investors pursuant to applicable provisions of Mexican law.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Ropes & Gray LLP, Boston, Massachusetts. Certain legal matters relating to this offering will be passed upon for the underwriters by Latham & Watkins LLP, New York, New York.

EXPERTS

The financial statements as of December 31, 2019 and December 31, 2020, and for each of the two years in the period ended December 31, 2020, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock offered in this prospectus. This prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our common stock, we refer you to the registration statement and to its exhibits and schedules. Statements in this prospectus about the contents of any contract, agreement or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers. You may inspect these reports and other information without charge at a website maintained by the SEC. The address of this site is <http://www.sec.gov>.

Upon completion of this offering, we will become subject to the informational requirements of the Exchange Act, as amended, and will be required to file reports, proxy statements and other information with the SEC. You will be able to inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the SEC at the address noted above or inspect them without charge at the SEC's website. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by an independent registered public accounting firm.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Penelope Holdings Corp. and subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Penelope Holdings Corp. and subsidiaries (the “Company”) as of December 31, 2020 (Successor) and 2019 (Predecessor) (see Note 1 to the consolidated financial statements), and the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for the years ended December 31, 2020 (Successor) and December 31, 2019 (Predecessor), and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 (Successor) and 2019 (Predecessor), and the results of its operations and its cash flows for the years in the periods ended December 31, 2020 (Successor) and 2019 (Predecessor), in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, effective January 1, 2019, the Company adopted Financial Accounting Standard Board Accounting Standard Codification 606, *Revenue from Contracts with Customers*, using the modified retrospective approach.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Explanatory paragraph

As discussed in Note 1 and Note 5 to the financial statements, the Company acquired Olaplex, LLC and the intellectual property operations of an affiliated business, LIQWD, Inc. (collectively the “Olaplex business”), on January 8, 2020 (the “Acquisition”). As a result, the assets acquired and liabilities assumed by the Company as part of the Acquisition have been recorded at fair value as of January 8, 2020. Due to the change in the basis of

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accounting resulting from the application of the acquisition method of accounting, the predecessor period includes the financial position and results of operations of the Olaplex business.

/s/ Deloitte & Touche LLP
Los Angeles, California
June 25, 2021

We have served as the Company's auditor since 2021.

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Penelope Holdings Corp. and subsidiaries
Consolidated balance sheets
As of December 31, 2020 (Successor) and December 31, 2019 (Predecessor)
(In thousands, except shares)

	December 31, 2020 (Successor)	December 31, 2019 (Predecessor)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 10,964	\$ 3,155
Accounts receivable, net	14,377	8,350
Inventory	33,596	15,892
Other current assets	2,422	404
Total current assets	61,359	27,801
Property and equipment, net	34	24
Intangible assets, net	1,092,310	256
Goodwill	168,300	—
Deferred taxes	10,830	—
Total assets	<u>\$ 1,332,833</u>	<u>\$ 28,081</u>
Liabilities and stockholder's and members' equity		
Current Liabilities:		
Accounts payable	\$ 16,815	\$ 935
Accrued expenses and other current liabilities	9,862	2,140
Current portion of long-term debt	20,112	—
Due to affiliate	—	6,597
Total current liabilities	46,789	9,672
Long-term debt	755,371	—
Total liabilities	<u>802,160</u>	<u>9,672</u>
Contingencies (Note 13)		
Stockholder's and Members' equity:		
Common stock, \$0.001 par value; 2,000,000 shares authorized, 959,868 shares issued and outstanding as of December 31, 2020 (Successor)	960	—
Members' equity (Predecessor)	—	18,409
Additional paid-in capital	529,713	—
Retained earnings	—	—
Total stockholder's and members' equity	<u>530,673</u>	<u>18,409</u>
Total liabilities and stockholder's and members' equity	<u>\$ 1,332,833</u>	<u>\$ 28,081</u>

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

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Penelope Holdings Corp. and subsidiaries
Consolidated statements of operations and comprehensive income
For the years ended December 31, 2020 (Successor) and December 31, 2019 (Predecessor)
(In thousands)

	Year ended December 31, 2020 (Successor)	Year ended December 31, 2019 (Predecessor)
Net sales	\$ 282,250	\$ 148,206
Cost of sales:		
Cost of product (excluding amortization)	96,611	31,171
Amortization of patented formulations	6,052	—
Total cost of sales	102,663	31,171
Gross profit	179,587	117,035
Operating expenses:		
Selling, general, and administrative	37,170	56,698
Amortization of other intangible assets	39,825	—
Acquisition costs	16,499	—
Total operating expenses	93,494	56,698
Operating income	86,093	60,337
Interest (expense) income, net	(38,645)	39
Other (expense) income, net	(190)	503
Income before provision for income taxes	47,258	60,879
Income tax provision	7,980	—
Net income	\$ 39,278	\$ 60,879
Comprehensive income	\$ 39,278	\$ 60,879
Net income per share (unit):		
Basic	\$ 41.73	\$ 60.88
Diluted	\$ 41.63	\$ 60.88
Weighted average common shares (units) outstanding:		
Basic	941,313	1,000,000
Diluted	943,437	1,000,000

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

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Penelope Holdings Corp. and subsidiaries
Consolidated statements of changes in equity
For the years ended December 31, 2020 (Successor) and December 31, 2019 (Predecessor)
(In thousands)

STOCKHOLDER'S EQUITY (SUCCESSOR)	Common Stock		Additional Paid in Capital	Members' Equity	Retained Earnings	Total Equity
	Shares	Amount				
Issuance of common stock	959,868	\$ 960	\$ 958,908	\$ —	\$ —	\$ 959,868
Net income	—	—	—	—	39,278	39,278
Share-based compensation expense	—	—	1,527	—	—	1,527
Dividend payments	—	—	(430,722)	—	(39,278)	(470,000)
Balance - December 31, 2020	<u>959,868</u>	<u>\$ 960</u>	<u>\$ 529,713</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 530,673</u>
MEMBERS' EQUITY (PREDECESSOR)						
Balance - January 1, 2019	—	—	—	\$ 21,576	\$ 2,341	\$ 23,917
Adoption of ASC 606	—	—	—	—	(1,363)	(1,363)
Net income	—	—	—	—	60,879	60,879
Distributions	—	—	—	(3,167)	(61,857)	(65,024)
Balance - December 31, 2019	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 18,409</u>	<u>\$ —</u>	<u>\$ 18,409</u>

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

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Penelope Holdings Corp. and subsidiaries
Consolidated statements of cash flow
For the years ended December 31, 2020 (Successor) and December 31, 2019 (Predecessor)
(In thousands)

	Year Ended December 31, 2020 <u>(Successor)</u>	Year Ended December 31, 2019 <u>(Predecessor)</u>
Cash flows from operating activities:		
Net income	\$ 39,278	\$ 60,879
Adjustments to reconcile net income to net cash from operations provided by operating activities:		
Amortization of patent formulations	6,052	—
Amortization of other intangibles	39,825	—
Amortization of fair value of acquired inventory	44,721	—
Amortization of debt issuance costs	1,752	—
Deferred taxes	(4,428)	—
Share-based compensation expense	1,527	—
Changes in operating assets and liabilities, net of effects of acquisition:		
Accounts receivable, net	(7,118)	(4,877)
Inventory	(14,242)	(3,852)
Other current assets	(2,094)	(157)
Accounts payable	14,865	(2,227)
Accrued expenses and other current liabilities	8,837	2,803
Net cash provided by operating activities	128,975	52,569
Cash flows from investing activities:		
Purchase of property and equipment	(27)	(7)
Business acquisition, net of acquired cash	(1,381,582)	—
Proceeds from sale of investments	—	3,418
Net cash (used in) provided by investing activities	(1,381,609)	3,411
Cash flows from financing activities:		
Dividend / distribution payments	(470,000)	(65,024)
Proceeds from the issuance of stock	959,868	—
Proceeds from Revolver	50,000	—
Principal payments of Term Loan	(10,653)	—
Payments of Revolver	(50,000)	—
Proceeds from the issuance of Term Loan	800,000	—
Payments of debt issuance costs	(15,617)	—
Net cash provided by (used in) financing activities	1,263,598	(65,024)
Net increase (decrease) in cash and cash equivalents	10,964	(9,044)
Cash and cash equivalents - beginning of year	—	12,199
Cash and cash equivalents - end of year	<u>\$ 10,964</u>	<u>\$ 3,155</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 9,914	\$ —
Cash paid during the year for interest	34,566	—
Cash received for interest on investments	—	58

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

PENELOPE HOLDINGS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 (SUCCESSOR) AND 2019 (PREDECESSOR)
(DOLLARS IN THOUSANDS, EXCEPT SHARES (UNITS) AND PER SHARE (UNIT) AMOUNTS)

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Penelope Holdings Corp. (“Penelope” together with its subsidiaries, the “Company” or “we”) is a wholly owned subsidiary of Penelope Group Holdings, L.P. (the “Parent”). Penelope was formed as a Delaware corporation on November 13, 2019. Penelope is organized as a holding company and operates through its wholly owned subsidiary, Olaplex, Inc., which conducts business under the name “Olaplex”. Olaplex develops and manufactures shampoos, conditioners and specialty products that are used to protect, strengthen, and rebuild broken bonds in damaged hair caused by damage from chemical, thermal, and mechanical processes.

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP” or “U.S. GAAP”) with all intercompany balances and transactions eliminated. Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Update (“ASU”) of the Financial Accounting Standards Board (“FASB”).

On January 8, 2020 (the “Acquisition Date”), a group of third-party investors, through Penelope, acquired 100% of the Olaplex LLC business, including the intellectual property operations of another affiliated business, LIQWD, Inc. (“LIQWD IP”) (collectively, the “Olaplex business”), from the owners of the Olaplex Business (the “Sellers”) for \$1,381,582 (the “Acquisition”). Subsequent to the Acquisition Date, all of the operations of Olaplex are comprised of the operations of Olaplex, Inc.

The Company has presented the financial statements in a format with a 2020 successor fiscal year from January 1, 2020 to December 31, 2020 and 2019 predecessor fiscal year. Given the insignificance of the operations of the acquired Olaplex business between, January 1, 2020 and the Acquisition Date, separate financial statements have not been prepared and the associated acquisition accounting has been reflected as occurring as of January 1, 2020.

The predecessor period includes the consolidated financial position and results of operations of the Olaplex LLC entity and the intellectual property operations of LIQWD, Inc. during the comparable 2019 predecessor fiscal year applying the Company’s US generally accepted accounting principles. The comparable predecessor period does not include an income tax provision due to the Sellers operating the Olaplex business through pass through entities subject to tax at the unitholder level.

In these financial statements, the term “Olaplex” is used to refer to either the operations of the business prior to or after the Acquisition depending on the respective period discussed.

COVID-19 — On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The global spread and unprecedented impact of COVID-19 continues to create significant volatility, uncertainty and economic disruption. The Company’s operations and its financial results including net sales, gross profit, and selling, general, and administrative expenses were impacted by COVID-19 in 2020, however the Company is unable to estimate the impact of COVID-19 on its operations.

The extent of COVID-19’s effect on the Company’s operational and financial performance will depend on future developments, including the ultimate duration, spread and intensity of the pandemic (including any resurgences), impact of the new COVID-19 variants and the rollout of COVID-19 vaccines, and the level of social and economic restrictions imposed in the United States and abroad in an effort to curb the spread of the virus, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not

currently possible to ascertain the overall impact of the COVID-19 pandemic on the Company's business, results of operations, financial condition or liquidity. Future events and effects related to COVID-19 cannot be determined with precision and actual results could differ from estimates or forecasts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Combination

The 2020 consolidated financial statements cover Olaplex, Inc. and its wholly owned subsidiary, Olaplex UK Limited, a private limited company incorporated in England and Wales. The accompanying 2020 consolidated financial statements reflect the financial position, results of operations and comprehensive income, and cash flows of the Company and its wholly owned subsidiary on a consolidated basis. All intercompany account balances and transactions have been eliminated.

The accompanying 2019 financial statements reflect the financial position, results of operations and comprehensive loss, and cash flows of Olaplex, LLC and LIQWD IP on a combined basis due to common ownership. All activity and account balances between the combined entities have been eliminated. The 2020 and 2019 financial statements are referred to as the "consolidated financial statements" herein.

Estimates and Assumptions

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. Examples of estimates and assumptions include: for revenue recognition, determining the nature and timing of satisfaction of performance obligations, variable consideration, and other obligations such as product returns and refunds; loss contingencies; the fair value of share-based options; the fair value of and/or potential impairment of goodwill and intangible assets for our reporting unit; useful lives of our tangible and intangible assets; allowances for doubtful accounts; the net realizable value of, and demand for our inventory. Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Company maintains cash balances at several high credit quality financial institutions. Accounts at these institutions are secured by the Federal Deposit Insurance Corporation (the "FDIC"). At times, such cash balances may be in excess of the \$250 FDIC insurance limit. As of December 31, 2020 and December 31, 2019, the Company has cash equivalents of \$10,964 and \$3,155, respectively. The Company has not experienced any losses in such accounts.

Accounts Receivable – net

Accounts receivable are recorded at net realizable value. The Company has recorded an allowance for reductions to prices for agreed-upon deductions, including allowances for advertising, damages, promotions, and returns. As of both December 31, 2020 and December 31, 2019, this promotional allowance was \$1,362. As of December 31, 2020 and December 31, 2019, the Company did not have an allowance for doubtful accounts. In arriving at this conclusion, the Company evaluated historical losses, age of receivables, adverse situations that may affect a customer's ability to repay and prevailing economic conditions. The Company has generally not experienced difficulties collecting from customers in a timely manner.

Inventory

Inventory includes inventory that is saleable or usable in future periods and is stated at the lower of cost or net realizable value using the average cost method. Cost components include raw materials and finished goods. The

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finished goods are produced at third-party contract manufacturers. The Company allocates the amortized cost of its patented formulation to finished goods inventory. Management estimates an allowance for excess and obsolete inventory based on a calculation of excess on hand quantities of slow-moving inventory. As of December 31, 2020 and December 31, 2019, there was no allowance for excess and obsolete inventory.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting in accordance with FASB ASC 805, Business Combinations. Under the acquisition method of accounting, the total consideration transferred in connection with the acquisition is allocated to the tangible and intangible assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree based on their fair values. Goodwill acquired in connection with business combinations represents the excess of consideration transferred over the net tangible and identifiable intangible assets acquired. The acquired goodwill is deductible for income tax purposes. Certain assumptions and estimates are employed in evaluating the fair value of assets acquired and liabilities assumed. These estimates may be affected by factors such as changing market conditions, or changes in regulations governing the industry. The most significant assumptions requiring judgment involve identifying and estimating the fair value of intangible assets and the associated useful lives for establishing amortization periods. To finalize purchase accounting for significant acquisitions, the Company utilizes the services of independent valuation specialists to assist in the determination of the fair value of acquired tangible and intangible assets.

The purchase price allocations for business combinations completed are prepared on a preliminary basis and changes to those allocations may occur as additional information becomes available about facts and circumstances that existed as of the acquisition date during the respective measurement period (up to one year from the respective acquisition date). Changes in the fair value of assets and liabilities recognized at fair value on the acquisition date that result from events that occur after the acquisition date are re-measured to fair value at future reporting dates with changes recognized in earnings. The Company includes the results of operations of the businesses acquired as of the acquisition dates.

Costs that are incurred to complete the business combination such as legal and other professional fees are not considered part of consideration transferred and are charged to operating expenses as they are incurred.

Goodwill and Intangible Assets

Goodwill is calculated as the excess of the purchase consideration paid in the acquisition of a business over the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is reviewed annually at the beginning of the fourth quarter for impairment, at the reporting unit level, or when there is evidence that events or changes in circumstances indicate that the Company's carrying amount may not be recovered. A reporting unit is an operating segment or a component of an operating segment. When testing goodwill for impairment, the Company first assesses qualitative factors to evaluate whether it is more likely than not that the fair value of a reporting unit is less than the carrying amount. If factors indicate that the fair value of the asset is less than its carrying amount, the Company will perform a quantitative test by determining the fair value of the reporting unit. The estimated fair value of the reporting unit is based on a projected discounted cash flow model that includes significant assumptions and estimates, including discount rate, growth rate, and future financial performance. Valuations of similar public companies may also be evaluated when assessing the fair value of the reporting unit. If the carrying value of the reporting unit exceeds the fair value, then an impairment loss is recognized for the difference. The Company has identified one reporting unit for purposes of impairment testing.

Definite-lived intangible assets are amortized over their estimated useful lives, which represents the period over which the Company expects to realize economic value from the acquired assets, using the economic consumption method if anticipated future net sales can be reasonably estimated. The straight-line method is used when future

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net sales cannot be reasonably estimated. The following provides a summary of the estimated useful lives by category of asset.

Brand name	25 years
Customer relationships	20 years
Patented formulations	15 years

Impairment of Long-Lived Assets

The Company reviews long-lived tangible and intangible assets with definite lives for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Examples of such events include a significant disposal of a portion of such assets, an adverse change in the market involving the business employing the related asset, a significant decrease in the benefits realized from an acquired business, difficulties or delays in integrating the business, and a significant change in the operations of an acquired business. Recoverability of these assets is measured by comparison of their carrying amount to the future undiscounted cash flows the assets are expected to generate. Assets are grouped and evaluated at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The Company considers historical performance and future estimated results in its evaluation of impairment. If the carrying amount of the asset exceeds expected undiscounted future cash flows, the Company measures the amount of impairment by comparing the carrying amount of the asset to its fair value, generally measured by discounting expected future cash flows at the rate it utilizes to evaluate potential investments. No intangible asset impairment was recorded for fiscal years ended December 31, 2020 and December 31, 2019.

Fair value measurements are based on significant inputs that are not observable in the market and therefore represent a Level 3 measurement. Significant changes in the underlying assumptions used to value long-lived assets could significantly increase or decrease the fair value estimates used for impairment assessments.

Debt Issuance Costs

Issued discount costs incurred in connection with the issuance of long-term debt are deferred and amortized over the life of the associated debt instrument on a straight-line basis, in a manner that approximates the effective interest method. Third-party issue costs are deferred and amortized over the life of the associated debt instrument on a straight-line basis. To the extent that the debt is outstanding, these amounts are reflected in the consolidated balance sheets as direct deductions from the long-term debt. As of December 31, 2020, the Company had \$13,864 of unamortized deferred financing costs related to its credit facilities.

Property and Equipment

Property and equipment are stated at historical cost net of accumulated depreciation. The cost of assets sold or retired, and the related accumulated depreciation, are removed from the accounts at the time of disposition, and any resulting gain or loss is reflected in operating results for the period.

Estimated useful lives of the Company's assets are as follows:

Molds	3-5 years
Motor vehicles	5 years
Furniture and fixtures	3-7 years

Deferred Revenue

Amounts received from international customers in the form of cash pre-payments to purchase goods are recorded as deferred revenue for contract liabilities until the goods are shipped. Unredeemed gift cards are recorded as

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deferred revenue. Customer pre-payments and gift cards are included as accrued expenses and other current liabilities. Customer pre-payments and unredeemed gift cards were \$1,759 and \$1,100 as of December 31, 2020 and December 31, 2019, respectively.

Foreign Currency Transactions

Assets and liabilities denominated in foreign currencies are converted to the functional currency at the applicable current rates, including the Company's subsidiary, Olaplex UK, whose functional currency is in US dollars. All revenues and expenses associated with foreign currencies are converted at the rates of exchange prevailing when such transactions occur. The resulting exchange loss or gain is reflected in foreign currency exchange loss or gain in the accompanying statements of operations and comprehensive loss. Foreign exchange (losses) gains were (\$129) and \$18 for the years ended December 31, 2020 and December 31, 2019, respectively.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements established a framework for measuring fair value and established a three-level valuation hierarchy for disclosure of fair value measurements as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company's Level 1 assets consist of its marketable securities.

Level 2—Observable quoted prices for similar assets or liabilities in active markets and observable quoted prices for identical assets or liabilities in markets that are not active.

Level 3—Unobservable inputs that are not corroborated by market data.

Cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are reflected at carrying value, which approximates fair value due to the short-term maturity. The Company's long-term debt is recorded at its carrying value in the consolidated balance sheets, which may differ from fair value.

The gross carrying amount of the Company's bank debt, before reduction of the debt issuance costs, approximates its fair values as the stated rate approximates market rates for loans with similar terms as of December 31, 2020. The predecessor entity had no long-term debt as of December 31, 2019. The fair value of amounts due to affiliates are not determinable due to the related party nature of the balances.

Segment Reporting

Operating segments are components of an enterprise for which separate financial information is available that is evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Utilizing these criteria, the Company manages its business on the basis of one operating segment and one reportable segment.

Revenue Recognition

The Company derives its revenue through the sale of its specialty hair care products. The Company recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price

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- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company recognizes revenue in the amount that reflects the consideration that the Company expects that it will be entitled to in exchange for transferring goods to its customers. Net sales are comprised of the transaction price from sales of products less expected allowances, including allowances for advertising, damages, promotions, discounts, and return rights. These provisions are estimated based on agreed-upon terms and the Company's historical experience and are recorded as a reduction to sales and accounts receivable in the same period the related sales are recorded. The Company experienced immaterial returns during the years ended December 31, 2020 and December 31, 2019.

Revenue is recognized when performance obligations are satisfied through the transfer of control of promised goods to the customers based on the terms of sale. The transfer of control typically occurs at a point in time based on consideration of when the customer has an obligation to pay for the goods, and physical possession of, legal title to, and the risks and rewards of ownership of the goods has been transferred to the customer. Generally, revenue from sales of merchandise to customers are recognized at a point in time, based on customer agreements and is recorded in the period the product is shipped or delivered in accordance with the shipping terms. For the Company's Olaplex.com website transactions, revenue is recognized upon delivery to customers. The Company's professional and retail distributors consist of local and international customers. Payments from international customers are due in advance. The Company records deferred revenue for contract liabilities from contracts with customers in which the customer prepaids for the order. Payments from US-based customers are invoiced and typically due within 30-60 days.

The Company has elected to account for shipping and handling as fulfillment activities and not as a separate performance obligation. As of December 31, 2020, other than accounts receivable, the Company has no material contract assets. The Company has contract liabilities of \$2,314 consisting of customer transit orders, deposits, and unredeemed gift cards with opening contract liabilities of \$1,181 recognized as net sales in 2020.

Sales tax, when applicable, that is collected in connection with revenue transactions is withheld and remitted to the respective taxing authorities. Shipping and fulfillment costs charged to customers are included as revenue in total net sales. Shipping costs incurred by the Company to ship between third-party manufacturers and warehouses are capitalized to inventory and included in cost of sales. Shipping and fulfillment costs incurred by the Company to ship to customers are included in selling, general, and administrative expenses.

Practical Expedients

The Company elected to record revenue net of tax collected by customers and exclude the amount from the transaction price. The Company includes in revenue any taxes assessed on the Company's total gross receipts for which it has the primary responsibility to pay the tax.

The Company elected not to disclose revenue related to remaining performance obligations for partially completed or unfulfilled contracts that are expected to be fulfilled within one year as such amounts are deemed to be insignificant.

Cost of Sales

Cost of sales includes the aggregate costs to procure the Company's products, including the amounts invoiced by third-party contract manufacturers and suppliers for finished goods, as well as costs related to transportation to distribution centers, amortization of the patented formulations, and amortization of the fair value step-up of inventory.

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Selling, General and Administrative Expenses

Selling, general, and administrative (“SG&A”) expenses primarily consist of personnel-related expenses, including salaries, bonuses, fringe benefits and share-based compensation expense, marketing and digital expenses, warehousing, fulfillment, and distribution costs, costs related to merchandising, product development costs, and depreciation of property and equipment.

Income Taxes

The Company uses the asset and liability approach for financial accounting and reporting for income taxes. The provision for income taxes includes Federal, and state income taxes currently payable or receivable and those deferred because of temporary differences between the financial statement and tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled.

The Company recognizes deferred tax assets to the extent it believes the assets are more likely than not to be realized. Valuation allowances are established when necessary, to reduce deferred tax assets to the amount expected to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and the results of recent operations. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no Uncertain Tax Provisions (“UTPs”) identified at December 31, 2020 and December 31, 2019.

The Company recognizes interest and penalties, if any, associated with tax matters (including UTPs) as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the Company’s consolidated balance sheet.

Concentrations of Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents. Although the Company deposits its cash with creditworthy financial institutions, its deposits, at times, may exceed federally insured limits. To date, the Company has not experienced any losses on its cash deposits.

The Company extends credit to customers in certain industries, such as retail, which may be affected by changes in economic or other external conditions. Three of the Company’s customers represented 31% and 41% of total net sales for the years ended December 31, 2020 and December 31, 2019, respectively. Three of the Company’s customers represented 45% and 53% of accounts receivable as of December 31, 2020 and December 31, 2019, respectively. The Company has not experienced any bad debt losses due to this concentration. No other customers individually have greater than 10% of total net sales or accounts receivable.

The Company purchases its inventories for certain product categories from a small number of vendors. Three of the Company’s vendors, of which one is also one of their contract manufacturers, represented 79% and 55% of the Company’s inventory purchases for the years ended December 31, 2020 and December 31, 2019, respectively. These same vendors represented 52% and 65% of accounts payable as of December 31, 2020 and December 31, 2019, respectively. No other vendor individually has greater than 10% of total inventory purchases or accounts payable.

Marketing and Advertising

The Company expenses marketing and advertising costs as incurred. Selling, general, and administrative expenses include marketing and advertising expenses of \$2,521 and \$1,500 for the years ended December 31,

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2020 and December 31, 2019, respectively, in the accompanying consolidated statements of operations and comprehensive income.

Shipping and Fulfillment

Shipping and fulfillment costs incurred by the Company to ship to customers are expensed as incurred and are included in selling, general, and administrative expenses. Shipping and fulfillment costs are \$4,126 and \$777 for the years ended December 31, 2020 and December 31, 2019, respectively, in the accompanying consolidated statements of operations and comprehensive income.

Share-Based Compensation

Share-based compensation options granted to employees, non-employees and directors are measured at fair value at the respective grant dates and recognized as share-based compensation expense. Share-based compensation expense equal to the fair value of time-based service options that are expected to vest is estimated using the Black-Scholes model and recorded over the period the grants are earned, which is the requisite service period.

The Company uses a Monte Carlo option-pricing model to estimate the fair value of its performance-based options. This model requires the use of highly subjective and complex assumptions including volatility, and expected option life. The costs relating to share-based compensation expense are recognized in selling, general, and administrative expenses in our consolidated statements of operations and comprehensive income, and forfeitures are recognized and accounted for as they occur.

Recently Adopted Accounting Pronouncements

If the Company or its prospective parent company becomes public or is public, the Company expects such public company to be an “emerging growth company.” The JOBS Act allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that the Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, the Company’s financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

In May 2014, the FASB issued ASC 606—Revenue from Contracts with Customers (“ASC 606”), which amended the accounting standards for revenue recognition and expanded the Company’s disclosure requirements. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 also includes Subtopic 340-40, Other Assets and Deferred Costs - Contracts with Customers, which requires the deferral of incremental costs of obtaining a contract with a customer. This standard also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. The predecessor entity adopted ASC 606 effective January 1, 2019 under the modified retrospective method. As a result of applying the modified retrospective method to adopt the new revenue guidance, the predecessor entity recognized a \$1,363 decrease to retained earnings.

In January 2017, the FASB issued ASU2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, which provides guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. ASU 2017-01 requires entities to use a screen test to determine when an integrated set of assets and activities is not a business or if the integrated set of assets and activities needs to be further evaluated against the framework. ASU 2017-01 is effective for fiscal years

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beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. ASU 2017-01 must be applied prospectively with early adoption permitted. The adoption of this standard did not have a material impact on our consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No.2017-04—Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment. ASU2017-04 simplifies the accounting for goodwill impairments by eliminating step 2 from the goodwill impairment test. The amendment is effective for fiscal years beginning after December 15, 2022. The Company early adopted this standard on January 1, 2020. The adoption did not have a material impact on the Company's financial statements.

In August 2018, FASB issued ASU2018-13, Fair Value Measurement—Disclosure Framework (Topic 820). The updated guidance improves the disclosure requirements on fair value measurements and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted upon issuance of the standard for disclosures modified or removed with a delay of adoption of the additional disclosures until their effective date. The adoption of this standard was early adopted for the 2019 predecessor period and did not have a material impact on our consolidated financial statements and related disclosures.

In April 2019, the FASB issued ASU2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, (“ASU 2019-04”). ASU 2019-04 clarifies and improves areas of guidance related to the recently issued standards on credit losses (ASU 2016-13), hedging (ASU 2017-12), and recognition and measurement of financial instruments (ASU2016-01). The amendments generally have the same effective dates as their related standards. The amendments of ASU 2016-01 and ASU 2016-13 are effective for fiscal years beginning after December 15, 2019; early adoption is permitted. ASU 2017-02 is not relevant to the Company as the Company does not engage in hedging activities. The adoption of this standard did not have a material impact on our consolidated financial statements and related disclosures.

In June 2018, the FASB issued ASU2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* (“ASU 2018-07”). The standard largely aligns the accounting for share-based payment options issued to employees and non-employees by expanding the scope of ASC 718 to apply to non-employee share-based transactions, as long as the transaction is not effectively a form of financing. For public entities, ASU 2018-07 was required to be adopted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. For nonpublic entities, ASU 2018-07 is effective for annual periods beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted for all entities but no earlier than the Company's adoption of ASU 2018-07. The Company adopted ASU 2018-07 as of the required effective date of January 1, 2020. The adoption of ASU 2018-07 adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No.2019-12—Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes. This standard removes certain exceptions for investments, intra-period allocations and interim tax calculations and adds guidance to reduce complexity in accounting for income taxes. The amendment is effective for fiscal years beginning after December 15, 2021 and early adoption is permitted. The Company elected to early adopt ASU 2019-12. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Recent Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income

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statement. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company does not believe this standard will have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASUNo. 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The amendments in this ASU, among other things, require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The FASB has issued multiple updates to ASU 2016-13 as codified in Topic 326, including ASUs 2019-04, 2019-05, 2019-10, 2019-11, 2020-02, and 2020-03. These ASUs have provided for various minor technical corrections and improvements to the codification as well as other transition matters. The amendments in the ASU are effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early application of the amendments is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and related disclosures.

In March 2020, the FASB issued ASU2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. This ASU provides an optional expedient and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In response to the concerns about structural risks of interbank offered rates (“IBORs”) and, particularly, the risk of cessation of the LIBOR, regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable or transaction based and less susceptible to manipulation. The ASU provides companies with optional guidance to ease the potential accounting burden associated with transitioning away from reference rates that are expected to be discontinued. The ASU can be adopted no later than December 1, 2022 (fiscal year 2023) with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and related disclosures.

NOTE 3 - INVENTORY

Inventory as of December 31, 2020 and December 31, 2019 consisted of the following:

	For the Year Ended	
	December 31, 2020	December 31, 2019
	(Successor)	(Predecessor)
Raw materials	\$ 7,773	\$ 4,230
Finished goods	25,823	11,662
Inventory	\$ 33,596	\$ 15,892

NOTE 4 – NET SALES

The Company distributes products through national and international professional distributors and retailers as well as direct-to-consumers (“DTC”) through e-commerce channels. The marketing and consumer engagement benefits that the direct channels provide are integral to the Company’s brand and product development strategy and drives sales across channels. As such, the Company’s three business channels consist of professional, specialty retail and DTC as follows:

	For the Year Ended	
	December 31, 2020 (Successor)	December 31, 2019 (Predecessor)
Net sales by Channel:		
Professional	\$ 156,199	\$ 98,333
Specialty retail	50,718	28,946
DTC	75,333	20,927
Total Net sales	\$ 282,250	\$ 148,206

Revenue by major geographic region is based upon the geographic location of customers who purchase our products. During the years ended December 31, 2020 and December 31, 2019, our Net sales to consumers in the United States and International regions were as follows:

	For the Year Ended	
	December 31, 2020 (Successor)	December 31, 2019 (Predecessor)
Net sales by Geography:		
United States	\$ 149,272	\$ 83,083
International	132,978	65,123
Total Net sales	\$ 282,250	\$ 148,206

United Kingdom net sales for the years ended December 31, 2020 and December 31, 2019 were 17% and 10% of total net sales, respectively. No other International country exceeds 10% of total net sales.

NOTE 5 - BUSINESS COMBINATIONS

On January 8, 2020, the Company completed an acquisition to acquire the net assets of the Olaplex business. The purchase price was \$1,381,582 in net cash paid.

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Information regarding the net cash consideration paid and fair value of the assets and liabilities assumed at the acquisition date is as follows:

Fair value of assets acquired	\$ 1,216,259
Goodwill	168,300
Fair value of liabilities assumed	<u>(2,977)</u>
Net cash paid for acquisition	<u>\$ 1,381,582</u>
Purchase price is comprised of:	
Cash, net of acquired cash	<u>\$ 1,381,582</u>
Net cash paid for acquisition	<u>\$ 1,381,582</u>
Allocation of purchase price:	
Net tangible assets (liabilities):	
Inventory	\$ 61,262
Accounts receivable and other current assets	7,595
Deferred tax assets	6,402
Liabilities	<u>(2,977)</u>
Net tangible assets	<u>72,282</u>
Identifiable intangible assets:	
Brand name	952,000
Patented formulations	136,000
Customer relationships	<u>53,000</u>
Total identifiable intangible assets	1,141,000
Goodwill	<u>168,300</u>
Net assets acquired	<u>\$ 1,381,582</u>

Our brand name, patented formulations, and customer relationship and intangibles were assigned estimated useful lives of 25 years, 15 years, and 20 years, respectively, the weighted average of which is approximately 23.6 years.

Costs related to the Acquisition are expensed as incurred. In connection with the Acquisition, the Company recorded transaction expenses totaling \$16,499 for the year ended December 31, 2020 within the consolidated statements of operations and comprehensive income.

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets include the following:

	Estimated Useful Life	December 31, 2020 (Successor)		
		Gross Carrying Amount	Accumulated amortization	Net carrying amount
Brand name	25 years	\$ 952,000	\$ (37,234)	\$ 914,766
Patented formulations	15 years	136,000	(8,865)	127,135
Customer relationships	20 years	<u>53,000</u>	<u>(2,591)</u>	<u>50,409</u>
Total finite-lived intangibles		1,141,000	(48,690)	1,092,310
Goodwill	Indefinite	<u>168,300</u>	<u>—</u>	<u>168,300</u>
Total goodwill and other intangibles		<u>\$ 1,309,300</u>	<u>\$ (48,690)</u>	<u>\$1,260,610</u>

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The Company has not recognized any impairment charges on its goodwill or intangible assets, as the anticipated future cash flows generated by each of these assets remain substantially in excess of their carrying values.

Amortization expense on the finite-lived intangible assets was \$48,690 for the year ended December 31, 2020. The amortization of brand name and customer relationships of \$39,825 is recorded in the consolidated statements of operations and comprehensive income. The amortization for patented formulations is \$8,865, of which \$2,813 is allocated to finished goods inventory and \$6,052 to cost of sales, recorded in the consolidated statements of operations and comprehensive income. The 2019 predecessor period includes unamortized patent costs of \$256, which was fair valued as part of the Acquisition and included in patented formulations.

The estimated future amortization expense related to the finite-lived intangible assets as of December 31, 2020, is as follows:

Year ending December 31,	
2021	\$ 49,797
2022	49,797
2023	49,797
2024	49,797
2025	49,797
Thereafter	843,325
Total	<u>\$ 1,092,310</u>

NOTE 7 - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses as of December 31, 2020 and December 31, 2019 consisted of the following:

	For the Year Ended	
	December 31, 2020 (Successor)	December 31, 2019 (Predecessor)
Deferred revenue	\$ 2,314	\$ 1,100
Accrued sales and income taxes	3,100	537
Accrued other	2,931	400
Payroll liabilities	1,517	103
Accrued expenses and other current liabilities	<u>\$ 9,862</u>	<u>\$ 2,140</u>

NOTE 8 - LONG-TERM DEBT

Debt consisted of the following on December 31, 2020 (Successor):

	January 2020 Credit Agreement	December 2020 Amendment	Total
Long-term debt			
Original term loan borrowing	\$ 441,562	\$ 347,785	\$789,347
Debt issuance costs	(8,810)	(5,054)	(13,864)
Total term loan debt	432,752	342,731	775,483
Less: Current portion	(11,250)	(8,862)	(20,112)
Long-term debt, net of current portion	<u>\$ 421,502</u>	<u>\$ 333,869</u>	<u>\$755,371</u>

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Credit Agreement, as amended

On January 8, 2020, the Company entered into a secured credit agreement (the “Original Credit Agreement”), consisting of a \$450,000 term loan facility (the “Term Loan”) and a \$50,000 revolving facility (the “Revolver”), which includes a \$10,000 letter of credit sub-facility and a \$5,000 swingline loan facility. In addition, on December 18, 2020 the Company entered into a First Incremental Amendment to the Credit Agreement (the “Amendment,” and the Credit Agreement, as amended by the Amendment, and as otherwise amended, modified or supplemented prior to the date hereof, the “Credit Agreement”) to increase the Term Loan Facility by \$350,000 and increase the Revolver capacity by \$1,000 to a revised \$800,000 Term Loan Facility and \$51,000 Revolver. The unused balance of the Revolver as of December 31, 2020 was \$51,000.

Under the Credit Agreement, the Company incurred original issue discount (“OID”) costs of \$10,000, and \$527 of third-party issue costs. In connection with the incremental borrowing pursuant to the Amendment, the Company incurred OID costs of \$3,500 and \$1,590 of third-party issue costs.

OID costs are amortized on a straight-line basis, which approximates the effective interest method and debt issue costs are amortized on a straight-line basis over the Term Loan period maturing on January 8, 2026, and over the term of the Revolver facility that matures on January 8, 2025, with the amortization recorded in interest expense in the consolidated statements of operations and comprehensive income.

The interest rate on outstanding debt under the Term Loan Facility is 7.5%. The interest rates for all facilities are calculated based upon the Company’s election between the published LIBO rate at time of election plus an additional interest rate spread, or the Alternate Base Rate plus an additional interest rate spread. As of December 31, 2020, there was no balance outstanding under the Revolver, including letters of credit and swingline loans. Interest expense was \$38,645 for the year ended December 31, 2020 recorded in interest (expense) income, net in the consolidated statements of operations and comprehensive income.

The Credit Agreement includes reporting, financial, and maintenance covenants that require, among other things, for the Company to comply with certain maximum secured leverage ratios, which the Company was in compliance with on December 31, 2020. Substantially all the assets of the Company constitute collateral under the Term Loan and Revolver facilities.

NOTE 9 - INCOME TAXES

The Company’s breakdown of the income before provision for income taxes for the year ended December 31, 2020 (Successor) is as follows:

	<u>2020</u>
United States	\$ 47,221
Foreign	<u>37</u>
Total income before taxes	\$ 47,258

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The components of the provision for income taxes were as follows:

	<u>2020</u>
Current provision:	
Federal	\$11,314
State and Local	1,079
Foreign	<u>15</u>
Total current provision	12,408
Federal	(4,204)
State and Local	(224)
Foreign	<u>—</u>
Total deferred provision	(4,428)
Total provision for income taxes	\$ 7,980

Significant components of the Company's deferred tax assets and liabilities are as follows:

	<u>2020</u>
Deferred Tax Assets:	
Inventory adjustments	\$ 258
Capitalized transaction costs	3,218
Deferred revenue	172
Accrued expenses and other current liabilities	637
Share-based compensation	321
Intangible assets	<u>8,549</u>
Total Deferred Tax Assets	13,155
Deferred Tax Liabilities:	
Goodwill	2,264
Other current assets	<u>61</u>
Total Deferred Tax Liabilities	2,325
Net Deferred Tax Assets	\$ 10,830

The following table provides a reconciliation between the U.S. federal statutory rate and the Company's effective tax rate as of December 31, 2020:

	<u>2020</u>
U.S. federal statutory income tax rate	21.00%
Foreign derived intangible income deduction	(5.20%)
State and local income taxes, net of federal benefit	1.81%
Other	<u>(0.72%)</u>
Effective Tax Rate	16.89%

In 2020, the effective tax rate was lower than the U.S. federal statutory tax rate primarily due to the foreign derived intangible income deduction. This deduction results in income from the Company's sales to foreign customers being taxed at a lower effective tax rate.

The Company assesses positive and negative evidence for each jurisdiction to determine whether it is more likely than not that existing deferred tax assets will be realized. As of December 31, 2020, no valuation allowance was recorded as the Company has concluded that its net deferred tax assets are more likely than not to be realized.

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The Company recognizes the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority based on the technical merits. The Company had no uncertain tax positions as of December 31, 2020 and does not expect any significant change in its unrecognized tax benefits within the next 12 months.

On March 27, 2020, the U.S. Federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The CARES Act is an emergency economic stimulus package in response to the COVID-19 pandemic, which among other things contained numerous income tax provisions. The Company did not avail itself of any of the elective provisions of the CARES Act, including the Payroll Protection Program or Employee Protection Credit incentives, or payroll tax deferral. The CARES Act did not have a material impact on the Company's consolidated financial statements.

In the normal course of business, the Company and its subsidiaries may be examined by various taxing authorities, including the Internal Revenue Service in the U.S. As of December 31, 2020, the Company remained subject to examination in the United States and U.K. for the 2020 tax year.

NOTE 10 – SHARE-BASED COMPENSATION

The Company grants share-based options under the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the "Plan"). All outstanding options have been in the form of options to purchase common stock of Penelope Holdings Corp. with vesting based on either time or market (performance) conditions. The time-based service options are eligible to vest in equal installments on the first five anniversaries of the vesting start date, subject to the option holder's continued service through the applicable vesting date. The performance condition options are eligible to vest based on specified rates of return on invested capital of the third-party investors. Upon a qualifying initial public offering ("IPO") the unvested performance condition options that would have vested had the third-party investors were to sell for cash their equity in the Company at the IPO price will convert to time-based service options, vesting ratably on the first three anniversaries of the IPO, subject to the option holder's continued service through the applicable vesting date.

As of December 31, 2020, a total of 106,596 shares have been authorized for issuance under the Plan, and 40,330 remain available to grant. As of December 31, 2020, there were 66,266 options outstanding under the Plan.

Share-based compensation expense for the year ended December 31, 2020 of \$1,527 was recognized in selling, general, and administrative expenses in the consolidated statements of operations and comprehensive income. As of December 31, 2020, the Company had not recognized compensation costs on unvested share-based options of \$9,646 with a weighted average remaining recognition period of 4.4 years for time-based and 3.5 years for performance-based share options.

Time-based service options

The following table summarizes the activity for options that vest solely based upon the satisfaction of a time-based service condition as follows:

	Options Outstanding	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Granted	23,700	\$ 594	\$ 26,780
Cancelled/Forfeited	—	—	—
Outstanding December 31, 2020	23,700	594	26,780
Vested and exercisable December 31, 2020	—	\$ —	\$ —

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Additional information relating to time-based service options is as follows:

	Year Ended December 31, 2020 (Successor)
Share-based compensation expense	\$ 1,098
Weighted-average grant date fair value of options granted (per share)	\$ 364
Unrecognized compensation expense	\$ 7,518

Performance-based options

The following table summarizes the activity for options that vest based upon the satisfaction of a performance condition as follows:

	Options Outstanding	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value
Granted	42,566	\$ 545	\$ 50,183
Cancelled/Forfeited	—	—	—
Outstanding December 31, 2020	42,566	545	50,183
Vested and exercisable December 31, 2020	—	\$ —	\$ —

Additional information relating to performance-based options is as follows:

	Year Ended December 31, 2020 (Successor)
Share-based compensation expense	\$ 429
Weighted-average grant date fair value of options granted (per share)	\$ 60
Unrecognized compensation expense	\$ 2,107

The fair value of time and performance share-based options granted were calculated using the following assumptions:

	Year Ended December 31, 2020 (Successor)
Expected term (years)	4 – 6.5
Expected volatility (%)	30
Risk-free interest rate (%)	0.37 – 1.87
Expected dividend yield (%)	—

The determination of the fair value of share-based options on the date of grant using a Black-Scholes formula and Monte Carlo simulation approach for the value of time and performance-based vesting options, respectively, is affected by the fair value of the underlying common stock. It is also affected by assumptions regarding a number of variables that are complex and generally require significant judgement. The assumptions used in the Black-Scholes and Monte Carlo option-pricing models to calculate value of stock options were:

Expected term

The expected term of the options represents the period of time that the options are expected to be outstanding. The expected term of the time-based service options has been estimated to be the midpoint between the expected vesting date and the expiration date of the options of 6.5 years. The expected term of the performance-based options has been estimated to be 4 years.

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Expected volatility

As the Company does not have any trading history for its common stock, the expected stock price volatility for the common stock was estimated by taking the average historic price volatility for industry peers based on historic weekly price return observations over a 10-year look back period. Industry peers consist of several public companies within the same industry, which are of similar size, complexity and stage of development.

The Company intends to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of its own share price becomes available, or unless circumstances change such that the identified companies are no longer similar to the Company, in which case, more suitable companies whose share prices are publicly available would be used in the calculation.

Risk-free interest rate

The risk-free interest rate was based on the U.S. Constant Maturity Treasury rate, with maturities similar to the expected term.

Expected Dividend Yield

The Company does not anticipate paying any dividends in the foreseeable future. As such, the Company uses an expected dividend yield of zero.

NOTE 11 - EQUITY

Predecessor - The 2019 Members' Equity includes the combined capital and retained earnings of the Olaplex business acquired by the Company on January 8, 2020.

Successor - As part of the Acquisition of the Olaplex business, the Company issued 959.4 million common shares to its Parent for consideration of \$959,368. During the year, an additional 0.5 million shares were issued for consideration of \$500 for a combined 959.9 million shares and total consideration of \$959,868. On December 18, 2020 the Company paid a cash dividend of \$470,000 or \$489.65 per share to Parent.

NOTE 12 - RELATED PARTY TRANSACTIONS

Olaplex Sales Corp, an affiliated company of the predecessor entity, was not acquired by the Company on January 8, 2020. As of December 31, 2019, the predecessor entity's financial statements included a liability amount presented as Due to affiliate in the accompanying predecessor entity consolidated balance sheet for \$6,597 pertaining to international sales commission obligations. In addition, the Company received \$300 from Advent Funds, a shareholder of its Parent, to be expended as charitable donations of which \$20 remains unpaid as of December 31, 2020.

NOTE 13 - CONTINGENCIES

From time to time, the Company is subject to various legal actions arising in the ordinary course of business. The Company cannot predict with reasonable assurance the outcome of these legal actions brought against us as they are subject to uncertainties. Accordingly, any settlement or resolution in these legal actions may occur and affect our net income in such period as the settlement or resolution. The Company does not believe the outcome of any existing legal actions would have a material adverse effect on the consolidated financial statements as of December 31, 2020, taken as a whole.

NOTE 14 – EMPLOYEE BENEFIT PLAN

The Company maintains a defined contribution 401(k) profit-sharing plan (the "401(k) Plan") for eligible employees. Participants may make voluntary contributions up to the maximum amount allowable by law. The

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Company may make contributions to the 401(k) Plan on a discretionary basis. The Company has not made any employer contributions during the December 31, 2020 fiscal year.

NOTE 15 – NET INCOME PER SHARE (UNIT)

The following is a reconciliation of the numerator and denominator in the basic and diluted net income per common share (unit) computations:

	Year Ended December 31, 2020 (Successor)	Year Ended December 31, 2019 (Predecessor)
Numerator:		
Net Income	\$ 39,278	\$ 60,879
Denominator:		
Weighted average common shares (units) outstanding - basic	941,313	1,000,000
Dilutive common equivalent shares (units) from equity options	2,124	—
Weighted average common shares (units) outstanding - diluted	943,437	1,000,000
Net income per share (unit):		
Basic	\$ 41.73	\$ 60.88
Diluted	\$ 41.63	\$ 60.88

NOTE 16 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2021, the date which the consolidated financial statements were available to be issued.

Pursuant to the purchase agreement with the Sellers, the Company was required to pay certain amounts in connection with the final resolution of certain litigation and contingency matters involving LIQWD, Inc., a predecessor entity to the Company, substantially all of whose assets and liabilities were purchased as part of the Acquisition (the “LIQWD Matters”).

During April 2021, the Company and the Sellers commenced negotiations concerning the amount to be paid to the Sellers by the Company in connection with a potential settlement of the LIQWD Matters and, in May 2021, the Company reached agreement with the Sellers on the amount to be paid by the Company to the Sellers in full satisfaction of the contingency provisions in the purchase agreement related to the LIQWD Matters.

Accordingly, the Company has accrued approximately \$14,000 included in selling, general, and administrative costs during the quarter ending June 30, 2021, associated with the amounts to be paid by the Company in connection with the final resolution of the LIQWD Matters. The amounts accrued, all of which have been paid in May 2021, in connection with the final settlement of the LIQWD Matters, represent the total cost to the Company in resolving the LIQWD Matters.

No amounts have been recorded related to the resolution of the LIQWD Matters in the accompanying consolidated financial statements as of and for the year ended December 31, 2020, given the associated claim, negotiation and resolution of the amounts to be paid to the Sellers in connection with the LIQWD Matters occurred during the quarter ending June 30, 2021, after the end of the accounting measurement period for the Acquisition.

As a result of the foregoing agreement with the Sellers and the resulting approval by the Sellers of the settlement of the LIQWD Matters, all outstanding claims of Sellers and the Company associated with the LIQWD Matters have been resolved.

Shares

OLAPLEX®

Common Stock

Goldman Sachs & Co. LLC

Through and including _____, 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the expenses payable by the registrant and expected to be incurred in connection with the issuance and distribution of the securities being registered hereby (other than underwriting discounts and commissions). All of such expenses are estimates, except for the SEC's registration fee, the Financial Industry Regulatory Authority ("FINRA") filing fee and listing fee.

SEC registration fee	\$	*
FINRA filing fee		*
listing fee		*
Printing fees and expenses		*
Legal fees and expenses		*
Blue sky fees and expenses		*
Registrar and transfer agent fees		*
Accounting fees and expenses		*
Miscellaneous expenses		*
Total	\$	*

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (other than an action by or in the right of the corporation—a "derivative action"), if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

Our restated certificate of incorporation will provide that no director shall be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation on liability is not permitted under the DGCL, as now in effect or as amended. Currently, Section 102(b)(7) of the DGCL requires that liability be imposed for the following:

- any breach of the director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; and
- any transaction from which the director derived an improper personal benefit.

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Our restated certificate of incorporation and amended and restated by-laws will provide that, to the fullest extent authorized or permitted by the DGCL, as now in effect or as amended, we will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person, or a person of whom he or she is the legal representative, is or was our director or officer, or by reason of the fact that our director or officer is or was serving, at our request, as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans. We will indemnify such persons against expenses, liabilities, and loss (including attorneys' fees), judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, penalties and amounts paid in settlement actually and reasonably incurred in connection with such action.

We have obtained policies that insure our directors and officers and those of our subsidiaries against certain liabilities they may incur in their capacity as directors and officers. Under these policies, the insurer, on our behalf, may also pay amounts for which we have granted indemnification to the directors or officers.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding securities we have issued within the past three years that were not registered under the Securities Act. Amounts below do not give effect to the Reorganization.

(a) Issuances of Capital Stock

During the year ended December 31, 2020, Penelope Group Holdings issued and sold an aggregate of 857,046.68636 Class A Voting Common Units to the Advent Funds for an aggregate of \$857.0 million, at a price of \$1,000 per unit, and an aggregate of 102,821.25 Class A Non-Voting Common Units to other investors, certain of our officers and certain members of the Board of Managers of Penelope Group GP for an aggregate of \$102.8 million, at a price of \$1,000 per unit.

Since January 1, 2021, Penelope Group Holdings has issued and sold an aggregate of 316.7362 Class A Non-Voting Common Units to certain of our officers and certain members of the Board of Managers of Penelope Group GP for an aggregate of \$0.6 million, at a price of \$2,000 per unit.

No underwriters were involved in the foregoing sales of securities. The sales of securities described above were be exempt from registration pursuant to Section 4(a)(2) of the Securities Act. Prior to the completion of this offering, these equity interests will, as part of the Reorganization, be exchanged for shares of our common stock.

(b) Grants and Exercises of Stock Options

During the year ended December 31, 2020, Penelope Holdings Corp. granted options to purchase an aggregate of 66,266 shares of its common stock, with a weighted average option exercise price of \$563.85 per share, to employees and members of the Board of Managers of Penelope Group GP pursuant to the 2020 Plan.

Since January 1, 2021, Penelope Holdings Corp. has granted options to purchase an aggregate of 6,000 shares of its common stock, with a weighted average option exercise price of \$2,135.42 per share, to employees and members of the Board of Managers of Penelope Group GP pursuant to the 2020 Plan.

Prior to the completion of this offering, these options will, as part of the Reorganization, be exchanged for options to purchase shares of our common stock.

The issuances of the securities described above were exempt from registration pursuant to Section 4(a)(2) of the Securities Act or Rule 701 promulgated under the Securities Act as transactions pursuant to compensatory benefit plans.

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Item 16. Exhibits and Financial Statement Schedules.

Exhibit No.	Description
1.1*	Form of Underwriting Agreement.
2.1*	Form of Contribution Agreement.
3.1*	Form of Restated Certificate of Incorporation of Olaplex Holdings, Inc.
3.2*	Form of Amended and Restated Bylaws of Olaplex Holdings, Inc.
4.1*	Form of Common Stock Certificate.
5.1*	Opinion of Ropes & Gray LLP.
10.1*	Form of Registration Rights Agreement.
10.2*	Form of Director Indemnification Agreement.
10.3*	Form of Tax Receivable Agreement.
10.4	First Incremental Amendment to the Credit Agreement, dated December 18, 2020, by and among Olaplex, Inc., Penelope Intermediate Corp., MidCap Financial trust, as the Administrative Agent, Swingline Lender and Issuing Bank, the 2020 Incremental Term Loan Lenders, the 2020 Incremental Revolving Facility Lenders, and the other Lenders party thereto.
10.5†	Manufacturing Services Agreement, dated January 1, 2020, by and between Olaplex, Inc. and Cosway Company Inc.
10.6#	Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan.
10.7#	Form of Nonqualified Stock Option Award Agreement under the 2020 Plan.
10.8#	Offer Letter, dated January 28, 2020, by and between Olaplex, Inc. and JuE Wong.
10.9#	Termination Protection Agreement, dated January 28, 2020, by and between Olaplex, Inc. and JuE Wong.
10.10#	Offer Letter, dated January 8, 2020, by and between Olaplex, Inc. and Tiffany Walden.
10.11#	Termination Protection Agreement, dated January 8, 2020, by and between Olaplex, Inc. and Tiffany Walden.
10.12#	Offer Letter, dated April 28, 2020, by and between Olaplex, Inc. and James MacPherson.
10.13#*	Transition and Separation Letter Agreement, dated April 5, 2021, between Olaplex, Inc. and James MacPherson.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Deloitte & Touche LLP, independent registered public accounting firm, as to Penelope Holdings Corp. and Subsidiaries.
23.2*	Consent of Ropes & Gray LLP (included in Exhibit 5.1 to this Registration Statement).
24.1*	Powers of Attorney (included in the signature pages to this Registration Statement).

* To be filed by amendment.

† Portions of this exhibit (indicated by asterisks) have been redacted because they are both not material and the registrant customarily and actually treats such information as private or confidential.

Indicates a management contract or compensation plan, contract or arrangement.

Item 17. Undertakings.

a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant

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has been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

b) The undersigned registrant hereby undertakes that:

- (i) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and
- (ii) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Santa Barbara, State of California, on the _____ day of _____, 2021.

Olaplex Holdings, Inc.

By: _____
JuE Wong
Chief Executive Officer

Power of Attorney

Each individual whose signature appears below constitutes and appoints _____ and _____, and each of them, his or her true and lawful attorney-in-fact and agent, acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments and registration statements filed pursuant to Rule 462(b) and otherwise, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as such person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement and power of attorney have been signed by the following persons in the capacities indicated on _____, 2021.

<u>Signature</u>	<u>Title</u>
_____ JuE Wong	Chief Executive Officer and Director (Principal Executive Officer)
_____ Eric Tiziani	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
_____ Tiffany Walden	Chief Operating Officer & Chief Legal Officer and Director
_____ Christine Dagousset	Director
_____ Deirdre Findlay	Director
_____ Tricia Glynn	Director
_____ Janet Gurwitch	Director

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<hr/> Marti Morfitt	Director
<hr/> David Mussafer	Director
<hr/> Emily White	Director
<hr/> Michael White	Director
<hr/> Paula Zusi	Director

FIRST INCREMENTAL AMENDMENT

This FIRST INCREMENTAL AMENDMENT to the Credit Agreement referred to below, dated as of December 18, 2020 (this *First Amendment*), by and among Olaplex, Inc., a Delaware corporation (the *Borrower*), Penelope Intermediate Corp., a Delaware corporation (*Holdings*), the 2020 Incremental Term Loan Lenders (as defined below), the 2020 Incremental Revolving Facility Lenders (as defined below), the other Lenders (as defined below) party hereto, and MidCap Financial Trust, as administrative agent and collateral agent (in such capacities, the *Administrative Agent*) and as Swingline Lender and Issuing Bank. Capitalized terms not otherwise defined in this First Amendment have the same meanings as specified in the Amended Credit Agreement.

RECITALS

WHEREAS, the Borrower, Holdings, the several lenders from time to time party thereto (the *Lenders*) and the Administrative Agent, have entered into that certain Credit Agreement, dated as of January 8, 2020 (together with all exhibits and schedules attached thereto, as amended, restated, amended and restated, supplemented or otherwise modified in accordance with the terms thereof prior to the date hereof, the *Existing Credit Agreement*);

WHEREAS, Sections 2.22 and Section 9.02 of the Existing Credit Agreement authorize the (i) Administrative Agent to enter into any Incremental Facility Amendment and/or any amendment to any other Loan Document as may be necessary in order to establish new Classes or sub-Classes in respect of Loans or commitments pursuant to Section 2.22 of the Existing Credit Agreement and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower necessary to effect the provisions of Sections 2.22 of the Existing Credit Agreement and (ii) Required Lenders to make other amendments and modifications to the Credit Agreement and/or the other Loan Documents;

WHEREAS, pursuant to Section 2.22 of the Existing Credit Agreement, the Borrower has requested that (i) each Lender party hereto with an Incremental Commitment under the heading “2020 Incremental Term Loan Commitments” on Schedule 1 hereto (in such capacity, the *2020 Incremental Term Loan Lenders*) make Incremental Term Loans (as defined in the Existing Credit Agreement) to the Borrower on the First Amendment Effective Date (as defined below) immediately following the effectiveness thereof to the Borrower denominated in Dollars in an aggregate principal amount equal to \$350,000,000 (hereinafter referred to as the *2020 Incremental Term Loans*) and (ii) each Lender party hereto with an Incremental Commitment under the heading “2020 Incremental Revolving Credit Commitments” on Schedule 1 hereto (in such capacity, the *2020 Incremental Revolving Facility Lenders*) make Incremental Revolving Commitments (as defined in the Existing Credit Agreement) available to the Borrower on the First Amendment Effective Date immediately following the effectiveness thereof to the Borrower denominated in Dollars in an aggregate principal amount equal to \$1,000,000 (hereinafter referred to as the *2020 Incremental Revolving Facility Commitments*), and the Administrative Agent, Holdings, the Borrower, the 2020 Incremental Term Loan Lenders, the Swingline Lender, the Issuing Bank and the 2020 Incremental Revolving Facility Lenders have agreed, subject to the terms and conditions hereinafter set forth, to (A) provide for such 2020 Incremental Term Loans from the 2020 Incremental Term Loan Lender as set forth below, which 2020 Incremental Term Loans will be (x) a fungible increase to the Initial Term Loans outstanding under the Existing Credit Agreement immediately prior to the effectiveness of this First Amendment and (y) used to fund the 2020 Dividend (as defined in Annex I hereto) and the First Amendment Transaction Costs (as defined in Annex I hereto) and (B) provide for such 2020 Incremental Revolving Commitments from the 2020 Incremental Revolving Facility Lenders as set forth below;

WHEREAS, Goldman Sachs Bank USA (the "Lead Arranger") will act as lead arranger and lead bookrunner in connection with this First Amendment; and

WHEREAS, in accordance with Section 9.02(d) of the Existing Credit Agreement, the Borrower has requested that the Administrative Agent and the Required Lenders amend the Credit Agreement to permit the 2020 Dividend and to make certain other amendments to the Existing Credit Agreement as hereinafter set forth (the Existing Credit Agreement as so amended, the "***Amended Credit Agreement***"), and the Administrative Agent, the Lenders party hereto (constituting Required Lenders). Holdings and the Borrower have agreed, subject to the terms and conditions hereinafter set forth, to make such other amendments;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Existing Credit Agreement The Existing Credit Agreement, effective as of the First Amendment Effective Date, and subject to the satisfaction (or waiver in accordance with Section 9.02 of the Existing Credit Agreement) of the conditions precedent set forth in Section 3 below, shall be titled Credit Agreement and shall hereby be (x) further amended as set forth in the Amended Credit Agreement attached as Annex I hereto and (y) amended to amend and restate the Revolving Credit Commitments set forth on Schedule 1.01(a) in its entirety as set forth on Annex II hereto. The Administrative Agent and each Lender party hereto hereby consents to the amendments to the Existing Credit Agreement set forth on Annex I and Annex II hereto.

SECTION 2. Incremental Facility Amendment.

(a) Each 2020 Incremental Term Loan Lender (immediately following the effectiveness of Section 1 above) hereby agrees to provide the commitment for the amount of the 2020 Incremental Term Loans set forth opposite its name on Schedule 1 hereto (the "***2020 Incremental Term Loan Commitments***"). Each 2020 Incremental Revolving Facility Lender (immediately following the effectiveness of Section 1 above) hereby agrees to make available the commitment for the amount of the 2020 Incremental Revolving Facility Commitment set forth opposite its name on Schedule 1 hereto to the Borrower as an increase to the Revolving Credit Commitment in effect immediately prior to the First Amendment Effective Date. The 2020 Incremental Term Loan Commitments and 2020 Incremental Revolving Facility Commitments provided pursuant to this First Amendment shall be subject to all of the terms and conditions set forth in the Amended Credit Agreement, including, without limitation, Sections 2.01 and 2.22 thereof. The Administrative Agent, Holdings and the Borrower agree that this Section 2 is necessary and appropriate, in each of their reasonable opinions, to effect the provisions of Section 2.22 of the Existing Credit Agreement and shall constitute an Incremental Facility Amendment pursuant to and in accordance with Section 2.22 of the Amended Credit Agreement.

(b) Upon the incurrence of the 2020 Incremental Term Loans pursuant to the First Amendment, such 2020 Incremental Term Loans, upon funding, will (i) be an increase in the Initial Term Loans outstanding prior to the First Amendment Effective Date, (ii) constitute Initial Term Loans for all purposes of the Amended Credit Agreement, except as otherwise set forth herein, and (iii) together with the Initial Term Loans outstanding prior to the First Amendment Effective Date, be treated as one Class of Term Loans.

(c) Upon the 2020 Incremental Revolving Facility Commitments becoming available pursuant to the First Amendment, such 2020 Incremental Revolving Facility Commitments (and any related Loans funded pursuant thereto) will (i) be an increase in the Initial Revolving Credit Commitment available prior to the First Amendment Effective Date, (ii) upon funding, constitute Initial Revolving Loans for all purposes of the Amended Credit Agreement, except as otherwise set forth herein, and (iii) together with the Initial Revolving Loans outstanding prior to the First Amendment Effective Date, be treated as one Class of Revolving Loans.

(d) Upon the occurrence of the First Amendment Effective Date, each 2020 Incremental Term Loan Lender (i) shall make the 2020 Incremental Term Loans as provided in this First Amendment on the terms, and subject to the conditions, set forth in this First Amendment and (ii) to the extent provided in this First Amendment and the Amended Credit Agreement, shall have the rights and obligations of a Lender thereunder and under the other applicable Loan Documents.

(e) Upon the occurrence of the First Amendment Effective Date, (x) each 2020 Incremental Revolving Facility Lender (i) shall make the 2020 Incremental Revolving Facility Commitments available as provided in this First Amendment on the terms, and subject to the conditions, set forth in this First Amendment and (ii) to the extent provided in this First Amendment and the Amended Credit Agreement, shall have the rights and obligations of a Lender thereunder and under the other applicable Loan Documents and (y) all outstanding Revolving Loans and other Initial Revolving Credit Exposure outstanding immediately prior to the First Amendment Effective Date (if any) shall be reallocated in accordance with the provisions of Section 2.22(f) of the Existing Credit Agreement.

(f) The 2020 Incremental Term Loan Commitments of each 2020 Incremental Term Loan Lender shall automatically terminate upon the funding of the 2020 Incremental Term Loans on the First Amendment Effective Date.

(g) Each 2020 Incremental Term Loan Lender and 2020 Incremental Revolving Facility Lender (i) confirms that it has received a copy of the Existing Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this First Amendment; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes Administrative Agent and Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to Administrative Agent and Collateral Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

(h) The Administrative Agent and, with respect to clause (ii) below, the Swingline Lender and Issuing Banks, hereby consents to (i) the 2020 Incremental Term Loan Lenders party hereto providing the 2020 Incremental Term Loan Commitments and the 2020 Incremental Term Loans on the terms set forth herein and (ii) the 2020 Incremental Revolving Facility Lenders party hereto providing the 2020 Incremental Revolving Facility Commitments on the terms set forth herein.

SECTION 3. Conditions of Effectiveness. The effectiveness of this First Amendment (including the amendments and agreements contained in Sections 1 and 2) are subject to the satisfaction (or waiver) of the following conditions (the date of satisfaction (or waiver) of such conditions being referred to herein as the “*First Amendment Effective Date*”):

(a) this First Amendment shall have been duly executed by the Borrower, Holdings, the 2020 Incremental Term Loan Lenders, the 2020 Incremental Revolving Facility Lenders, other Lenders who together with the 2020 Incremental Term Loan Lenders and the 2020 Incremental Revolving Facility Lenders constitute Required Lenders and the Administrative Agent (which may include a copy transmitted by facsimile or other electronic method); and

(b) the satisfaction (or waiver by (x) 2020 Incremental Term Loan Lenders having 2020 Incremental Term Loans or unused 2020 Incremental Term Loan Commitments more than 50% of the sum total of the 2020 Incremental Term Loans or such unused 2020 Incremental Term Loan Commitments at such time and (y) 2020 Incremental Revolving Facility Lenders having 2020 Incremental Revolving Facility Commitments more than 50% of the sum total of the 2020 Incremental Revolving Facility Commitments at such time) of all of the conditions precedent set forth in Section 4.03 of the Amended Credit Agreement, which are incorporated herein *mutatis mutandis*.

SECTION 4. Representations and Warranties.

(a) The representations and warranties of Holdings and the other Loan Parties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the date of the First Amendment Effective Date with the same effect as though such representations and warranties had been made on and as of the First Amendment Effective Date; provided that to the extent that any representation and warranty specifically refers to a given date or period, it is true and correct in all material respects as of such date or for such period; provided, however, that, any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language is true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(b) At the time of and immediately after giving effect to the 2020 Incremental Revolving Facility Commitments and the funding of the 2020 Incremental Term Loans, no Event of Default or Default has occurred and is continuing or would result therefrom.

(c) The execution, delivery and performance by each Loan Party of this First Amendment is within such Loan Party’s corporate or other organizational power and have been duly authorized by all necessary corporate or other organizational action of such Loan Party. This First Amendment has been duly executed and delivered by such Loan Party and is, together with the Amended Credit Agreement, a legal, valid and binding obligation of such Loan Party to the extent a party thereto, enforceable in accordance with its terms, subject to the Legal Reservations.

(d) After giving effect to the 2020 Incremental Revolving Facility Commitments and the incurrence 2020 Incremental Term Loans, the First Lien Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the most recently ended Test Period, does not exceed 4.50:1.00 and the 2020 Incremental Term Loans and 2020 Incremental Revolving Facility Commitments are being incurred in reliance on the Incremental Incurrence-Based Component of the Incremental Cap.

SECTION 5. Effects on Loan Documents.

(a) Except as specifically amended herein or contemplated hereby, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(b) The execution, delivery and effectiveness of this First Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor in any way limit, impair or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Loan Documents, nor shall such execution, delivery and effectiveness of this First Amendment and amendment to the Existing Credit Agreement constitute a novation of the Existing Credit Agreement or the other Loan Documents as in effect prior to the First Amendment Effective Date.

(c) (i) Each of the Guarantors and the Borrower acknowledges and agrees that, on and after the First Amendment Effective Date, this First Amendment shall constitute a Loan Document for all purposes of the Amended Credit Agreement and (ii) each of the Guarantors and the Borrower for themselves, hereby (A) agrees that all Secured Obligations (including, without limitation, all obligations in respect of the 2020 Incremental Term Loans and the 2020 Incremental Revolving Facility Commitments) shall be guaranteed pursuant to each Loan Guaranty in accordance with the terms and provisions thereof and shall be secured pursuant to the Collateral Documents in accordance with the terms and provisions thereof, and that, on and after the First Amendment Effective Date, each Loan Guaranty and the Liens created pursuant to the Collateral Documents for the benefit of the Secured Parties continue to be in full force and effect on a continuous basis, (B) reaffirms its prior grant and the validity of the Liens granted by each Loan Party pursuant to the Collateral Documents with all such Liens continuing in full force and effect after giving effect to this First Amendment and (C) affirms, acknowledges and confirms all of its obligations and liabilities under the Existing Credit Agreement and each other Loan Document to which it is a party, in each case after giving effect to this First Amendment, all as provided in such Loan Documents, and acknowledges and agrees that such obligations and liabilities continue in full force and effect on a continuous basis in respect of, and to secure, the Obligations under the Existing Credit Agreement and the other Loan Documents, in each case after giving effect to this First Amendment.

(d) On and after the First Amendment Effective Date, (i) each reference in the Amended Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Existing Credit Agreement, and each reference in the other Loan Documents to “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement, and this First Amendment and the Amended Credit Agreement shall be read together and construed as a single instrument, (ii) the 2020 Incremental Term Loans shall constitute “Additional Term Loans” and “Term Loans” (other than for purposes of Section 2.01(a)), in each case, as applicable, under and defined in the Amended Credit Agreement, (iii) the 2020 Incremental Term Loan Lender shall constitute a “Lender”, an “Additional Term Lender” and a “Term Lender” (other than for purposes of Section 2.01(a) of the Existing Credit Agreement), in each case, under and defined in the Amended Credit Agreement, (iv) the 2020 Incremental Term Loan Commitment shall constitute an “Additional Commitment”, “Additional Term Loan Commitment” and “Term Commitment” (other than for purposes of Section 2.01(a) of the Existing Credit Agreement), (v) the Loans, if any, funded pursuant to the 2020 Incremental Revolving Facility Commitments shall constitute “Additional Loans” and “Revolving Loans”, in each case, as applicable, under and defined in the Amended Credit Agreement, (vi) the 2020 Incremental Revolving Facility Lender shall constitute a “Lender”, an “Additional Revolving Lender” and a “Revolving Lender”, in each case, under and defined in the Amended Credit Agreement, (vii) the 2020 Incremental Revolving Facility Commitment shall constitute an “Additional Commitment”, “Additional Revolving Credit Commitment” and “Revolving Commitment” and (viii) this First Amendment shall constitute an “Incremental Facility Amendment” under and as defined in the Amended Credit Agreement. This First Amendment shall not constitute a novation of the Existing Credit Agreement or any other Loan Document.

(e) Nothing herein shall be deemed to entitle Holdings or the Borrower to a further consent to, or a further waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement or any other Loan Document in similar or different circumstances.

SECTION 6. Expense Reimbursement and Indemnification. The Borrower hereby confirms that the expense reimbursement and indemnification provisions set forth in Section 9.03 of the Amended Credit Agreement shall apply to this First Amendment and the transactions contemplated hereby.

SECTION 7. Amendments; Execution in Counterparts; Severability.

(a) This First Amendment may not be amended nor may any provision hereof be waived except in accordance with the provisions of Section 9.02 of the Existing Credit Agreement; and

(b) To the extent any provision of this First Amendment is prohibited by or invalid under the applicable law of any jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity and only in such jurisdiction, without prohibiting or invalidating such provision in any other jurisdiction or the remaining provisions of this First Amendment in any jurisdiction.

SECTION 8. Governing Law; Waiver of Jury Trial; Jurisdiction. THIS FIRST AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS FIRST AMENDMENT, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. The provisions of Sections 9.10(b), 9.10(c), 9.10(d) and 9.11 of the Amended Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

SECTION 9. Headings. Section headings in this First Amendment are included herein for convenience of reference only, are not part of this First Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this First Amendment.

SECTION 10. Counterparts. This First Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF or other electronic means shall have the same force and effect as manual signatures delivered in person

SECTION 11. Tax Matters. From and after the First Amendment Effective Date, the Initial Term Loans (including the 2020 Incremental Term Loans) will be treated as a single fungible tranche for U.S. federal income tax purposes.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

HOLDINGS:

PENELOPE INTERMEDIATE CORP.

By: /s/ Tricia Glynn
Name: Tricia Glynn
Title: President

BORROWER:

OLAPLEX, INC.

By: /s/ Tricia Glynn
Name: Tricia Glynn
Title: President

[Signature Page to First Amendment to Olaplex Credit Agreement]

MIDCAP FINANCIAL TRUST, as Administrative Agent,
Swingline Lender, Issuing Bank and a consenting Lender

By: Apollo Capital Management, L.P., its investment
manager

By: Apollo Capital Management GP, LLC, its general partner

By: /s/ Maurice Amsellem
Name: Maurice Amsellem
Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

GOLDMAN SACHS BANK USA, as a 2020 Incremental
Term Loan Lender and a consenting Lender

By: /s/ Thomas Manning
Name: Thomas Manning
Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

GOLDMAN SACHS BANK USA, as a 2020 Incremental
Revolving Facility Lender and a consenting Lender

By: /s/ Thomas Manning

Name: Thomas Manning

Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

LBC-A II WF Funding, LLC, as a consenting Lender

By: LBC Credit Partners, Inc., its designated manager

By: /s/ David E. Fraimow

Name: David E. Fraimow

Title: Senior Vice President

[Signature Page to First Amendment to Olaplex Credit Agreement]

LBC-A Credit Fund II, L.P., a Delaware limited partnership,
as a consenting Lender

By: LBC Credit Partners, Inc., its Authorized agent

By: /s/ David E. Fraimow

Name: David E. Fraimow

Title: Senior Vice President

[Signature Page to First Amendment to Olaplex Credit Agreement]

LBC Credit Partners V, L.P., a Delaware limited partnership,
as a consenting Lender

By: LBC Credit Partners, Inc., its Authorized agent

By: /s/ David E. Fraimow

Name: David E. Fraimow

Title: Senior Vice President

[Signature Page to First Amendment to Olaplex Credit Agreement]

LBC V WF Funding, LLC, as a consenting Lender

By: LBC Credit Partners, Inc., its designated manager

By: /s/ David E. Fraimow

Name: David E. Fraimow

Title: Senior Vice President

[Signature Page to First Amendment to Olaplex Credit Agreement]

LBC-P Credit Fund, L.P., a Delaware limited partnership, as
a consenting Lender

By: LBC Credit Partners, Inc., its Authorized agent

By: /s/ David E. Fraimow

Name: David E. Fraimow

Title: Senior Vice President

[Signature Page to First Amendment to Olaplex Credit Agreement]

LBC-P WF Funding, LLC, as a consenting Lender

By: LBC Credit Partners, Inc., its designated manager

By: /s/ David E. Fraimow

Name: David E. Fraimow

Title: Senior Vice President

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Benefit Street Partners Capital Opportunity Fund LP

By: Benefit Street Partners Capital Opportunity Fund GP
L.P., its general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Capital Opportunity Fund SPV LLC

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Senior Secured Opportunities Master
Fund (Non-US) L.P.

By: BSP Senior Secured Opportunities Fund (Non-US) GP
LP, its general partner

By: Benefit Street Partners Senior Secured Opportunities
Fund (Non-US) Ultimate GP LLC, its general partner as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

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BSP Senior Secured Debt Fund (Non-US) SPV-1 L.P.

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

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BDCA Funding I, LLC

By: Business Development Corporation of America, a Maryland corporation and the sole Member of BDCA Funding I, LLC as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Debt Fund IV LP

By: Benefit Street Partners Debt Fund IV GP LP, its general partner

By: Benefit Street Partners Debt Fund IV Ultimate GP Ltd., its general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Debt Fund IV Master (Non-US) L.P.

By: Benefit Street Partners Debt Fund IV (Non-US) GP LP, its general partner

By: Benefit Street Partners Debt Fund IV Ultimate GP Ltd., its general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

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Benefit Street Partners Debt Fund IV SPV L.P.

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

Benefit Street Partners Debt Fund IV (Non-US) SPV L.P.

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Capital Opportunity Fund II LP

By: Benefit Street Partners Capital Opportunity Fund GP LP,
its general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Capital Opportunity Fund II SPV-1
L.P.

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

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Benefit Street Partners SMA-T L.P.

By: Benefit Street Partners SMA-T GP L.P., its general partner

By: Benefit Street Partners SMA-T Ultimate GP LLC, its general partner as a consenting Lender

By: /s/ Mike Frick _____

Name: Mike Frick

Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

Benefit Street Partners Senior Secured Opportunities (U)
Master Fund (Non-US) L.P.

By: BSP Senior Secured Opportunities Fund (Non-US) GP
LP, its general partner

By: Benefit Street Partners Senior Secured Opportunities
Fund (Non-US) Ultimate GP LLC, its general partner as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

Benefit Street Partners Senior Secured Opportunities Fund
L.P.

By: BSP Senior Secured Opportunities Fund GP LP, its
general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

BSP Senior Secured Debt Fund SPV-1 L.P.

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

Benefit Street Partners SMA-K L.P.

By: Benefit Street Partners SMA-K GP L.P., its general partner

By: Benefit Street Partners SMA-K Ultimate GP LLC, its general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

Benefit Street Partners SMA-K SPV L.P.

By: Benefit Street Partners L.L.C., its collateral manager as a
consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

Benefit Street Partners SMA-C II L.P.

By: Benefit Street Partners L.L.C. its investment advisor as a
consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

Benefit Street Partners SMA-C II SPV L.P.

By: Benefit Street Partners L.L.C., its portfolio manager as a
consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

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BSP Levered US SOF II (Senior Secured Opportunities)
Fund L.P.

By: BSP SOF II (Senior Secured Opportunities) GP L.P., its
general partner

By: Benefit Street Partners Senior Secured Opportunities
Fund II Ultimate GP L.L.C.,

its general partner as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

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Benefit Street Partners L.L.C.,

acting on behalf of, and in its capacity as investment adviser of, BSP Unlevered Lux SOF II (Senior Secured Opportunities) Fund SCSp as a consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

BSP Levered Non-US Master SOF II (Senior Secured Opportunities) Fund L.P.

By: BSP SOF II (Senior Secured Opportunities) GP L.P., its general partner

By: Benefit Street Partners Senior Secured Opportunities Fund II Ultimate GP L.L.C., its general partner as a consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

BSP Unlevered Non-US Master SOF II (Senior Secured Opportunities) Fund L.P.

By: BSP SOF II (Senior Secured Opportunities) GP L.P., its general partner

By: Benefit Street Partners Senior Secured Opportunities Fund II Ultimate GP L.L.C., its general partner as a consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

BSP SOF II SPV L.P.

By: BSP SOF II SPV GP LLC, its general partner as a
consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

BSP SOF II SPV Cayman L.P.

By: BSP SOF II SPV GP CAYMAN LLC, its general partner
as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

BDCA Asset Financing, LLC

as a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

BSP SMA-T 2020 SPV L.P.

By: BSP SMA-T 2020 SPV GP L.L.C., its general partner as
a consenting Lender

By: /s/ Mike Frick

Name: Mike Frick

Title: Authorized Signatory

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BDCA 57th Street Funding LLC
as a consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

Benefit Street Partners SMA-OLP
as a consenting Lender

By: /s/ Mike Frick
Name: Mike Frick
Title: Authorized Signatory

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MIDCAP FUNDING XVI TRUST, as a consenting Lender

By: Apollo Capital Management, L.P.,
its Investment Manager

By: Apollo Capital Management, GP, LLC
its General Partner

By: /s/ Maurice Amsellem
Name: Maurice Amsellem
Title: Authorized Signatory

MIDCAP FUNDING IX TRUST, as a consenting Lender

By: Apollo Capital Management, L.P.,
its Investment Manager

By: Apollo Capital Management, GP, LLC
its General Partner

By: /s/ Maurice Amsellem
Name: Maurice Amsellem
Title: Authorized Signatory

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MIDCAP FUNDING XXX TRUST, as a consenting Lender

By: Apollo Capital Management, L.P.,
its Investment Manager

By: Apollo Capital Management, GP, LLC
its General Partner

By: /s/ Maurice Amsellem

Name: Maurice Amsellem

Title: Authorized Signatory

AMN LOAN FUND, L.P., as a consenting Lender

By: Apollo Capital Management, L.P.,
its Investment Manager

By: Apollo Capital Management, GP, LLC
its General Partner

By: /s/ Maurice Amsellem

Name: Maurice Amsellem

Title: Authorized Signatory

[Signature Page to First Amendment to Olaplex Credit Agreement]

APOLLO MIDCAP US DIRECT LENDING 2019, L.P., as a
consenting Lender

By: Apollo Capital Management, L.P.,
its Investment Manager

By: Apollo Capital Management, GP, LLC
its General Partner

By: /s/ Maurice Amsellem
Name: Maurice Amsellem
Title: Authorized Signatory

MMJV SP LP, as a consenting Lender

By: MMJV SPV LLC, its general partner
By: MMJV LP, its sole member
By: MMJV LLC, its general partner

By: /s/ Maurice Amsellem
Name: Maurice Amsellem
Title: Authorized Signatory

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The following funds and accounts managed by Oaktree Capital Management, L.P., as a consenting Lenders:

Oaktree-TCDRS Strategic Credit, LLC

By: Oaktree Capital Management, L.P.
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

Exelon Strategic Credit Holdings, LLC

By: Oaktree Capital Management, L.P.
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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Oaktree-NGP Strategic Credit, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

Oaktree-Minn Strategic Credit, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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Oaktree-Forrest Multi-Strategy, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

Oaktree-TBMR Strategic Credit Fund C, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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Oaktree-TBMR Strategic Credit Fund F, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

Oaktree-TBMR Strategic Credit Fund G, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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Oaktree-TSE 16 Strategic Credit, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

INPRS Strategic Credit Holdings, LLC

By: Oaktree Capital Management, L.P.,
Its: Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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Oaktree Strategic Income, LLC

By: Oaktree Fund GP IIA, LLC
Its: Manager
By: Oaktree Fund GP II, L.P.
Its: Managing Member

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

Oaktree Strategic Income SPV, LLC

By: Oaktree Strategic Income, LLC
Its: Managing Member
By: Oaktree Fund GP IIA, LLC
Its: Manager
By: Oaktree Fund GP II, L.P.
Its: Managing Member

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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Oaktree Strategic Income II, Inc.

By: Oaktree Capital Management, L.P.
Its: Investment Advisor

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

OSI 2 Senior Lending SPV, LLC

By: Oaktree Strategic Income II, Inc.
Its: Managing Member
By: Oaktree Capital Management, L.P.
Its: Investment Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

[Signature Page to First Amendment to Olaplex Credit Agreement]

Oaktree Specialty Lending Corporation

By: Oaktree Capital Management, L.P.
Its: Investment Adviser

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

OAKTREE STRATEGIC INCOME CORPORATION

By: Oaktree Capital Management, L.P.
Its: Investment Adviser

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

[Signature Page to First Amendment to Olaplex Credit Agreement]

OCSI SENIOR FUNDING LTD.

By: Oaktree Strategic Income Corporation
Its: Collateral Manager
By: Oaktree Capital Management, L.P.
Its: Investment Adviser

By: /s/ Milwood Hobbs, Jr.

Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope

Name: Christine Pope
Title: Managing Director

OCSI GLICK JV FUNDING LLC

By: OCSI Glick JV LLC
Its: Designated Manager
By: Oaktree Fund Administration, LLC
Its: Administrative Agent
By: Oaktree Capital Management, L.P.
Its: Managing Member

By: /s/ Milwood Hobbs, Jr.

Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope

Name: Christine Pope
Title: Managing Director

[Signature Page to First Amendment to Olaplex Credit Agreement]

SLF JV I FUNDING LLC

By: Senior Loan Fund JV I, LLC
Its: Designated Manager
By: Oaktree Fund Administration, LLC
Its: Administrative Agent
By: Oaktree Capital Management, L.P.
Its: Managing Member

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

**OAKTREE GILEAD INVESTMENT FUND AIF
(DELAWARE), L.P.**

BY: OAKTREE CAPITAL MANAGEMENT, L.P., its
Manager

By: /s/ Milwood Hobbs, Jr.
Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope
Name: Christine Pope
Title: Managing Director

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**OAKTREE HUNTINGTON-GCF INVESTMENT FUND
(DIRECT LENDING AIF), L.P.**

By: Oaktree Huntington-GCF Investment Fund (Direct
Lending AIF) GP, L.P., Its: General Partner

By: Oaktree Huntington-GCF Investment Fund (Direct
Lending AIF) GP, LLC, Its: General Partner

By: Oaktree Fund GP III, L.P., Its: Managing Member

By: /s/ Milwood Hobbs, Jr.

Name: Milwood Hobbs, Jr.
Title: Managing Director

By: /s/ Christine Pope

Name: Christine Pope
Title: Managing Director

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SCHEDULE 1

2020 Incremental Term Loan Commitments

<u>Name of 2020 Incremental Term Loan Lender</u>	<u>Commitment Amount</u>
Goldman Sachs Bank USA	<u>\$ 350,000,000.00</u>
Total:	<u>\$ 350,000,000.00</u>

2020 Incremental Revolving Credit Commitments

<u>Name of 2020 Incremental Revolving Facility Lender</u>	<u>Commitment Amount</u>
Goldman Sachs Bank USA	<u>\$ 1,000,000.00</u>
Total:	<u>\$ 1,000,000.00</u>

ANNEX I

AMENDED CREDIT AGREEMENT

See attached.

CREDIT AGREEMENT

Dated as of January 8, 2020 (as amended on the First Amendment Effective Date)

among

OLAPLEX, INC.,
as the Borrower,

PENELOPE INTERMEDIATE CORP.,
as Holdings,

THE FINANCIAL INSTITUTIONS PARTY HERETO
as Lenders and Issuing Banks,

and

MIDCAP FINANCIAL TRUST,
as Administrative Agent and the Swingline Lender

MIDCAP FINANCIAL TRUST,
and
BENEFIT STREET PARTNERS L.L.C.,
as Joint Lead Arrangers and Joint Bookrunners

and

GOLDMAN SACHS BANK USA,
as First Amendment Lead Arranger and First Amendment Bookrunner

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of January 8, 2020 (as amended by the First Amendment on the First Amendment Effective Date, this "Agreement"), by and among Olaplex, Inc., a Delaware corporation (the "Borrower"), Penelope Intermediate Corp., a Delaware corporation ("Holdings"), the Lenders from time to time party hereto, the Issuing Banks from time to time party hereto and MidCap Financial Trust ("MidCap"), in its capacities as administrative agent for the Lenders and collateral agent for the Secured Parties (in such capacities and together with its successors and assigns, the "Administrative Agent").

RECITALS

A. Pursuant to the terms of the Acquisition Agreement, the Borrower purchased from the Seller Parties (as defined in the Acquisition Agreement), in a transaction structured as an asset purchase, the Business (as defined in the Acquisition Agreement) of the Target owned by the Seller Parties as of November 17, 2019 (the "Acquisition").

B. To fund a portion of the consideration for the Acquisition, the Borrower requested that the Lenders extend credit under this Agreement in the form of (x) Initial Term Loans in an aggregate principal amount on the Closing Date of \$450,000,000 and (y) an Initial Revolving Facility with an available amount of \$50,000,000.

C. To fund (x) a portion of the 2020 Dividend on or about the First Amendment Effective Date and the other First Amendment Transactions, the Borrower has requested that the 2020 Incremental Term Loan Lenders party to the First Amendment extend credit under this Agreement in the form of the 2020 Incremental Term Loans in an aggregate principal amount on the First Amendment Effective Date of \$350,000,000 and (y) working capital and general corporate purposes on and after the First Amendment Effective Date, the Borrower has requested that the 2020 Incremental Revolving Facility Lenders party to the First Amendment extend credit under this Agreement in the form of the 2020 Incremental Revolving Facility Commitments in an aggregate principal amount on the First Amendment Effective Date of \$1,000,000.

D. The Lenders on the Closing Date, the 2020 Incremental Term Loan Lenders and the 2020 Incremental Revolving Facility Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"2020 Dividend" means a Restricted Payment by the Borrower on or about the First Amendment Effective Date to Holdings (and by Holdings to any other Parent Company) in an aggregate amount not to exceed \$470,000,000.

"2020 Incremental Revolving Facility Commitment" has the meaning assigned to such term in the First Amendment.

"2020 Incremental Revolving Facility Lenders" has the meaning assigned to such term in the First Amendment.

“2020 Incremental Revolving Facility Loans” means any Loans funded pursuant to the 2020 Incremental Revolving Facility Commitment.

“2020 Incremental Term Loan Commitment” has the meaning assigned to such term in the First Amendment.

“2020 Incremental Term Loan Lenders” has the meaning assigned to such term in the First Amendment.

“2020 Incremental Term Loans” has the meaning assigned to such term in the First Amendment.

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bear interest at a rate determined by reference to the Alternate Base Rate.

“Acceptable Intercreditor Agreement” means, with respect to any Indebtedness:

(a) that constitutes First Lien Debt, a First Lien Intercreditor Agreement;

(b) that constitutes Junior Lien Debt, a Junior Lien Intercreditor Agreement; and/or

(c) that does not constitute First Lien Debt or Junior Lien Debt, any other intercreditor or subordination agreement or arrangement (which may take the form of a “waterfall” or similar provision), as applicable, the terms of which are (i) consistent with market terms (as determined by the Borrower and the Administrative Agent in good faith) governing arrangements for the sharing and/or subordination of liens and/or arrangements relating to the distribution of payments, as applicable, at the time the relevant intercreditor or subordination agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto and/or (ii) reasonably acceptable to the Borrower, the Administrative Agent and the Required Lenders (provided that any such intercreditor or subordination agreement or arrangement posted for review by the Lenders shall be deemed acceptable to the Required Lenders if the Required Lenders have not objected thereto within five Business Days following the date on which such agreement or arrangement is posted for review).

“ACH” means automated clearing house transfers.

“Acquisition” has the meaning assigned to such term in the recitals to this Agreement.

“Acquisition Agreement” means that certain Purchase Agreement, dated as of November 17, 2019, by and among, *inter alios*, Olaplex LLC, a Delaware limited liability company, LiQWD, Inc., a California corporation, the Seller Parties (as defined therein) party thereto and the Borrower.

“Acquisition Ratio Debt” has the meaning assigned to such term in Section 6.01(q).

“Additional Agreement” has the meaning assigned to such term in Article 8.

“Additional Commitment” means any commitment hereunder added pursuant to Sections 2.22 (including the 2020 Incremental Term Loan Commitment and the 2020 Incremental Revolving Facility Commitment), 2.23 and/or 9.02(c).

“Additional Loans” means any Additional Revolving Loans and any Additional Term Loans.

“Additional Revolving Credit Commitments” means any revolving credit commitment added pursuant to Sections 2.22 (including the 2020 Incremental Revolving Facility Commitment), 2.23 and/or 9.02(c)(ii).

“Additional Revolving Credit Exposure” means, with respect to any Lender at any time, the aggregate Outstanding Amount at such time of all Additional Revolving Loans of such Lender, plus the aggregate outstanding amount at such time of such Lender’s LC Exposure and Swingline Exposure, in each case, attributable to its Additional Revolving Credit Commitment.

“Additional Revolving Lender” means any Lender with an Additional Revolving Credit Commitment or any Additional Revolving Credit Exposure.

“Additional Revolving Loans” means any revolving loan added hereunder pursuant to Section 2.22 (including any 2020 Incremental Revolving Facility Loans), 2.23 and/or 9.02(c)(ii).

“Additional Term Lender” means any Lender with an Additional Term Loan Commitment or an outstanding Additional Term Loan.

“Additional Term Loan Commitment” means any term commitment added pursuant to Sections 2.22 (including the 2020 Incremental Term Loan Commitment), 2.23 and/or 9.02(c)(i).

“Additional Term Loans” means any term loan added pursuant to Section 2.22 (including the 2020 Incremental Term Loans), 2.23 and/or 9.02(c)(i).

“Adjustment Date” means the date of delivery of financial statements required to be delivered pursuant to Section 5.01(a) or Section 5.01(b), as applicable.

“Administrative Agent” has the meaning assigned to such term in the preamble to this Agreement.

“Administrative Questionnaire” means a customary administrative questionnaire in the form provided by the Administrative Agent.

“Advent” means Advent International Corporation.

“Adverse Proceeding” means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Holdings, the Borrower or any of its Restricted Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claim), whether pending or, to the knowledge of Holdings, the Borrower or any of its Restricted Subsidiaries, threatened in writing, against or affecting Holdings, the Borrower or any of its Restricted Subsidiaries or any property of Holdings, the Borrower or any of its Restricted Subsidiaries.

“Affiliate” means, as applied to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, that Person. No Person shall be an “Affiliate” of the Borrower and/or any Restricted Subsidiary solely because it is an unrelated portfolio company of the Sponsor and none of the Administrative Agent, the Arrangers, any Lender (other than any Affiliated Lender or any Debt Fund Affiliate) or any of their respective Affiliates shall be considered an Affiliate of Holdings or any subsidiary thereof.

“Affiliated Lender” means any Non-Debt Fund Affiliate, Holdings, the Borrower and/or any subsidiary of the Borrower.

“Affiliated Lender Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Affiliated Lender (with the consent of any party whose consent is required by Section 9.05) and accepted by the Administrative Agent in the form of Exhibit A-1 or any other form approved by the Administrative Agent and the Borrower.

“Affiliated Lender Cap” has the meaning assigned to such term in Section 9.05(g)(iv).

“Agreement” has the meaning assigned to such term in the preamble to this Credit Agreement.

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Federal Funds Effective Rate in effect on such day plus 0.50%, (b) to the extent ascertainable, the Published LIBO Rate (which rate shall be calculated based upon an Interest Period of one month and shall be determined on a daily basis and, for the avoidance of doubt, the Published LIBO Rate for any day shall be based on the rate determined on such day at 11 a.m. (London time)) plus 1.00% and (c) the Prime Rate. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Published LIBO Rate, as the case may be, shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Published LIBO Rate, as the case may be.

“Alternate Currency” means, each currency that is approved in accordance with Section 1.10.

“Applicable Percentage” means, (a) with respect to any Term Lender of any Class, a percentage equal to a fraction the numerator of which is the aggregate outstanding principal amount of the Term Loans and unused Term Commitments of such Term Lender under the applicable Class and the denominator of which is the aggregate outstanding principal amount of the Term Loans and unused Term Commitments of all Term Lenders under the applicable Class and (b) with respect to any Revolving Lender of any Class, the percentage of the aggregate amount of the Revolving Credit Commitments of such Class represented by such Lender’s Revolving Credit Commitment of such Class; provided that for purposes of Section 2.21 and otherwise herein (except with respect to Section 2.11(a)(ii)), when there is a Defaulting Lender, such Defaulting Lender’s Revolving Credit Commitment shall be disregarded for any relevant calculation. In the case of clause (b), in the event that the Revolving Credit Commitments of any Class have expired or been terminated, the Applicable Percentage of any Revolving Lender of such Class shall be determined on the basis of the Revolving Credit Exposure of such Revolving Lender attributable to its Revolving Credit Commitment of such Class, giving effect to any assignment thereof.

“Applicable Rate” means, for any day, (a) with respect to any Initial Term Loan (including any 2020 Incremental Term Loans), the rate per annum applicable to the relevant Class of Loans set forth below under the caption “ABR Spread for Initial Term Loans” or “LIBO Rate Spread for Initial Term Loans”, as the case may be, based upon the First Lien Leverage Ratio and (b) any Initial Revolving Loan (including any 2020 Incremental Revolving Facility Loans) and any Swingline Loan, the rate per annum applicable to the relevant Class of Loans set forth below under the caption “ABR Spread for Initial Revolving Loans and/or Swingline Loans” or “LIBO Rate Spread for Initial Revolving Loans and/or Swingline Loans”, as the case may be, based upon the First Lien Leverage Ratio; provided that (x) until the occurrence of the first Adjustment Date following the delivery of the financial statements pursuant to

Section 5.01(a) for the Fiscal Quarter ending June 30, 2020 and (y) from and after the First Amendment Effective Date until the occurrence of the first Adjustment Date following the delivery of the financial statements pursuant to Section 5.01(a) for the Fiscal Quarter ending December 31, 2020, the “Applicable Rate” for any Initial Term Loan (including any 2020 Incremental Term Loans), any Initial Revolving Loan and/or any Swingline Loan shall be the applicable rate per annum set forth below in Category 1:

<u>First Lien Leverage Ratio</u>	<u>ABR Spread for Initial Term Loans</u>	<u>LIBO Rate Spread for Initial Term Loans</u>	<u>ABR Spread for Initial Revolving Loans and/or Swingline Loans</u>	<u>LIBO Rate Spread for Initial Revolving Loans and/or Swingline Loans</u>
<u>Category 1</u>				
Greater than 3.50 to 1.00	5.50%	6.50%	5.50%	6.50%
<u>Category 2</u>				
Less than or equal to 3.50 to 1.00	5.25%	6.25%	5.25%	6.25%

The Applicable Rate with respect to any Initial Term Loan (including any 2020 Incremental Term Loans), Initial Revolving Loan (including any 2020 Incremental Revolving Facility Loans) and Swingline Loan shall be adjusted quarterly on a prospective basis on each Adjustment Date based upon the First Lien Leverage Ratio in accordance with the table above; provided that if financial statements are not delivered when required pursuant to Section 5.01(a) or (b), as applicable, the “Applicable Rate” for any Initial Term Loan (including any 2020 Incremental Term Loans), Initial Revolving Loan (including any 2020 Incremental Revolving Facility Loans) or Swingline Loan shall be the rate per annum set forth above in Category 1 and shall only be adjusted following the delivery of such financial statements in compliance with Section 5.01(a) or (b), as applicable.

“Applicable Revolving Credit Percentage” means, with respect to any Revolving Lender at any time, the percentage of the Total Revolving Credit Commitment at such time represented by such Revolving Lender’s Revolving Credit Commitments at such time; provided that for purposes of Section 2.21, when there is a Defaulting Lender, any such Defaulting Lender’s Revolving Credit Commitment shall be disregarded in the relevant calculations. In the event that (a) the Revolving Credit Commitments of any Class have expired or been terminated in accordance with the terms hereof, the Applicable Revolving Credit Percentage shall be recalculated without giving effect to the Revolving Credit Commitments of such Class and shall instead be calculated as the percentage of (i) such Revolving Lender’s Outstanding Amount at such time of all Revolving Loans of such Class plus the aggregate amount at such time of such Lender’s LC Exposure attributable to its Revolving Credit Commitments of such Class (immediately prior to such termination or expiration) divided by (ii) the aggregate Outstanding Amount at such time of all Revolving Loans of such Class, plus the aggregate amount at such time of the LC Exposure attributable to the Revolving Credit Commitments of such Class or (b) the Revolving Credit Commitments of all Classes have terminated, the Applicable Revolving Credit Percentage shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments thereof.

“Approved Fund” means, with respect to any Lender, any Person (other than a natural Person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities and is administered, advised or managed by (a) such Lender, (b) any Affiliate of such Lender or (c) any entity or any Affiliate of any entity that administers, advises or manages such Lender.

“Arrangers” means MidCap Financial Trust and Benefit Street Partners L.L.C., in their respective capacities as joint lead arrangers and joint bookrunners hereunder and the First Amendment Arranger.

“Assignment Agreement” means, collectively, each Assignment and Assumption and each Affiliated Lender Assignment and Assumption.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.05), and accepted by the Administrative Agent in the form of Exhibit A-2 or any other form approved by the Administrative Agent and the Borrower.

“Assignment Parties” means those Persons appearing on Schedule I to that certain letter agreement by and among such Persons and MidCap, dated as of November 17, 2019, in connection with this Agreement.

“Available Amount” means, at any time, an amount equal to, without duplication:

(a) the sum of:

(i) \$25,000,000; plus

(ii) the Retained Excess Cash Flow Amount (provided that the Retained Excess Cash Flow Amount shall not be available for (x) any Restricted Payment pursuant to Section 6.04(a)(iii)(A) unless the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period does not exceed 3.50:1.00 or (y) any Restricted Debt Payment pursuant to Section 6.04(b)(vi)(A) unless the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period does not exceed 3.75:1.00, in each case, at the time of such Restricted Payment or Restricted Debt Payment, as applicable); plus

(iii) the amount of any capital contribution in respect of Qualified Capital Stock or the proceeds of any issuance of Qualified Capital Stock of Holdings after the Closing Date (other than any amount (x) constituting a Cure Amount, an Available Excluded Contribution Amount, Permitted Acquisition Equity Proceeds, RP Equity Proceeds or RDP Equity Proceeds, (y) received from the Borrower or any Restricted Subsidiary or (z) consisting of the proceeds of any loan or advance made pursuant to Section 6.06(h)(ii)) received or deemed to be received as Cash equity by the Borrower or any of its Restricted Subsidiaries, during the period from and including the day immediately following the Closing Date through and including such time; plus

(iv) the aggregate principal amount of any Indebtedness (including any Disqualified Capital Stock), of Holdings, the Borrower or any Restricted Subsidiary issued after the Closing Date (other than Indebtedness or Disqualified Capital Stock issued to Holdings, the Borrower or any Restricted Subsidiary), which has been converted into or exchanged for Capital Stock of the Borrower, any Restricted Subsidiary or any Parent Company that does not constitute Disqualified Capital Stock, together with the fair market value of any Cash Equivalents and the fair market value (as reasonably determined by the Borrower) of any assets received by the Borrower or such Restricted Subsidiary upon such exchange or conversion, in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(v) the net proceeds received by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Closing Date through and including such time in connection with the Disposition to any Person (other than the Borrower or any Restricted Subsidiary) of any Investment made pursuant to Section 6.06(r)(i); plus

(vi) to the extent not already reflected as a return of capital with respect to such Investment for purposes of determining the amount of such Investment (pursuant to the definition thereof), the proceeds received (or deemed to be received) by the Borrower or any Restricted Subsidiary during the period from and including the day immediately following the Closing Date through and including such time in connection with cash returns, cash profits, cash distributions and similar cash amounts, including cash principal repayments and interest payments of loans, in each case received in respect of any Investment made after the Closing Date pursuant to Section 6.06(r)(i); plus

(vii) an amount equal to the sum of (A) the amount of any Investments by the Borrower or any Restricted Subsidiary pursuant to Section 6.06(r)(i) in any Unrestricted Subsidiary or any other Person (other than the Borrower or any Restricted Subsidiary) that has been re-designated as or has become, as applicable, a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Borrower or any Restricted Subsidiary and (B) the fair market value (as reasonably determined by the Borrower) of the assets (including cash or Cash Equivalents) of any Unrestricted Subsidiary or any other Person (other than the Borrower or any Restricted Subsidiary), in each case, which the Borrower or any Restricted Subsidiary have invested pursuant to Section 6.06(r)(i) that have been transferred, conveyed or otherwise distributed back to the Borrower or any Restricted Subsidiary and that constitute the proceeds of, or a return on, such investment previously made pursuant to Section 6.06(r)(i), in each case, during the period from and including the day immediately following the Closing Date through and including such time; plus

(viii) the aggregate amount of any cash dividend or other cash distribution received (or deemed received) by the Borrower or any Restricted Subsidiary from any Unrestricted Subsidiary after the Closing Date; plus

(ix) to the extent not applied or used to repay or prepay any Indebtedness, the amount of any Declined Proceeds; minus

(b) an amount equal to the sum of (i) Restricted Payments made pursuant to Section 6.04(a)(iii)(A), plus (ii) Restricted Debt Payments made pursuant to Section 6.04(b)(vi)(A), plus (iii) Investments made pursuant to Section 6.06(r)(i), in each case, after the Closing Date and prior to such time or contemporaneously therewith.

“Available Excluded Contribution Amount” means the aggregate amount of Cash or Cash Equivalents or the fair market value of other assets (as reasonably determined by the Borrower, but excluding any Cure Amount) received (or deemed received) by the Borrower or any of its Restricted Subsidiaries after the Closing Date from:

(a) contributions (or deemed contributions) of assets (including cash) in respect of Qualified Capital Stock of Holdings (other than any amount received from the Borrower or any Restricted Subsidiary) and contributed as Cash equity to the Borrower, and

(b) the sale or issuance of Qualified Capital Stock of Holdings (other than (x) to the Borrower or any of its Restricted Subsidiaries, (y) pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or (z) with the proceeds of any loan or advance made pursuant to Section 6.06(h)(ii)) and contributed as Cash equity to the Borrower,

in each case, designated by the Borrower as an Available Excluded Contribution Amount on or promptly after the date on which the relevant capital contribution is made (or deemed to be made) or the relevant proceeds are received (or deemed to be received), as the case may be, and which are excluded from the calculation of the Available Amount.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Banking Services” means each and any of the following bank services: commercial credit cards, stored value cards, purchasing cards, treasury management services, netting services, overdraft protections, check drawing services, automated payment services (including depository, overdraft, controlled disbursement, ACH transactions, return items and interstate depository network services), employee credit card programs, cash pooling services and any arrangements or services similar to any of the foregoing and/or otherwise in connection with Cash management and Deposit Accounts.

“Banking Services Obligations” means any and all obligations of any Loan Party, whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under any arrangement in connection with Banking Services that is in effect on the Closing Date or entered into at any time on or after the Closing Date between any Loan Party and (a) a counterparty that is (or is an Affiliate of) the Administrative Agent, any Lender or any Arranger as of the Closing Date or at the time such arrangement is entered into and/or (b) any other Person designated by the Borrower to the Administrative Agent, in each case, that have been designated to the Administrative Agent in writing by the Borrower as being Banking Services Obligations for the purposes of the Loan Documents, it being understood that each counterparty thereto shall be deemed (A) to appoint the Administrative Agent as its agent under the applicable Loan Documents and (B) to agree to be bound by the provisions of Article 8, Section 9.03 and Section 9.10 and any Acceptable Intercreditor Agreement as if it were a Lender.

“Bankruptcy Code” means Title 11 of the United States Code (11 USC § 101 *et seq.*), as it has been, or may be, amended, from time to time.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include the assets of any such “employee benefit plan” or “plan” under 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA.

“Board” means the Board of Governors of the Federal Reserve System of the US.

“Borrower” has the meaning assigned to such term in the introductory paragraph.

“Borrower Materials” has the meaning assigned to such term in Section 9.01(d).

“Borrowing” means any Loans of the same Type and Class made, converted or continued on the same date and, in the case of LIBO Rate Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03 and substantially in the form attached hereto as Exhibit B or such other form that is reasonably acceptable to the Administrative Agent and the Borrower.

“BSP” means Benefit Street Partners L.L.C.

“Building” means a structure with two (2) or more outside rigid walls and a fully secured roof that, that is principally above ground and affixed to a permanent site, other than a gas or liquid storage tank, including while in the course of construction as defined in (and to the extent eligible for coverage under) the Flood Program.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that when used in connection with a LIBO Rate Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits (or deposits in the applicable Alternate Currency) in the London interbank market.

“Business Optimization Initiative” has the meaning assigned to such term in the definition of “Consolidated Adjusted EBITDA”.

“Capital Expenditures” means, with respect the Borrower and its Restricted Subsidiaries for any period, the aggregate amount, without duplication, of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) that would, in accordance with GAAP, are, or are required to be included as, capital expenditures on the consolidated statement of cash flows the Borrower and its Restricted Subsidiaries for such period.

“Capital Lease” means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person; provided, that for the avoidance of doubt, the amount of obligations attributable to any Capital Lease shall be the amount thereof accounted for as a liability in accordance with GAAP.

“Capital Stock” means any and all shares, interests, participations, preferred equity certificates, convertible preferred equity certificates or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing, but excluding for the avoidance of doubt any Indebtedness convertible into or exchangeable for any of the foregoing.

“Captive Insurance Subsidiary” means any Restricted Subsidiary of Holdings that is subject to regulation as an insurance company (or any Restricted Subsidiary thereof).

“Cash” means money, currency or a credit balance in any Deposit Account, in each case determined in accordance with GAAP.

“Cash Equivalents” means, as at any date of determination, (a) readily marketable securities (i) issued or directly and unconditionally guaranteed or insured as to interest and principal by the US government or (ii) issued by any agency or instrumentality of the US the obligations of which are backed

by the full faith and credit of the US, in each case maturing within one year after such date and, in each case, repurchase agreements and reverse repurchase agreements relating thereto; (b) readily marketable direct obligations issued by any state of the US or any political subdivision of any such state or any public instrumentality thereof or by any foreign government, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-2 from S&P or at least P-2 from Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) and, in each case, repurchase agreements and reverse repurchase agreements relating thereto; (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-2 from S&P or at least P-2 from Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency); (d) deposits, money market deposits, time deposit accounts, certificates of deposit or bankers' acceptances (or similar instruments) maturing within one year after such date and issued or accepted by any Lender or by any bank organized under, or authorized to operate as a bank under, the laws of the US, any state thereof or the District of Columbia or any political subdivision thereof or any foreign bank or its branches or agencies and that has capital and surplus of not less than \$100,000,000 and, in each case, repurchase agreements and reverse repurchase agreements relating thereto; (e) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank having capital and surplus of not less than \$100,000,000; (f) shares of any money market mutual fund that has (i) substantially all of its assets invested in the types of investments referred to in clauses (a) through (e) above, (ii) net assets of not less than \$250,000,000 and (iii) a rating of at least A-2 from S&P or at least P-2 from Moody's (or, if at any time either S&P or Moody's are not rating such fund, an equivalent rating from another nationally recognized statistical rating agency); and (g) solely with respect to any Captive Insurance Subsidiary, any investment that such Captive Insurance Subsidiary is not prohibited to make in accordance with applicable law. "Cash Equivalents" shall also include (x) Investments of the type and maturity described in clauses (a) through (g) above of foreign obligors, which Investments or obligors (or the parent companies thereof) have the ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (y) other short-term Investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in Investments that are analogous to the Investments described in clauses (a) through (g) and in this paragraph.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Law" means (a) the adoption of any law, treaty, rule or regulation after the Closing Date, (b) any change in any law, treaty, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or such Issuing Bank or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date (other than any such request, guideline or directive to comply with any law, rule or regulation that was in effect on the Closing Date). For purposes of this definition and Section 2.15, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or US or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case described in clauses (a), (b) and (c) above, be deemed to be a Change in Law, regardless of the date enacted, adopted, issued or implemented.

“Change of Control” means the earliest to occur of:

(a) at any time prior to a Qualifying IPO (or the merger of Holdings or any other Parent Company with a publicly traded entity), the Permitted Holders ceasing to beneficially own, either directly or indirectly (within the meaning of Rule 13d-3 and Rule 13d-5 under the Exchange Act), Capital Stock representing more than 50% of the total voting power of all of the outstanding voting common stock of Holdings;

(b) at any time on or after a Qualifying IPO (or the merger of Holdings or any other Parent Company with a publicly traded entity), the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) (including any group acting for the purpose of acquiring, holding or disposing of Securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), but excluding (i) any employee benefit plan and/or Person acting as the trustee, agent or other fiduciary or administrator thereof, (ii) one or more Permitted Holders and (iii) any underwriter in connection with any Qualifying IPO), of Capital Stock representing more than the greater of (x) 35% of the total voting power of all of the outstanding voting common stock of Holdings and (y) the percentage of the total voting power of all of the outstanding voting common stock of Holdings owned, directly or indirectly, beneficially by the Permitted Holders; and

(c) Holdings ceasing to own, directly or indirectly, 100% of the Capital Stock of the Borrower.

“Charge” means any fee, loss, charge, expense, cost, accrual or reserve of any kind.

“Charged Amounts” has the meaning assigned to such term in Section 9.19.

“Class”, when used with respect to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Initial Term Loans (including the 2020 Incremental Term Loans), Additional Term Loans of any series established as a separate “Class” pursuant to Section 2.22, 2.23 and/or 9.02(c)(i), Initial Revolving Loans (including any 2020 Incremental Revolving Facility Loans) or Additional Revolving Loans of any series established as a separate “Class” pursuant to Section 2.23 and/or 9.02(c)(ii) or Swingline Loans, (b) any Commitment, refers to whether such Commitment is an Initial Term Loan Commitment (including the 2020 Incremental Term Loan Commitment), an Additional Term Loan Commitment of any series established as a separate “Class” pursuant to Section 2.22, 2.23 and/or 9.02(c)(i), an Initial Revolving Credit Commitment (including the 2020 Incremental Revolving Facility Commitment) or an Additional Revolving Credit Commitment of any series established as a separate “Class” pursuant to Section 2.23 and/or 9.02(c)(ii) or a commitment to make Swingline Loans, (c) any Lender, refers to whether such Lender has a Loan or Commitment of a particular Class and (d) any Revolving Credit Exposure, refers to whether such Revolving Credit Exposure is attributable to a Revolving Credit Commitment of a particular Class.

“Closing Date” means January 8, 2020, the date on which the conditions specified in Section 4.01 were satisfied (or waived in accordance with Section 9.02).

“Closing Date Material Adverse Effect” means a “Material Adverse Effect” as such term is defined in the Acquisition Agreement, as in effect on November 17, 2019 and after giving effect to amendment, waiver or modification consented to by the Arrangers in their capacities as such (such consent not to be unreasonably withheld, delayed or conditioned).

“Code” means the Internal Revenue Code of 1986.

“Collateral” means any and all property of any Loan Party subject (or purported to be subject) to a Lien under any Collateral Document and any and all other property of any Loan Party, now existing or hereafter acquired, that is or becomes subject (or purported to be subject) to a Lien pursuant to any Collateral Document to secure the Secured Obligations. For the avoidance of doubt, in no event shall “Collateral” include any Excluded Asset.

“Collateral and Guarantee Requirement” means, at any time, subject to (x) the applicable limitations set forth in this Agreement and/or any other Loan Document and the terms of any Acceptable Intercreditor Agreement and (y) the time periods (and extensions thereof) set forth in Section 5.12 and/or Section 5.15, as applicable, the requirement that:

(a) on the Closing Date, the Administrative Agent shall have received (A) each Collateral Document and Loan Guaranty listed on Schedule 1.01(e), duly executed by each Loan Party party thereto, (B) a pledge of all of the Capital Stock (together, in the case of Capital Stock that is certificated, with undated stock or similar powers for each such certificate executed in blank by a Responsible Officer of the pledgor thereof) of the Restricted Subsidiaries listed on Schedule 1.01(f) and (C) each Material Debt Instrument listed on Schedule 1.01(f), endorsed (without recourse) in blank or accompanied by executed transfer form in blank by the pledgor thereof;

(b) after the Closing Date, the Administrative Agent shall have received in the case of any Restricted Subsidiary that is required to become a Loan Party after the Closing Date (including by ceasing to be an Excluded Subsidiary):

(i) (A) a Joinder Agreement, (B) if the respective Restricted Subsidiary required to comply with the requirements set forth in this definition pursuant to Section 5.12 owns registrations of or applications for Patents, Trademarks and/or Copyrights that constitute Collateral in the U.S. (or other jurisdictions that are mutually agreed to by the Borrower and the Administrative Agent), an Intellectual Property Security Agreement, (C) a completed Perfection Certificate, (D) Uniform Commercial Code financing statements in appropriate form for filing in such jurisdictions as the Administrative Agent may reasonably request and (E) an executed joinder to each Acceptable Intercreditor Agreement, if any, in substantially the form attached as an exhibit thereto; and

(ii) each item of Collateral that such Restricted Subsidiary is required to deliver under Section 4.02 of the Security Agreement (which, for the avoidance of doubt, shall be delivered within the time periods set forth in Section 5.12(a));

(c) the Administrative Agent shall have received with respect to any Material Real Estate Asset acquired after the Closing Date, a Mortgage and, to the extent the Mortgage is not sufficient therefor, any necessary UCC fixture filing in respect thereof, in each case together with, to the extent customary and appropriate (as reasonably determined by Administrative Agent and the Borrower):

(i) evidence that (A) counterparts of such Mortgage have been duly executed, acknowledged and delivered and such Mortgage and, to the extent the same does not serve as a fixture filing in the relevant jurisdiction, any corresponding UCC or equivalent fixture filing each in form suitable for filing or recording in all filing or recording offices that the Administrative Agent may reasonably deem necessary in order to create a valid and subsisting Lien on such Material Real Estate Asset in favor of the Administrative Agent for the benefit of the Secured Parties, (B) such Mortgage and any corresponding UCC or

equivalent fixture filings have been duly recorded or filed or delivered for recordation or filing, as applicable, and (C) all filing and recording taxes and fees have been paid or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent;

(ii) in the case of any Material Real Estate Asset, one or more fully paid policies of title insurance (including marked pro formas pursuant to which the title company has irrevocably committed to issue title policies) (the “Mortgage Policies”) in an amount reasonably acceptable to the Administrative Agent (not to exceed the fair market value of the Material Real Estate Asset covered thereby (as reasonably determined by the Borrower)) issued by a nationally recognized title insurance company licensed to provide insurance in the applicable jurisdiction that is reasonably acceptable to the Administrative Agent, insuring the relevant Mortgage as having created a valid Lien on the real property described therein with the ranking or the priority which it is expressed to have in such Mortgage, subject only to Permitted Liens, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request to the extent the same are available in the applicable jurisdiction;

(iii) customary legal opinions of local counsel for the relevant Loan Party in the jurisdiction in which such Material Real Estate Asset is located, and if applicable, in the jurisdiction of formation of the relevant Loan Party, in each case as the Administrative Agent may reasonably request;

(iv) in the case of any Material Real Estate Asset, surveys or survey updates for which necessary fees have been paid, dated as of a date reasonably acceptable to the Administrative Agent (provided that any new survey or update dated within 90 days of the date of submission shall be acceptable to the Administrative Agent with respect to such date), certified to the Administrative Agent and the issuer of the applicable Mortgage Policy by a land surveyor duly registered and licensed in the State(s) in which such Material Real Estate Asset is located; provided that the Administrative Agent may in its reasonable discretion accept any existing survey, it being understood that the Administrative Agent shall accept any survey or survey update so long as the title insurance company deletes survey exceptions and provides a survey endorsement to the lender title policy, in each case reasonably acceptable to the Administrative Agent;

(v) in the case of any Material Real Estate Asset, appraisals upon request of the Administrative Agent (but solely if required under the Financial Institutions Reform Recovery and Enforcement Act of 1989, as amended); provided that the Administrative Agent may in its reasonable discretion accept any such existing appraisal so long as such existing appraisal satisfies any applicable Requirements of Law; and

(vi) in the case of any Material Real Estate Asset, (A) a completed Flood Certificate with respect to such Material Real Estate Asset, which Flood Certificate shall (1) be addressed to the Administrative Agent and (2) otherwise comply with the Flood Program (including a written acknowledgment from the applicable Loan Party with respect to any Flood Hazard Property) and (B) if such Material Real Estate Asset is a Flood Hazard Property and is located in a community that participates in the Flood Program, evidence reasonably satisfactory to the Administrative Agent that the applicable Loan Party has obtained a policy of flood insurance or coverage that is in compliance with all applicable regulations of the Flood Program and naming the Administrative Agent as a loss payee on behalf of the Lenders (the requirements set forth in this clause (vi) are referred to herein as the “Flood Insurance Requirements”).

Notwithstanding any provision of any Loan Document to the contrary, if any mortgage tax or similar tax or charge is or will be owed on the entire amount of the Obligations evidenced hereby, then, to the extent permitted by, and in accordance with, applicable Requirements of Law, the amount of such mortgage tax or similar tax or charge shall be calculated based on the lesser of (x) the amount of the Obligations allocated to the applicable Material Real Estate Assets and (y) the fair market value of the applicable Material Real Estate Assets at the time the Mortgage is entered into and determined in a manner reasonably acceptable to Administrative Agent and the Borrower, which in the case of clause (y) will result in a limitation of the Obligations secured by the Mortgage to such amount.

“Collateral Documents” means, collectively, (i) the Security Agreement, (ii) each Mortgage (if any), (iii) each Intellectual Property Security Agreement, (iv) any supplement to any of the foregoing delivered to the Administrative Agent pursuant to the definition of “Collateral and Guarantee Requirement”, (v) the Perfection Certificate (including any Perfection Certificate delivered to the Administrative Agent pursuant to the definition of “Collateral and Guarantee Requirement”) and (vi) each of the other instruments and documents pursuant to which any Loan Party grants (or purports to grant) a Lien on any Collateral as security for payment of the Secured Obligations.

“Commercial Letter of Credit” means any Letter of Credit issued for the purpose of providing the primary payment mechanism in connection with the purchase of any materials, goods or services by the Borrower or any of its subsidiaries in the ordinary course of business of such Person.

“Commercial Tort Claim” has the meaning set forth in Article 9 of the UCC.

“Commitment” means, with respect to each Lender, such Lender’s Initial Term Loan Commitment, Initial Revolving Credit Commitment, the 2020 Incremental Term Loan Commitment, the 2020 Incremental Revolving Facility Commitment, and any other Additional Commitment, as applicable, in effect as of such time.

“Commitment Schedule” means the Schedule attached hereto as Schedule 1.01(a).

“Commodity Exchange Act” means the Commodity Exchange Act (7 USC. § 1 *et seq.*).

“Company Competitor” means any competitor of the Borrower and/or any of its subsidiaries (including the Target and/or any of its subsidiaries).

“Competitor Debt Fund Affiliate” means, with respect to any Company Competitor or any Affiliate thereof, any debt fund, investment vehicle, regulated bank entity or unregulated lending entity (in each case, other than any Disqualified Lending Institution or an Excluded Party) that is (i) primarily engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business for financial investment purposes and (ii) managed, sponsored or advised by any person that is controlling, controlled by or under common control with the relevant Company Competitor or Affiliate thereof, but only to the extent that no personnel involved with the investment in the relevant Company Competitor or its Affiliates, or the management, control or operation thereof, (A) makes (or has the right to make or participate with others in making) investment decisions on behalf of, or otherwise cause the direction of the investment policies of, such debt fund, investment vehicle, regulated bank entity or unregulated entity or (B) has access to any information (other than information that is publicly available) relating to Holdings, the Borrower and/or the Target and/or any entity that forms part of their respective businesses (including any of their respective subsidiaries).

“Compliance Certificate” means a compliance certificate substantially in the form of Exhibit D.

“Confidential Information” has the meaning assigned to such term in Section 9.13.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Adjusted EBITDA” means, with respect to any Person, on a consolidated basis for any period, the sum of:

- (a) Consolidated Net Income for such period; plus
- (b) to the extent not otherwise included in the determination of Consolidated Net Income for such period, the amount of any proceeds of any business interruption insurance policy in an amount representing the earnings for the applicable period that such proceeds are intended to replace (whether or not then received so long as such Person in good faith expects to receive such proceeds within the next four Fiscal Quarters following the occurrence of the event giving rise to such business interruption (it being understood that to the extent such proceeds are not actually received within such Fiscal Quarters, such proceeds shall be deducted in calculating Consolidated Adjusted EBITDA for such Fiscal Quarters)); plus
- (c) without duplication, those amounts which, in the determination of Consolidated Net Income for such period, have been deducted for:
 - (i) Consolidated Interest Expense;
 - (ii) the aggregate amount of all litigation and arbitration Charges in (i) an amount not to exceed \$5,000,000 plus (ii) an unlimited amount in excess thereof; provided, that this clause (c)(ii), together with clauses (c)(xii) and (e) below, shall be subject to an aggregate cap of 25% of Consolidated Adjusted EBITDA (calculated after giving effect to all adjustments contemplated by the definition of “Consolidated Adjusted EBITDA”); provided further, that such cap will not apply to any adjustment identified in the Financial Model and/or the Quality of Earnings Report;
 - (iii) Taxes paid and any provision for Taxes, including income, capital, state, franchise and similar Taxes, property Taxes, foreign withholding Taxes and foreign unreimbursed value added Taxes (including penalties and interest related to any such Tax or arising from any Tax examination, and including pursuant to any Tax sharing arrangement or as a result of any intercompany distribution) of such Person paid or accrued during such period;
 - (iv) (A) all depreciation, amortization (including, without limitation, amortization of goodwill, software and other intangible assets), (B) all impairment Charges, including any bad debt expense, and (C) all asset write-offs and/or write-downs (other than in the case of this clause (C), accounts receivable);
 - (v) any earn-out and contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise) incurred in connection with the Transaction and/or any acquisition and/or other Investment (whether consummated prior to, on or after the Closing Date) which is paid or accrued during such period and, in each case, adjustments thereof;

(vi) any non-cash Charge, including the excess of GAAP rent expense over actual cash rent paid during such period due to the use of straight line rent for GAAP purposes (provided that to the extent that any such non-cash Charge represents an accrual or reserve for any potential cash item in any future period, (A) such Person may elect not to add back such non-cash Charge in the current period and (B) to the extent such Person elects to add back such non-cash Charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated Adjusted EBITDA to such extent);

(vii) any non-cash compensation Charge and/or any other non-cash Charge arising from the granting of any stock option or similar arrangement (including any profits interest), the granting of any stock appreciation right and/or similar arrangement (including any repricing, amendment, modification, substitution or change of any such stock option, stock appreciation right, profits interest or similar arrangement);

(viii) (A) Transaction Costs, (B) Charges incurred in connection with any transaction (in each case, regardless of whether consummated), and whether or not permitted under this Agreement, including (1) any incurrence or issuance of Indebtedness and/or any issuance and/or offering of Capital Stock (including, in each case, by any Parent Company), any Investment (including any acquisition), any Disposition, any recapitalization, any merger, consolidation or amalgamation, any option buyout or any repayment, redemption, refinancing, amendment or modification of Indebtedness (including any amortization or write-off of debt issuance or deferred financing costs, premiums and prepayment penalties) or any similar transaction, and/or (2) in connection with any Qualifying IPO, (C) the amount of any Charge that is actually reimbursed or reimbursable by any third party pursuant to indemnification or reimbursement provisions or similar agreements or insurance; provided that in respect of any Charge that is added back in reliance on clause (C) above, the relevant Person in good faith expects to receive reimbursement for such fee, cost, expense or reserve within the next four Fiscal Quarters following the incurrence of such Charge (it being understood that to the extent any reimbursement amount is not actually received within such Fiscal Quarters, such reimbursement amount shall be deducted in calculating Consolidated Adjusted EBITDA for such Fiscal Quarters) and/or (D) Public Company Costs;

(ix) any Charge or deduction that is associated with any Restricted Subsidiary and attributable to any non-controlling interest and/or minority interest of any third party;

(x) [reserved];

(xi) the amount of management, monitoring, consulting, transaction and advisory fees and related indemnities and expenses (including reimbursements) pursuant to any sponsor management agreement and any payment made to any Investor (and/or its Affiliates or management companies) for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities and/or payments to outside directors of the Borrower, Holdings or any other Parent Company actually paid by or on behalf of, or accrued by, such Person or any of its subsidiaries, in each case, as long as such payment is permitted to be made under this Agreement;

(xii) any Charge attributable to the undertaking and/or implementation of new initiatives, business optimization activities, cost savings initiatives, cost rationalization programs, operating expense reductions and/or cost synergies (excluding, for the avoidance of doubt, any revenue synergies) and/or similar initiatives and/or programs (including,

without limitation, in connection with any integration, restructuring or transition, any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, any facility opening and/or pre-opening, any inventory optimization program and/or any curtailment, any business optimization Charge, any restructuring and integration Charge (including any Charge relating to any Tax restructuring), any Charge relating to the closure or consolidation of any facility (including but not limited to rent termination costs, moving costs and legal costs), any systems implementation Charge, any Charges relating to the buildout of the Target's finance and accounting and/or IT systems, any severance Charge, any Charge relating to entry into a new market, any Charge relating to any strategic initiative, any signing Charge, any retention or completion bonus, any expansion and/or relocation Charge, any Charge associated with any modification to any pension and post-retirement employee benefit plan, any software or intellectual property development Charge, any Charge associated with new systems design, any implementation Charge, any project startup Charge, any Charge in connection with new operations, any Charge in connection with unused warehouse space or unused manufacturing facilities, any Charge relating to a new contract, any consulting Charge and/or corporate development Charge provided, that this clause (c)(xii), together with clause (c)(ii) above and clause (c) below, shall be subject to an aggregate cap of 25% of Consolidated Adjusted EBITDA (calculated after giving effect to all of the adjustments contemplated by the definition of "Consolidated Adjusted EBITDA"); provided further, that such cap will not apply to any adjustment identified in the Financial Model and/or the Quality of Earnings Report; plus

(xiii) the aggregate amount of all start-up Charges for products not available for sale as of the Closing Date (including initial marketing, shelving and slotting costs) relating to new customers, distributors and product lines incurred within 12 months of such start-up; plus

(xiv) any other add-back, adjustment and/or exclusion reflected in the Financial Model and/or the Quality of Earnings Report; plus

(d) to the extent not included in Consolidated Net Income for such period, cash actually received (or any netting arrangement resulting in reduced cash expenditures) during such period in respect of any non-cash income or gain that was deducted in the calculation of Consolidated Adjusted EBITDA (including any component definition) pursuant to clause (f) below for any previous period and not added back; plus

(e) the full pro forma "run rate" expected cost savings, operating expense reductions, operational improvements and other cost (but not, for the avoidance of doubt, revenue) synergies (collectively, "Expected Cost Savings") (net of actual amounts realized) that are reasonably identifiable and factually supportable (in the good faith determination of such Person and certified as such by a Responsible Officer of such Person) related to (A) the Transactions, (B) any asset sale, merger or other business combination, Investment, Disposition, operating improvement, restructuring, cost savings initiative, any other similar initiative (including the renegotiation of any contract and/or other arrangement) and/or specified transaction (any such asset sale, merger, business combination, Investment, Disposition, operating improvement, expense reduction, restructuring, cost savings initiative and/or similar initiative or specified transaction, a "Business Optimization Initiative"), in each case, consummated prior to or on the Closing Date and (C) any Business Optimization Initiative consummated after the Closing Date; provided that, in each case, (i) the relevant action resulting in (or substantial steps towards the relevant action that would result in) such Expected Cost Savings must either be taken or expected to be taken (in the good faith determination of the Borrower) within 12 months after the determination to take such action and

(ii) the amounts added back in reliance on this clause (e), together with clause (c)(ii) and clause(c)(xii) above, shall not exceed 25% of the Consolidated Adjusted EBITDA (calculated after to giving full effect to the adjustments contemplated by the definition of “Consolidated Adjusted EBITDA”); provided further, that such cap shall not apply to (I) any other provision of the definition of “Consolidated Adjusted EBITDA” (other than clauses (c)(ii) and (c)(xii) above), (II) any adjustment identified in the Financial Model and/or the Quality of Earnings Report, or (III) any amount relating to any pro forma adjustment consistent with Regulation S-X under the Securities Act; minus

(f) any amount which, in the determination of Consolidated Net Income for such period, has been added for any non-cash income or non-cash gain, all as determined in accordance with GAAP (provided that if any non-cash income or non-cash gain represents an accrual or deferred income in respect of potential cash items in any future period, such Person may determine not to deduct the relevant non-cash gain or income in the then-current period); minus

(g) the amount of any cash payment made during such period in respect of any non-cash accrual, reserve or other non-cash Charge that is accounted for in a prior period which was added to Consolidated Net Income to determine Consolidated Adjusted EBITDA for such prior period and which does not otherwise reduce Consolidated Net Income for the current period.

Notwithstanding anything to the contrary herein, it is agreed that for the purpose of calculating the Total Leverage Ratio, the First Lien Leverage Ratio and the Secured Leverage Ratio for any period that includes the Fiscal Quarters ended on or about September 30, 2019, June 30, 2019, March 31, 2019 or December 31, 2018, (i) Consolidated Adjusted EBITDA for the Fiscal Quarter ended September 30, 2019 shall be deemed to be \$29,537,000, (ii) Consolidated Adjusted EBITDA for the Fiscal Quarter ended June 30, 2019 shall be deemed to be \$27,872,000, (iii) Consolidated Adjusted EBITDA for the Fiscal Quarter ended March 31, 2019 shall be deemed to be \$17,444,000 and (iv) Consolidated Adjusted EBITDA for the Fiscal Quarter ended December 31, 2018 shall be deemed to be \$15,166,000, in each case, as adjusted on a Pro Forma Basis, as applicable.

“Consolidated First Lien Debt” means, as to any Person at any date of determination, the aggregate principal amount of Consolidated Total Debt outstanding on such date that is secured by a first priority Lien (or otherwise by a Lien that is pari passu or senior to the Liens arising under the Loan Documents securing the Initial Term Loans) on the Collateral (or, in the case of such Consolidated Total Debt that consists of Capital Lease and/or purchase money Indebtedness, secured by the asset or assets subject thereto (which assets constitute Excluded Assets), on a first priority basis).

“Consolidated Interest Expense” means, with respect to any Person for any period, the sum of (a) consolidated total interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized, (including, without limitation (and without duplication), amortization of any debt issuance cost and/or original issue discount, any premium paid to obtain payment, financial assurance or similar bonds, any interest capitalized during construction, any non-cash interest payment, the interest component of any deferred payment obligation, the interest component of any payment under any Capital Lease (regardless of whether accounted for as interest expense under GAAP), any commission, discount and/or other fee or charge owed with respect to any letter of credit and/or bankers’ acceptance, any fee and/or expense paid to the Administrative Agent in connection with its services hereunder, any other bank, administrative agency (or trustee) and/or financing fee and any cost associated with any surety bond in connection with financing activities (whether amortized or immediately expensed)) plus (b) any cash dividend paid or payable in respect of Disqualified Capital Stock during such period other than to such Person or any Loan Party, plus (c) any net losses or obligations arising from any Hedge Agreement and/or other derivative financial instrument issued by such Person for the benefit of such

Person or its subsidiaries, in each case determined on a consolidated basis for such period. For purposes of this definition, interest in respect of any Capital Lease shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capital Lease in accordance with GAAP.

“Consolidated Net Income” means, in respect of any period and as determined for any Person (the “Subject Person”) on a consolidated basis, an amount equal to the sum of net income, determined in accordance with GAAP, but excluding:

(a) (i) the income (or loss) of any Person (other than a Restricted Subsidiary of the Subject Person) in which any other Person (other than the Subject Person or any Restricted Subsidiaries) has a joint interest, except to the extent of the amount of dividends, distributions or other payments (including any ordinary course dividend, distribution or other payment) paid in cash (or to the extent converted into cash) to the Subject Person or any of its Restricted Subsidiaries by such person during such period and (ii) the loss of any person (other than a Restricted Subsidiary of the Subject Person (or a Person who, if a subsidiary of the Borrower, would be a Restricted Subsidiary)) in which any other Person (other than the Subject Person or any of its Restricted Subsidiaries) has a joint interest, other than to the extent that the Subject Person or any of its Restricted Subsidiaries has contributed Cash or Cash Equivalents to such Person in respect of such loss during such period,

(b) any gain or Charge attributable to any asset Dispositions (including asset retirement costs and including any abandonment of assets) or of returned surplus assets outside the ordinary course of business,

(c) (i) any gain or Charge from any extraordinary and nonrecurring item (as determined in good faith by such Person) and/or (ii) any Charge associated with and/or payment of any actual or prospective non-recurring legal settlement, fine, judgment or order,

(d) any net gain or Charge with respect to (i) any disposed, abandoned, divested and/or discontinued asset, property or operation (other than, at the option of the Borrower, any asset, property or operation pending the disposal, abandonment, divestiture and/or termination thereof), (ii) any disposal, abandonment, divestiture and/or discontinuation of any asset, property or operation (other than, at the option of such Person, relating to assets or properties held for sale or pending the divestiture or termination thereof) and/or (iii) any facility that has been closed during such period,

(e) (i) any write-off or amortization made of any deferred financing cost and/or premium paid and (ii) any Charge attributable to the early extinguishment of Indebtedness (and the termination of any associated Hedge Agreement),

(f) (i) any Charge incurred as a result of, pursuant to or in connection with any management equity plan, bonus or other incentive plan, profits interest plan or stock option plan or any other management or employee benefit plan or agreement, pension plan or other long-term or post-employment plan (including any post-employment benefit scheme which has been agreed with the relevant pension trustee), any stock subscription or shareholder agreement, any employee benefit trust, any employment benefit scheme or any similar equity plan or agreement (including any deferred compensation arrangement) and (ii) any Charge incurred in connection with the rollover, acceleration or payout of Capital Stock held by management of the Borrower, Holdings (or any other Parent Company) and/or any Restricted Subsidiary; provided, that, in the case of clause (ii), to the extent that any such Charge is a cash charge, such Charge shall only be excluded to the extent the same is funded with net cash proceeds contributed to relevant Person as a capital contribution or as a result of the sale or issuance of Qualified Capital Stock,

(g) any Charge that is established, adjusted and/or incurred, as applicable, (A)(i) within 12 months after the Closing Date that is required to be established, adjusted or incurred, as applicable, as a result of the Transactions in accordance with GAAP, (ii) within 12 months after the closing of any other acquisition or similar Investment that is required to be established, adjusted or incurred, as applicable, as a result of such acquisition in accordance with GAAP or (iii) as a result of any change in, or the adoption or modification of, accounting principles and/or policies in accordance with GAAP,

(h) (i) the effects of adjustments (including the effects of such adjustments pushed down to the relevant Person and its subsidiaries) in component amounts required or permitted by GAAP (including in the inventory, property and equipment, leases, rights fee arrangements, software, goodwill, intangible asset, in-process research and development, deferred revenue, advanced billing and debt line items thereof), resulting from the application of purchase accounting, recapitalization accounting and/or acquisition method accounting, as applicable, in relation to the Transactions or any consummated acquisition or other similar Investment or the amortization or write-off of any amount thereof, net of Taxes, and (ii) the cumulative effect of changes (effected through cumulative effect adjustment or retroactive application) in, and/or any change resulting from the adoption or modification of, accounting principles or policies made in such period in accordance with GAAP which affect Consolidated Net Income (except that, if the Borrower determines in good faith that the cumulative effects thereof are not material to the interests of the Lenders, the effects of any change, adoption or modification of any such principles or policies may be included in any subsequent period after the Fiscal Quarter in which such change, adoption or modification was made),

(i) [Reserved],

(j) solely for the purpose of calculating Excess Cash Flow, the income or loss of any Person accrued prior to the date on which such Person becomes a Restricted Subsidiary of such Person or is merged into or consolidated with such Person or any Restricted Subsidiary of such Person or the date that such other Person's assets are acquired by such Person or any Restricted Subsidiary of such Person,

(k) (i) any realized or unrealized gain and/or loss in respect of (A) any obligation under any Hedge Agreement as determined in accordance with GAAP and/or (B) any other derivative instrument pursuant to, in the case of this clause (B), Financial Accounting Standards Board's Accounting Standards Codification No. 815-Derivatives and Hedging and/or (ii) any realized or unrealized foreign currency exchange gain or loss (including any currency re-measurement of Indebtedness, any net gain or loss resulting from Hedge Agreements for currency exchange risk resulting from any intercompany Indebtedness, any foreign currency translation or transaction or any other currency-related risk), and

(l) any deferred Tax expense associated with any tax deduction or net operating loss arising as a result of the Transactions, or the release of any valuation allowance related to any such item.

“Consolidated Secured Debt” means, as to any Person at any date of determination, the aggregate principal amount of Consolidated Total Debt outstanding on such date that is secured by a Lien on the Collateral (or, in the case of such Consolidated Total Debt that consists of Capital Lease and/or purchase money Indebtedness, secured by the asset or assets subject thereto).

“Consolidated Total Assets” means, at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total assets” (or any like caption) on a consolidated balance sheet of the applicable Person at such date.

“Consolidated Total Debt” means, as to any Person at any date of determination, the aggregate principal amount of all debt for borrowed money (including LC Disbursements that have not been reimbursed within three Business Days and the outstanding principal balance of all Indebtedness for borrowed money of such Person represented by notes, bonds and similar instruments and excluding, for the avoidance of doubt, undrawn letters of credit) and Capital Leases and purchase money Indebtedness, as such amount may be adjusted to reflect the net effect (as determined by the Borrower in good faith) of any Debt FX Hedge, calculated on a mark-to-market basis; provided that “Consolidated Total Debt” shall be calculated (i) net of the Unrestricted Cash Amount, (ii) excluding any obligation, liability or indebtedness of such Person to the extent, upon or prior to the maturity thereof, such Person has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidences of indebtedness) for the payment, redemption or satisfaction of such obligation, liability or indebtedness, and thereafter such funds and evidences of such obligation, liability or indebtedness or other security so deposited are not included in the calculation of the Unrestricted Cash Amount and (iii) excluding any debt of Borrower or any Restricted Subsidiary to Borrower or a Restricted Subsidiary.

“Consolidated Working Capital” means, as at any date of determination, the excess of Current Assets over Current Liabilities.

“Contractual Obligation” means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Copyright” means the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright whether published or unpublished, copyright registrations and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing.

“Credit Extension” means each of (i) the making of a Revolving Loan or Swingline Loan (other than any Letter of Credit Reimbursement Loan) or (ii) the issuance, amendment, modification, renewal or extension of any Letter of Credit (other than any such amendment, modification, renewal or extension that does not increase the Stated Amount of the relevant Letter of Credit).

“Credit Facilities” means the Revolving Facility and the Term Facility.

“Cure Amount” has the meaning assigned to such term in Section 6.15(b).

“Cure Right” has the meaning assigned to such term in Section 6.15(b).

“Current Assets” means, at any date, all assets of the Borrower and its Restricted Subsidiaries which under GAAP would be classified as current assets (excluding any (i) cash or Cash Equivalents (including cash and Cash Equivalents held on deposit for third parties by the Borrower and/or any Restricted Subsidiary), (ii) permitted loans to third parties, (iii) deferred bank fees and derivative financial instruments related to Indebtedness, (iv) the current portion of current and deferred Taxes and (v) management fees receivables).

“Current Liabilities” means, at any date, all liabilities of the Borrower and its Restricted Subsidiaries which under GAAP would be classified as current liabilities, other than (i) current maturities of long term debt, (ii) outstanding revolving loans and letter of credit exposure, (iii) accruals of Consolidated Interest Expense (excluding Consolidated Interest Expense that is due and unpaid), (iv) obligations in respect of derivative financial instruments related to Indebtedness, (v) the current portion of current and deferred Taxes, (vi) liabilities in respect of unpaid earnouts or unpaid acquisition, disposition or refinancing related expenses and deferred purchase price holdbacks, (vii) accruals relating to restructuring reserves, (viii) liabilities in respect of funds of third parties on deposit with the Borrower and/or any Restricted Subsidiary, (ix) management fees payables, (x) the current portion of any Capital Lease Obligation, (xi) the current portion of any other long term liability for Indebtedness, (xii) accrued settlement costs, (xiii) non-cash compensation costs and expenses, (xiv) deferred revenue arising from cash receipts that are earmarked for specific projects and (xv) any other liabilities that are not Indebtedness and will not be settled in Cash or Cash Equivalents during the next succeeding twelve month period after such date.

“Customary Bridge Loans” means customary bridge loans with a maturity date of not longer than one year; provided that (a) the Weighted Average Life to Maturity of any loan, note, security or other Indebtedness which is exchanged for or otherwise replaces such bridge loans is not shorter than the Weighted Average Life to Maturity of any Class of then-existing Term Loans and (b) the final maturity date of any loan, note, security or other Indebtedness which is exchanged for or otherwise replaces such bridge loans is not earlier than the Latest Term Loan Maturity Date on the date of the issuance or incurrence thereof.

“Debt Fund Affiliate” means any Affiliate of Advent (other than a natural Person) that is a bona fide debt fund or other investment vehicle that is primarily engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit or securities in the ordinary course, in each case, with respect to which the Persons making the applicable investment decisions for such Affiliate is not primarily engaged in the making, acquiring or holding of equity investments in Holdings or any of its Restricted Subsidiaries.

“Debt FX Hedge” means any Hedge Agreement entered into for the purpose of hedging currency related risks in respect of any Indebtedness of the type described in the definition of “Consolidated Total Debt”.

“Debtor Relief Laws” means the Bankruptcy Code of the US, and all other liquidation, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the US or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Delaware Divided LLC” means any Delaware LLC which has been formed upon the consummation of a Delaware LLC Division.

“Delaware LLC” means any limited liability company organized or formed under the laws of the State of Delaware.

“Delaware LLC Division” means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

“Declined Proceeds” has the meaning assigned to such term in Section 2.11(b)(v).

“Default” means any event or condition which upon notice, lapse of time or both would become an Event of Default.

“Defaulting Lender” means any Person that has (a) defaulted in (or is otherwise unable to perform) its obligations under this Agreement, including its obligations, (x) to make a Loan within two Business Days of the date required to be made by it hereunder or (y) to fund its participation in a Letter of Credit required to be funded by it hereunder within two Business Days of the date such obligation arose or such Loan, Letter of Credit or Swingline Loan was required to be made or funded, unless, in the case of subclause (x) above, such Person notifies the Administrative Agent in writing that such failure is the result of such Person’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) notified the Administrative Agent, any Issuing Bank, the Swingline Lender or the Borrower in writing that it does not intend to satisfy or perform any such obligation or has made a public statement to the effect that it does not intend to comply with its funding or other obligations under this Agreement or under agreements in which it commits to extend credit generally (unless such writing indicates that such position is based on such Person’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan cannot be satisfied), (c) failed, within two Business Days after the request of the Administrative Agent or the Borrower, to confirm in writing that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans; provided that such Person shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent, (d) become (or any parent company thereof has become) insolvent or been determined by any Governmental Authority having regulatory authority over such Person or its assets, to be insolvent, or the assets or management of which has been taken over by any Governmental Authority or (e)(i) become (or any parent company thereof has become) either the subject of (A) a bankruptcy or insolvency proceeding or (B) a Bail-In Action, (ii) has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or (iii) has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment, unless in the case of any Person subject to this clause (e), the Borrower and the Administrative Agent have each determined that such Person intends, and has all approvals required to enable it (in form and substance satisfactory to the Borrower and the Administrative Agent), to continue to perform its obligations hereunder; provided that no Person shall be deemed to be a Defaulting Lender solely by virtue of the ownership or acquisition of any Capital Stock in such Person or its parent by any Governmental Authority; provided that such action does not result in or provide such Person with immunity from the jurisdiction of courts within the US or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contract or agreement to which such Person is a party.

“Deposit Account” means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

“Derivative Transaction” means (a) any interest-rate transaction, including any interest-rate swap, basis swap, forward rate agreement, interest rate option (including a cap, collar or floor), and any other instrument linked to interest rates that gives rise to similar credit risks (including when-issued securities and forward deposits accepted), (b) any exchange-rate transaction, including any cross-currency interest-

rate swap, any forward foreign-exchange contract, any currency option, and any other instrument linked to exchange rates that gives rise to similar credit risks, (c) any equity derivative transaction, including any equity-linked swap, any equity-linked option, any forward equity-linked contract, and any other instrument linked to equities that gives rise to similar credit risk and (d) any commodity (including precious metal) derivative transaction, including any commodity-linked swap, any commodity-linked option, any forward commodity-linked contract, and any other instrument linked to commodities that gives rise to similar credit risks; provided, that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees, members of management, managers or consultants of the Borrower or its subsidiaries shall be a Derivative Transaction.

“Designated Non-Cash Consideration” means the fair market value (as determined by the Borrower in good faith) of non-Cash consideration received by the Borrower or any Restricted Subsidiary in connection with any Disposition pursuant to Section 6.07(h) that is designated as Designated Non-Cash Consideration pursuant to a certificate of a Responsible Officer of the Borrower, setting forth the basis of such valuation (which amount will be reduced by the amount of Cash or Cash Equivalents received in connection with a subsequent sale or conversion of such Designated Non-Cash Consideration to Cash or Cash Equivalents); “Disposition” or “Dispose” means the sale, lease, sublease, or other disposition of any property of any Person, including any disposition of property to a Delaware Divided LLC pursuant to a Delaware LLC Division.

“Disqualified Capital Stock” means any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than for Qualified Capital Stock), in whole or in part, on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued (it being understood that if any such redemption is in part, only such part coming into effect prior to 91 days following the Latest Maturity Date shall constitute Disqualified Capital Stock), (b) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock that would constitute Disqualified Capital Stock, in each case at any time on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued, (c) contains any mandatory repurchase obligation (other than for Qualified Capital Stock), in whole or in part, which may come into effect prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued (it being understood that if any such repurchase obligation is in part, only such part coming into effect prior to 91 days following the Latest Maturity Date shall constitute Disqualified Capital Stock) or (d) provides for the scheduled payments of dividends in Cash on or prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued; provided that any (x) Capital Stock that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Capital Stock upon the occurrence of any change of control, Qualifying IPO or any Disposition occurring prior to 91 days following the Latest Maturity Date at the time such Capital Stock is issued shall not constitute Disqualified Capital Stock if such Capital Stock provides that the issuer thereof will not redeem any such Capital Stock pursuant to such provisions prior to the Termination Date and (y) for purposes of clause (a) through (d) above, it is understood and agreed that if any such maturity, redemption conversion, exchange, repurchase obligation or scheduled payment is in part, only such part coming into effect prior to the date that is 91 days following the Latest Maturity Date (determined at the time such Capital Stock is issued) shall constitute Disqualified Capital Stock.

Notwithstanding the preceding sentence, (A) if such Capital Stock is issued pursuant to any plan for the benefit of directors, officers, employees, members of management, managers or consultants or by any such plan to such directors, officers, employees, members of management, managers or consultants,

in each case in the ordinary course of business of the Borrower or any Restricted Subsidiary, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the issuer thereof in order to satisfy applicable statutory or regulatory obligations and (B) no Capital Stock held by any future, present or former employee, director, officer, manager, member of management or consultant (or their respective Affiliates or Immediate Family Members) of the Borrower (or any Parent Company or any subsidiary) shall be considered Disqualified Capital Stock solely because such stock is redeemable or subject to repurchase pursuant to any management equity subscription agreement, stock option, stock appreciation right or other stock award agreement, stock ownership plan, put agreement, stockholder agreement or similar agreement that may be in effect from time to time.

“Disqualified Institution” means:

(a) (i) any Person identified on Part A of Annex I to the Fee Letter on or prior to the Closing Date, (ii) any Person (other than an Assignment Party or an Affiliate of a Lender or an Assignment Party) identified in writing to the Left Lead Arranger prior to the Closing Date (provided, that any Person so identified must be reasonably acceptable to the Left Lead Arranger), (iii) any Person (other than an Affiliate of a Lender) that is identified in writing to the Administrative Agent at least 3 Business Days after the Closing Date (provided, that any Person so identified at least 3 Business Days after the Closing Date must be reasonably acceptable to the Administrative Agent), (iv) any Affiliate of any Person described in clauses (i), (ii) or (iii) above that is reasonably identifiable solely on the basis of their name as an Affiliate of such Person and is not an Affiliate of an Existing Lender or an Assignment Party, and (v) any other Affiliate of any Person described in clauses (i), (ii), (iii) or (iv) above that is identified in a written notice to the Administrative Agent (each such person, a “Disqualified Lending Institution”);

(b) (i) any Company Competitor or any Affiliates thereof identified on Part B of Annex I to the Fee Letter, (ii) any Company Competitor or any Affiliate thereof (x) identified in writing to the Left Lead Arranger prior to the Closing Date (provided, that any Person so identified must be reasonably acceptable to the Left Lead Arranger) and (y) identified in writing to the Administrative Agent after the Closing Date (provided, that any Person so identified after the Closing Date must be reasonably acceptable to the Administrative Agent), (iii) any Affiliate of any Person described in clauses (i) or (ii) above that is reasonably identifiable solely on the basis of their name as an Affiliate of such Person (other than any Competitor Debt Fund Affiliate) that is reasonably identifiable as an Affiliate of such Person and (iv) any other Affiliate of any Person described in clauses (i), (ii) or (iii) above that is identified in a written notice to the Administrative Agent; it being understood and agreed that no Competitor Debt Fund Affiliate of any Competitor may be designated as a Disqualified Institution pursuant to this clause (iii); and/or

(c) any Affiliate of any Arranger or Lender that is engaged as a principal primarily in private equity, mezzanine financing, venture capital, extensions of credit in distressed and opportunistic situations, extensions of credit with the objective of obtaining a position in the equity of, or right to influence the policy of, the issuer of such loans or extensions of credit or extensions of credit to engage, directly or indirectly, in the pursuit or support of litigation, or the assertion of alleged defaults or events of default, under any such extensions of credit (each such Person, an “Excluded Party”); provided that notwithstanding anything to the contrary set forth above in this definition, neither Apollo Investment Corporation nor any of its Affiliates that are not primarily engaged in private equity, mezzanine financing, venture capital, extensions of credit in distressed and opportunistic situations, extensions of credit with the objective of obtaining a position in the equity of, or right to influence the policy of, the issuer of such loans or extensions of credit or extensions of credit to engage, directly or indirectly, in the pursuit or support of litigation, or the assertion of alleged defaults or events of default, under any such extensions of credit shall constitute a Disqualified Institution or an Excluded Party.

provided that no written notice delivered pursuant to clauses (a) and/or (b) above shall apply retroactively to disqualify any person that has previously acquired an assignment or participation interest in the Loans under the applicable Credit Facility prior to the delivery of such notice.

“Disqualified Lending Institution” has the meaning assigned to such term in the definition of “Disqualified Institution”.

“Disqualified Person” has the meaning assigned to such term in Section 9.05(f)(ii).

“Dollar Equivalent” means, at any time, (a) with respect to any amount denominated in Dollars, such amount and (b) with respect to any amount denominated in any currency other than Dollars, the equivalent amount thereof in Dollars as determined by the Administrative Agent at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date or other relevant date of determination) for the purchase of Dollars with such other currency.

“Dollars” or “\$” refers to lawful money of the US.

“Domestic Subsidiary” means any subsidiary of the Borrower incorporated or organized under the laws of the US, any state thereof or the District of Columbia.

“Dutch Auction” has the meaning assigned to such term on Schedule 1.01(b) hereto.

“ECF Prepayment Amount” has the meaning assigned to such term in Section 2.11(b)(i).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Yield” means, as to any Indebtedness, the effective yield applicable thereto calculated by the Administrative Agent in consultation with the Borrower in a manner consistent with generally accepted financial practices, taking into account (a) interest rate margins, (b) interest rate floors (subject to the proviso set forth below), (c) any amendment to the relevant interest rate margins and interest rate floors prior to the applicable date of determination and (d) original issue discount and upfront or similar fees (based on an assumed four-year average life to maturity or lesser remaining average life to maturity), but excluding (i) any prepayment premium, arrangement, commitment, structuring, underwriting, ticking, unused line fees and/or amendment fees (regardless of whether any such fees are paid to or shared in whole or in part with any lender) and (ii) any other fee that is not paid directly by the Borrower generally to all relevant lenders ratably; provided, however, that (A) to the extent that the Published LIBO Rate (with an

Interest Period of three months) or Alternate Base Rate (without giving effect to any floor specified in the definition thereof) is less than any floor applicable to the Term Loans in respect of which the Effective Yield is being calculated on the date on which the Effective Yield is determined, the amount of the resulting difference will be deemed added to the interest rate margin applicable to the relevant Indebtedness for purposes of calculating the Effective Yield and (B) to the extent that the Published LIBO Rate (for a period of three months) or Alternate Base Rate (without giving effect to any floor specified in the definition thereof) is greater than any applicable floor on the date on which the Effective Yield is determined, the floor will be disregarded in calculating the Effective Yield.

“Eligible Assignee” means any Person other than (i) any natural person, (ii) any Disqualified Institution or (iii) except as permitted under Section 9.05(g), the Borrower or any of its Affiliates.

“EMU Legislation” means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“Environment” means ambient air, indoor air, surface water, groundwater, drinking water, land surface and subsurface strata & natural resources such as wetlands, flora and fauna.

“Environmental Claim” means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (c) in connection with any actual or alleged damage, injury, threat or harm to the Environment.

“Environmental Laws” means any and all current or future applicable foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other applicable requirements of Governmental Authorities and the common law relating to (a) environmental matters, including those relating to any Hazardous Materials Activity; or (b) the generation, use, storage, transportation or disposal of or exposure to Hazardous Materials, in any manner applicable to Holdings, the Borrower or any of its Restricted Subsidiaries or any Facility.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the Environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Contribution” means, collectively, the direct or indirect contribution on the Closing Date by the Investors to Borrower of an aggregate amount of cash and rollover equity in the form of common equity or Qualified Capital Stock or other equity interests that are reasonably satisfactory to the Arrangers (provided that any equity that is not cash pay and does not contain mandatory redemption or prepayments (other than with respect to a change of control or similar customary redemption rights), in each case, prior to the date that is 6 months after the Initial Term Loan Maturity Date and has no operational covenants and is not convertible or exchangeable for debt securities not meeting the conditions of this proviso shall be deemed satisfactory to the Arrangers) that represents not less than 50% of the sum of (i) the aggregate gross proceeds of Initial Term Loans funded on the Closing Date and loans under the Revolving Facility borrowed on the Closing Date (excluding (x) the proceeds of any Revolving Loans borrowed on the Closing Date for

working capital and (y) all Letters of Credit), plus (ii) the amount of such cash and rollover equity; provided that the Equity Contribution shall be in an amount sufficient to ensure the Sponsor will own, directly or indirectly, at least a majority of the voting equity of the Borrower on the Closing Date.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is under common control with Holdings, the Borrower or any Restricted Subsidiary and is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA.

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations at any facility of Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate as described in Section 4062(e) of ERISA, in each case, resulting in liability pursuant to Section 4063 of ERISA; (c) a complete or partial withdrawal by Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate from a Multiemployer Plan resulting in the imposition of Withdrawal Liability on Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate, notification of Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate concerning the imposition of Withdrawal Liability or notification that a Multiemployer Plan is “insolvent” within the meaning of Section 4245 of ERISA or is in “reorganization” within the meaning of Section 4241 of ERISA; (d) the filing of a notice of intent to terminate a Pension Plan under Section 4041(c) of ERISA, the treatment of a Pension Plan amendment as a termination under Section 4041(c) of ERISA, the commencement of proceedings by the PBGC to terminate a Pension Plan or the receipt by Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate of notice of the treatment of a Multiemployer Plan amendment as a termination under Section 4041A of ERISA or of notice of the commencement of proceedings by the PBGC to terminate a Multiemployer Plan; (e) the occurrence of an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate, with respect to the termination of any Pension Plan; or (g) the conditions for imposition of a Lien under Section 303(k) of ERISA have been met with respect to any Pension Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning assigned to such term in Article 7.

“Excess Cash Flow” means, for any Excess Cash Flow Period, any amount (if positive) equal to:

- (a) Consolidated Adjusted EBITDA for such Excess Cash Flow Period (without giving effect to clauses (b) or (c) of the definition thereof, the amounts added back in reliance on which shall be deducted in determining Excess Cash Flow); plus
- (b) any extraordinary or non-recurring cash gain during such Excess Cash Flow Period (whether or not accrued in such Excess Cash Flow Period) to the extent not otherwise included in Consolidated Adjusted EBITDA (including any component definitions used therein); plus
- (c) any foreign currency exchange gain actually realized and received in cash in Dollars (including any currency-re-measurement of Indebtedness, any net gain or loss resulting

from Hedge Agreements for currency exchange risk resulting from any intercompany Indebtedness, any foreign currency translation or transaction or any other currency-related risk), net of any loss from foreign currency translation; plus

(d) [Reserved]; plus

(e) an amount equal to all Cash received for such period on account of any netnon-Cash gain or income from any Investment deducted in a previous period pursuant to clause (s) of this definition; plus

(f) the decrease, if any, in Consolidated Working Capital from the first day to the last day of such Excess Cash Period, but excluding any such decrease in Consolidated Working Capital arising from (i) the acquisition or Disposition of any Person by the Borrower or any Restricted Subsidiary, (ii) the reclassification during such period of current assets to long term assets and current liabilities to long term liabilities, (iii) the application of purchase and/or recapitalization accounting and/or (iv) the effect of any fluctuation in the amount of accrued and contingent obligations under any Hedge Agreement; minus

(g) the amount, if any, which, in the determination of Consolidated Adjusted EBITDA (including any component definitions used therein) for such Excess Cash Flow Period, has been included in respect of income or gain from any Disposition outside of the ordinary course of business (including Dispositions constituting covered losses or taking of assets referred to in the definition of "Net Insurance/Condemnation Proceeds") of the Borrower and/or any Restricted Subsidiary; minus

(h) cash payments actually made in respect of the following (without duplication):

(i) any Investment permitted by Section 6.06 (other than Investments (i) in Cash or Cash Equivalents, (ii) in any Loan Party or (iii) made pursuant to Section 6.06(r)(i) and/or any Restricted Payment permitted by Section 6.04(a) (other than pursuant to Section 6.04(a)(iii)(A)) and actually made in cash during such Excess Cash Flow Period or, at the option of the Borrower, made prior to the date the Borrower is required to make a payment of Excess Cash Flow in respect of such Excess Cash Flow Period, (A) except to the extent the relevant Investment and/or Restricted Payment is financed with the proceeds of long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or issuance of Capital Stock and (B) without duplication of any amount deducted from Excess Cash Flow for a prior Excess Cash Flow Period;

(ii) any realized foreign currency exchange losses actually paid or payable in cash (including any currency-measurement of Indebtedness, any net gain or loss resulting from Hedge Agreements for currency exchange risk resulting from any intercompany Indebtedness, any foreign currency translation or transaction or any other currency-related risk);

(iii) the aggregate amount of any extraordinary, unusual or non-recurring cash Charge (whether or not incurred in such Excess Cash Flow Period) excluded in calculating Consolidated Adjusted EBITDA (including any component definitions used therein);

(iv) consolidated Capital Expenditures actually made in cash during such Excess Cash Flow Period or, at the option of the Borrower, in the case of any Excess Cash

Flow Period, made prior to the date the Borrower is required to make a payment of Excess Cash Flow in respect of such Excess Cash Flow Period, (A) except to the extent financed with the proceeds of long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or issuance of Capital Stock and (B) without duplication of any amount deducted from Excess Cash Flow for a prior Excess Cash Flow Period;

(v) any long-term liability (other than Indebtedness), excluding the current portion of any such liability of the Borrower and/or any Restricted Subsidiary;

(vi) any cash Charge added back in calculating Consolidated Adjusted EBITDA pursuant to clause (c) of the definition thereof or excluded from the calculation of Consolidated Net Income in accordance with the definition thereof;

(vii) the aggregate amount of expenditures actually made by the Borrower and/or any Restricted Subsidiary during such Fiscal Year (including any expenditure for the payment of financing fees) except to the extent financed with the proceeds of long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or issuance of Capital Stock to the extent that such expenditures are not expensed; minus

(i) the aggregate principal amount of (i) all optional prepayments of Indebtedness (other than (A) any optional prepayment, repurchase, redemption or other retirement of any Indebtedness under the Loan Documents and/or any other First Lien Debt, in each case, that is deducted in calculating the amount of any Excess Cash Flow payment in accordance with Section 2.11(b)(i) or (B) any optional repayment of revolving Indebtedness except to the extent any related commitment is permanently reduced in connection with such repayment), (ii) all mandatory prepayments and scheduled repayments of Indebtedness during such Excess Cash Flow Period and (iii) the aggregate amount of any premium, make-whole or penalty payment actually paid in cash by the Borrower and/or any Restricted Subsidiary during such period that are required to be made in connection with any prepayment, repayment, repurchase, redemption or other retirement of Indebtedness, in each case except to the extent financed with the proceeds of long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or issuance of Capital Stock; minus

(j) Consolidated Interest Expense actually paid or payable in cash by the Borrower and/or any Restricted Subsidiary during such Excess Cash Flow Period; minus

(k) Taxes (inclusive of Taxes paid or payable under tax sharing agreements or arrangements and/or in connection with any intercompany distribution) paid or payable by the Borrower and/or any Restricted Subsidiary with respect to such Excess Cash Flow Period; minus

(l) the increase, if any, in Consolidated Working Capital from the first day to the last day of such Excess Cash Flow Period, but excluding any such increase in Consolidated Working Capital arising from (i) the acquisition or Disposition of any Person by the Borrower or any Restricted Subsidiary, (ii) the reclassification during such period of current assets to long term assets and current liabilities to long term liabilities, (iii) the application of purchase and/or recapitalization accounting and/or acquisition method accounting and/or (iv) the effect of any fluctuation in the amount of accrued and contingent obligations under any Hedge Agreement; minus

(m) the amount of any Tax obligation of the Borrower and/or any Restricted Subsidiary that is estimated in good faith by the Borrower as due and payable (but is not currently due and

payable) by the Borrower and/or any Restricted Subsidiary as a result of the repatriation of any dividend or similar distribution of net income of any Foreign Subsidiary to the Borrower or any Restricted Subsidiary; minus

(n) without duplication of amounts deducted from Excess Cash Flow in respect of a prior period and except to the extent deducted in calculating the amount of any Excess Cash Flow payment in accordance with Section 2.11(b)(i), at the option of the Borrower, (i) the aggregate consideration (including earn-outs) paid or required to be paid pursuant to binding contracts, letters of intent or purchase orders entered into prior to or during such period in Cash by the Borrower or its Restricted Subsidiaries relating to Capital Expenditures, acquisitions or Investments (other than Investments (A) in Cash and Cash Equivalents, (B) in any Loan Party or (C) made pursuant to Section 6.06(r)(i)) and Restricted Payments described in clause (h)(i) above and/or (ii) the aggregate amount otherwise committed, planned or budgeted to be made in connection with Capital Expenditures, acquisitions or Investments (other than Investments (A) in Cash and Cash Equivalents, (B) in any Loan Party or (C) made pursuant to Section 6.06(r)(i)) and/or Restricted Payments described in clause (h)(i) above (collectively, clauses (i) and (ii), the “Scheduled Expenditures”), in each case of the foregoing clauses (i) and (ii), to be consummated or made prior to the expiry of the immediately succeeding Fiscal Year following the end of such period (except, in each case, to the extent financed with long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or issuance of Capital Stock); provided that to the extent the aggregate amount actually utilized to finance such Capital Expenditures, acquisitions or Investments or Restricted Payments during such immediately succeeding Fiscal Year is less than the Scheduled Expenditures, the amount of the resulting shortfall shall be added to the calculation of Excess Cash Flow for such immediately succeeding Fiscal Year; minus

(o) [Reserved]; minus

(p) cash payments (other than in respect of Taxes, which are governed by clause (k) above) made during such Excess Cash Flow Period for any liability the accrual of which in a prior Excess Cash Flow Period resulted in an increase in Excess Cash Flow in such prior period (provided that there was no other deduction to Consolidated Adjusted EBITDA or Excess Cash Flow related to such payment), except to the extent financed with long term funded Indebtedness (other than revolving Indebtedness) or any issuance of Capital Stock; minus

(q) cash expenditures made in respect of any Hedge Agreement during such period to the extent (i) not otherwise deducted in the calculation of Consolidated Net Income or Consolidated Adjusted EBITDA and (ii) not financed with long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or any issuance of Capital Stock; minus

(r) amounts paid in Cash (except to the extent financed with long term funded Indebtedness (other than revolving Indebtedness) or any capital contribution or any issuance of Capital Stock) during such period on account of (i) items that were accounted for as non-Cash reductions of Consolidated Net Income or Consolidated Adjusted EBITDA in a prior period and (ii) reserves or amounts established in purchase accounting to the extent such reserves or amounts are added back to, or not deducted from, Consolidated Net Income; minus

(s) an amount equal to the sum of the aggregate net non-Cash gain or income from any non-ordinary course Investment to the extent included in arriving at Consolidated Adjusted EBITDA (and without duplication of any deduction pursuant to clause (f) of the definition of Consolidated Adjusted EBITDA).

“Excess Cash Flow Period” means each Fiscal Year of the Borrower, commencing with the Fiscal Year of the Borrower ending December 31, 2021.

“Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations of the SEC promulgated thereunder.

“Excluded Assets” means each of the following:

(a) any asset the grant or perfection of a security interest in which would (i) be prohibited by enforceable anti-assignment provisions set forth in any contract that is permitted or otherwise not prohibited by the terms of this Agreement and is binding on such asset at the time of its acquisition and not incurred in contemplation thereof (other than assets subject to Capital Leases and purchase money financings), (ii) violate (after giving effect to applicable anti-assignment provisions of the UCC or other applicable Requirements of Law) the terms of any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement and is binding on such asset at the time of its acquisition and not incurred in contemplation thereof (other than in the case of Capital Leases and purchase money financings), or (iii) except with respect to the Capital Stock of Loan Parties or Restricted Subsidiaries that constitute Wholly-Owned Subsidiaries, trigger termination of any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement pursuant to any “change of control” or similar provision (to the extent such contract is binding on such asset at the time of its acquisition and not incurred in contemplation thereof); it being understood that the term “Excluded Asset” shall not include proceeds or receivables arising out of any contract described in this clause (a) to the extent that the assignment of such proceeds or receivables is expressly deemed to be effective under the UCC or other applicable Requirements of Law notwithstanding the relevant prohibition, violation or termination right,

(b) the Capital Stock of any (i) Captive Insurance Subsidiary, (ii) Unrestricted Subsidiary, (iii) not-for-profit subsidiary, and/or (iv) Immaterial Subsidiary and/or (v) special purpose entity used for a permitted securitization facility,

(c) any intent-to-use (or similar) Trademark application prior to the filing and acceptance of a “Statement of Use”, “Declaration of Use”, “Amendment to Allege Use” or similar filing with respect thereto, only to the extent, if any, that, and solely during the period if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use (or similar) Trademark application under applicable Requirements of Law,

(d) any asset (including Capital Stock), the grant or perfection of a security interest in which would (i) be prohibited under applicable Requirements of Law (including rules and regulations of any Governmental Authority) (after giving effect to applicable anti-assignment provisions of the UCC or other applicable Requirements of Law), (ii) require any governmental or regulatory consent, approval, license or authorization, in each case, to the extent such consent, approval, license or authorization has not been obtained (it being understood and agreed that no Loan Party shall have any obligation to procure any such consent, approval, license or authorization) (after giving effect to applicable anti-assignment provisions of the UCC or other applicable Requirements of Law); it being understood that the term “Excluded Asset” shall not include proceeds or receivables arising out of any asset described in clauses (d)(i) or (d)(ii) to the extent that the assignment of such proceeds or receivables is effective under the UCC or other applicable Requirements of Law notwithstanding the relevant requirement or prohibition or (iii) result in material adverse tax consequences (including as a result of the application of Section 956 of the Code) as reasonably determined by the Borrower, written notification of which determination is provided by the Borrower to the Administrative Agent,

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- (e) (i) any leasehold Real Estate Asset, (ii) except to the extent a security interest therein can be perfected by the filing of aUCC-1 financing statement, any other leasehold interest and (iii) any owned Real Estate Asset that is not a Material Real Estate Asset,
 - (f) the Capital Stock of any Person that is not a Wholly-Owned Subsidiary,
 - (g) any Margin Stock,
 - (h) the Capital Stock of any Foreign Subsidiary or any FSHCO, in each case that is not a first-tier Subsidiary of any Loan Party,
 - (i) any Commercial Tort Claim with a value (as reasonably estimated by the Borrower) of less than \$5,000,000,
 - (j) escrow, fiduciary and trust accounts,
 - (k) assets subject to a purchase money security interest, Capital Lease obligations or similar arrangement, in each case, that is permitted or otherwise not prohibited by the terms of this Agreement and to the extent the grant of a security interest therein would violate or invalidate such lease, license or agreement or purchase money or similar arrangement or create a right of termination in favor of any other party thereto (other than Holdings or any subsidiary of Holdings) after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Requirements of Law; it being understood that the term "Excluded Asset" shall not include proceeds or receivables arising out of any asset described in this clause (k) to the extent that the assignment of such proceeds or receivables is expressly deemed to be effective under the UCC or other applicable Requirements of Law notwithstanding the relevant violation or invalidation,
 - (l) any Letter-of-Credit Right in an amount less than \$5,000,000 that does not constitute Supporting Obligations, except to the extent the security interest therein may be perfected by filing of a financing statement under the UCC of any applicable jurisdiction,
 - (m) motor vehicles and other assets subject to certificates of title, except to the extent the security interest therein may be perfected by filing of a financing statement under the UCC of any applicable jurisdiction,
 - (n) any asset of a Person acquired by Holdings, the Borrower or any other Restricted Subsidiary that, at the time of the relevant acquisition, is encumbered to secure assumed Indebtedness permitted by this Agreement to the extent (and for so long as) the documentation governing the applicable assumed Indebtedness prohibits such asset from being pledged to secure the Secured Obligations and the relevant prohibition was not implemented in contemplation of the applicable acquisition,
 - (o) any asset with respect to which the Administrative Agent and the Borrower have reasonably determined that the cost, burden, difficulty or consequence (including any effect on the ability of the relevant Loan Party to conduct its operations and business in the ordinary course of business and including the cost of title insurance, surveys, flood insurance (if necessary) or mortgage, stamp, intangible or other taxes or expenses) of obtaining or perfecting a security interest therein outweighs, or is excessive in light of, the practical benefit of a security interest to the

relevant Secured Parties afforded thereby (and the Lenders acknowledge that the Collateral that may be provided by any Loan Party may be limited to minimize stamp duty, notarization, registration or other applicable fees, taxes and duties where the benefit to the Secured Parties of increasing the secured amount is disproportionate to the level of such fees, taxes and duties), and/or

(p) any governmental licenses or state or local franchises, charters or authorizations, to the extent a security interest in any such license, franchise, charter or authorization would be prohibited or restricted thereby, after giving effect to the anti-assignment provisions of the UCC of any applicable jurisdiction, other than any proceeds or receivable thereof to the extent the assignment of the same is effective under the UCC of any applicable jurisdiction notwithstanding such consent or restriction.

“Excluded Subsidiary” means:

- (a) any Restricted Subsidiary that is not a Wholly-Owned Subsidiary,
- (b) any Immaterial Subsidiary,
- (c) any Restricted Subsidiary that (i) is prohibited or restricted from providing a Loan Guaranty by (A) any Requirement of Law or (B) any Contractual Obligation that exists on the Closing Date or at the time such Restricted Subsidiary becomes a subsidiary (which Contractual Obligation was not entered into in contemplation of the acquisition of such Restricted Subsidiary (including pursuant to assumed Indebtedness)), (ii) would require a governmental (including regulatory) or third party consent, approval, license or authorization (including any regulatory consent, approval, license or authorization) to provide a Loan Guaranty (in each case, on the Closing Date or at the time of the acquisition of such Restricted Subsidiary became a Subsidiary), unless such consent, approval, license or authorization has been obtained (it being understood and agreed that none of Holdings, the Borrower and/or any of their respective subsidiaries shall have any obligation to obtain (or seek to obtain) any such consent, approval, license or authorization) or (iii) with respect to which the provision of a Loan Guaranty would result in material adverse tax consequences as reasonably determined by the Borrower,
- (d) any not-for-profit subsidiary,
- (e) any Captive Insurance Subsidiary,
- (f) any special purpose entity used for any permitted securitization or receivables facility or financing,
- (g) any Foreign Subsidiary,
- (h) (i) any FSHCO and (ii) any Domestic Subsidiary that is a direct or indirect subsidiary of any Foreign Subsidiary that is a CFC or FSHCO,
- (i) any Unrestricted Subsidiary,
- (j) any Restricted Subsidiary acquired by the Borrower or any Restricted Subsidiary that, at the time of the relevant acquisition, is an obligor in respect of assumed Indebtedness permitted by Section 6.01 to the extent (and for so long as) the documentation governing the applicable assumed Indebtedness prohibits such subsidiary from providing a Loan Guaranty (which prohibition was not implemented in contemplation of such Restricted Subsidiary becoming a subsidiary in order to avoid the requirement of providing a Loan Guaranty),

(k) any other Restricted Subsidiary with respect to which, in the reasonable determination of the Borrower and the Administrative Agent, the burden or cost of providing a Loan Guaranty outweighs, or would be excessive in light of, the practical benefits afforded thereby,

(l) solely in the case of any Swap Obligation that constitutes a “swap” within the meaning of section 1(a)(47) of the Commodity Exchange Act (which for the avoidance of doubt shall be determined after giving effect to any “keepwell, support or other agreement” (as such terms are used under the Commodity Exchange Act)), any Domestic Subsidiary that is not an “eligible contract participant” as defined under the Commodity Exchange Act and the regulations thereunder, and

(m) any subsidiary (i) where the provision by such subsidiary of a Loan Guaranty would conflict with the fiduciary duties of such subsidiary’s directors or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for such subsidiary or any of its officers or directors or to the extent it is not within the legal capacity of such subsidiary to provide a Loan Guaranty (whether as a result of financial assistance, corporate benefit, thin capitalization, capital maintenance, liquidity maintenance or similar rules or otherwise).

“Excluded Swap Obligation” means, with respect to any Loan Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Loan Guaranty of such Loan Guarantor of, or the grant by such Loan Guarantor of a security interest to secure, such Swap Obligation (or any Loan Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Loan Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder (determined after giving effect to Section 3.20 of the Loan Guaranty and any other “keepwell”, support or other agreement for the benefit of such Loan Guarantor) at the time the Loan Guaranty of such Loan Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation or (b) in the case of any Swap Obligation that is subject to a clearing requirement pursuant to section 2(h) of the Commodity Exchange Act, because such Loan Guarantor is a “financial entity,” as defined in section 2(h)(7)(C) of the Commodity Exchange Act, at the time the guarantee provided by (or grant of such security interest by, as applicable) such Loan Guarantor becomes or would become effective with respect to such Swap Obligation. If any Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Loan Guaranty or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or Issuing Bank, or any other recipient of any payment to be made by or on account of any obligation of any Loan Party under any Loan Document, (a) any Taxes imposed on (or measured by) such recipient’s net income or overall gross income or franchise Taxes, (i) imposed as a result of such recipient being organized or having its principal office located in or, in the case of any Lender, having its applicable lending office located in, the taxing jurisdiction or (ii) that are Other Connection Taxes, (b) any branch profits Taxes imposed under Section 884(a) of the Code, or any similar Tax, imposed by any jurisdiction described in clause (a), (c) any US federal withholding Tax that is imposed on amounts payable to or for the account of such Lender (other than a Lender that became a Lender pursuant to an assignment under Section 2.19) with respect to an applicable interest in a Loan or Commitment pursuant to a Requirement of Law in effect on the date on which such Lender (i) acquires such interest in the applicable Commitment or, if such Lender did not fund

the applicable Loan pursuant to a prior Commitment, on the date such Lender acquires its interest in such Loan or (ii) designates a new lending office, except in each case to the extent that, pursuant to [Section 2.17](#), amounts with respect to such Tax were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it designated a new lending office, (d) any Tax imposed as a result of a failure by the Administrative Agent, such Lender or any Issuing Bank to comply with [Section 2.17\(f\)](#) or (j), and (e) any withholding Tax imposed under FATCA.

"[Expected Cost Savings](#)" has the meaning assigned to such term in the definition of "Consolidated Adjusted EBITDA".

"[Extended Revolving Credit Commitment](#)" has the meaning assigned to such term in [Section 2.23\(a\)](#).

"[Extended Revolving Loans](#)" has the meaning assigned to such term in [Section 2.23\(a\)](#).

"[Extended Term Loans](#)" has the meaning assigned to such term in [Section 2.23\(a\)](#).

"[Extension](#)" has the meaning assigned to such term in [Section 2.23\(a\)](#).

"[Extension Amendment](#)" means an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (to the extent required by [Section 2.23](#)) and the Borrower executed by each of (a) Holdings, the Borrower and the Subsidiary Guarantors, (b) the Administrative Agent and (c) each Lender that has accepted the applicable Extension Offer pursuant hereto and in accordance with [Section 2.23](#).

"[Extension Offer](#)" has the meaning assigned to such term in [Section 2.23\(a\)](#).

"[Facility](#)" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or, except with respect to [Articles 5](#) and [6](#), previously owned, leased, operated or used by Holdings, the Borrower or any of its Restricted Subsidiaries or any of their respective predecessors or Affiliates.

"[Facility Fee Rate](#)" means, on any date, with respect to the Initial Revolving Credit Commitments, 0.50% per annum.

"[FATCA](#)" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to current Section 1471(b)(1) of the Code and any intergovernmental agreements implementing and related legislation or official administrative rules or practices with respect to any of the foregoing.

"[FCPA](#)" has the meaning assigned to such term in [Section 3.17\(c\)](#).

"[Federal Funds Effective Rate](#)" means, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by Administrative Agent from three major US banks of recognized standing selected by it. If the Federal Funds Effective Rate is less than zero, it shall be deemed to be zero hereunder.

“Fee Letter” means that certain Fee Letter, dated as of November 17, 2019, by and among, the Borrower, MidCap, Oaktree and BSP.

“Financial Model” the model made available by the Sponsor to the Arrangers on October 30, 2019.

“First Amendment” means that certain First Incremental Amendment, dated as of the First Amendment Effective Date, among the Borrower, Holdings, the Administrative Agent, the 2020 Incremental Term Loan Lenders, the 2020 Incremental Revolving Facility Lenders, the other Lenders and other Persons party thereto.

“First Amendment Arranger” shall mean Goldman Sachs Bank USA as lead arranger and bookrunner for the First Amendment.

“First Amendment Effective Date” means December 18, 2020.

“First Amendment Transaction Costs” means any costs, fees, premiums, expenses and other transaction costs payable or otherwise borne by any Parent Company and/or its Subsidiaries in connection with the First Amendment Transactions and the transactions contemplated thereby, including for the avoidance of doubt, any fees, expenses or accrued interest paid pursuant to Section 4.03 hereof or in accordance with any fee letter relating to the First Amendment Transactions.

“First Amendment Transactions” means, collectively, (a) the execution, delivery and performance by the Loan Parties of the First Amendment and the other Loan Documents entered into on the First Amendment Effective Date to which they are a party and the Borrowing of 2020 Incremental Term Loans hereunder on the First Amendment Effective Date, (b) the 2020 Dividend and (c) the payment of the First Amendment Transaction Costs.

“First Lien Debt” means (a) the Initial Term Loans and the Initial Revolving Loans and (b) any other Indebtedness (other than any such Indebtedness among Holdings, the Borrower and/or any of their respective subsidiaries) that is secured by a security interest in the Collateral that is *pari passu* with the Lien securing the Initial Term Loans and the Initial Revolving Loans.

“First Lien Intercreditor Agreement” means (i) an intercreditor agreement substantially in the form of Exhibit E hereto (with (a) immaterial changes (as determined in the Administrative Agent’s sole discretion) thereto acceptable to the Administrative Agent and the Borrower in their sole discretion and (b) any material changes thereto as the Borrower, the Administrative Agent and the Required Lenders may agree in their respective reasonable discretion (provided that, any changes to such form that are posted for review by the Lenders shall be deemed acceptable if the Required Lenders have not objected thereto within five Business Days following the date on which such changes are posted for review)) or (ii) another intercreditor agreement in form and substance reasonably acceptable to the Borrower, the Administrative Agent and the Required Lenders (provided that any such intercreditor agreement posted for review by the Lenders shall be deemed acceptable to the Required Lenders if the Required Lenders have not objected thereto within five Business Days following the date on which such agreement is posted for review).

“First Lien Leverage Ratio” means the ratio, as of any date of determination, of (a) Consolidated First Lien Debt as of the last day of the most recently ended Test Period to (b) Consolidated Adjusted EBITDA for the most recently ended Test Period, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Fiscal Quarter” means a fiscal quarter of any Fiscal Year.

“Fiscal Year” means the fiscal year of the Borrower ending December 31 of each calendar year.

“Fixed Amount” has the meaning assigned to such term in Section 1.12(c).

“Flood Certificate” means a “Life-of-Loan” “Standard Flood Hazard Determination Form” of the Federal Emergency Management Agency and any successor Governmental Authority performing a similar function.

“Flood Compliance Event” means the occurrence of any of the following: (a) a Flood Redesignation with respect to any Mortgaged Property, (b) any extension of the Maturity Date pursuant to Section 2.23, (c) any increase to the Commitments pursuant to Section 2.22, and (d) the addition of any Flood Hazard Property as Collateral pursuant to Section 5.12.

“Flood Hazard Property” means any Mortgaged Property that on the relevant date of determination includes a Building and, as shown on a Flood Certificate, such Building is located in a Flood Zone.

“Flood Insurance” means (a) federally-backed flood insurance available under the Flood Program to owners of real property improvements located in Special Flood Hazard Areas in a community participating in the Flood Program or (b) to the extent permitted by the Flood Program, a private flood insurance policy from a financially sound and reputable insurance company that is not an Affiliate of the Borrower.

“Flood Insurance Requirements” has the meaning assigned to such term in the definition of “Collateral and Guarantee Requirement”.

“Flood Program” means the National Flood Insurance Program created by the U.S. Congress pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, the National Flood Insurance Reform Act of 1994 and the Flood Insurance Reform Act of 2004, in each case as amended from time to time, and any successor statutes.

“Flood Redesignation” means the designation of any Mortgaged Property as a Flood Hazard Property, where such property was not a Flood Hazard Property previous to such designation.

“Flood Zone” means areas having special flood hazards as described in the National Flood Insurance Act of 1968, as amended from time to time, and any successor statute.

“Foreign Lender” means any Lender or Issuing Bank that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“Foreign Subsidiary” means any existing or future direct or indirect subsidiary of the Borrower that is not a Domestic Subsidiary.

“FSHCO” means (i) any direct or indirect Domestic Subsidiary that has no material assets other than the Capital Stock and/or Indebtedness of one or more Foreign Subsidiaries that are CFCs and (ii) any direct or indirect Domestic Subsidiary that has no material assets other than the Capital Stock and/or Indebtedness of one or more Persons of the type described in the immediately preceding clause (i).

“GAAP” means generally accepted accounting principles in the US in effect and applicable to the accounting period in respect of which reference to GAAP is made.

“Governmental Authority” means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or

administrative functions of or pertaining to any government or any court, in each case whether associated with the US, a foreign government or any political subdivision thereof, including any applicable supranational body (such as the European Union or the European Central Bank).

“Governmental Authorization” means any permit, license, authorization, approval, plan, directive, consent order or consent decree of or from any Governmental Authority.

“Granting Lender” has the meaning assigned to such term in Section 9.05(e).

“Guarantee” of or by any Person (the “Guarantor”) means any obligation, contingent or otherwise, of the Guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation of any other Person (the “Primary Obligor”) in any manner and including any obligation of the Guarantor (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other monetary obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other monetary obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the Primary Obligor so as to enable the Primary Obligor to pay such Indebtedness or other monetary obligation, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or monetary obligation, (e) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (f) secured by any Lien on any assets of such Guarantor securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or monetary other obligation is assumed by such Guarantor (or any right, contingent or otherwise, of any holder of such Indebtedness or other monetary obligation to obtain any such Lien); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition, Disposition or other transaction permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith.

“Hazardous Materials” means any chemical, material, substance or waste, or any constituent thereof, which is prohibited, limited or regulated under any Environmental Law or by any Governmental Authority or which poses a hazard to the Environment or to human health and safety, including without limitation, petroleum and petroleum by-products, asbestos and asbestos-containing materials, polychlorinated biphenyls, medical waste and pharmaceutical waste.

“Hazardous Materials Activity” means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Material, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Material, and any corrective action or response action with respect to any of the foregoing.

“Hedge Agreement” means any agreement with respect to any Derivative Transaction (or any master agreement which is intended to govern multiple Derivative Transactions) between any Loan Party or any Restricted Subsidiary and any other Person.

“Hedging Obligations” means, with respect to any Person, the obligations of such Person under any Hedge Agreement.

“Holdings” has the meaning assigned to such term in the preamble to this Agreement and shall, for the avoidance of doubt, include any Successor Holdings.

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002, as in effect from time to time (subject to the provisions of Section 1.04), to the extent applicable to the relevant financial statements.

“Immaterial Subsidiary” means, as of any date, any Restricted Subsidiary of the Borrower (i) the contribution to Consolidated Adjusted EBITDA of which, when taken together with the contribution to Consolidated Adjusted EBITDA of all other Restricted Subsidiaries that are Immaterial Subsidiaries, does not exceed 5.00% of Consolidated Adjusted EBITDA of the Borrower and its Restricted Subsidiaries and (ii) the assets of which, when taken together with the assets of all other Restricted Subsidiaries that are Immaterial Subsidiaries, do not exceed 5.00% of Consolidated Total Assets of the Borrower and its Restricted Subsidiaries, in each case, as of the last day of the most recently ended Test Period.

“Immediate Family Member” means, with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, domestic partner, former domestic partner, sibling, mother-in-law, father-in-law, son-in-law and/or daughter-in-law (including any adoptive relationship), any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals, such individual’s estate (or an executor or administrator acting on its behalf), heirs or legatees or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“Incremental Cap” means:

- (a) the Shared Incremental Amount, minus (A) the aggregate principal amount of all Incremental Equivalent Debt incurred or issued in reliance on the Shared Incremental Amount minus (B) the aggregate principal amount of any Acquisition Ratio Debt or Ratio Debt issued and/or incurred in reliance on the Shared Incremental Amount pursuant to Sections 6.01(q)(i) and (w)(i), in each case, after giving effect to (x) any reclassification of any Incremental Facilities and/or Incremental Equivalent Debt as having been issued or incurred in reliance on the Incremental Incurrence-Based Component, (y) any reclassification of any Acquisition Ratio Debt as having been issued or incurred in reliance on Section 6.01(q)(ii) and (z) any reclassification of any Ratio Debt as having been incurred in reliance on Section 6.01(w)(i), plus
- (b) in the case of any Incremental Facility that effectively extends the Maturity Date with respect to any Class of Loans and/or Commitments hereunder, an amount equal to the portion of the relevant Class of Loans or Commitments that will be replaced by such Incremental Facility, plus
- (c) in the case of any Incremental Facility that effectively replaces any Revolving Credit Commitment terminated in accordance with Section 2.19 hereof, an amount equal to the relevant terminated Revolving Credit Commitment, plus
- (d) (i) without duplication of clauses (b) and (c) above, the amount of any voluntary prepayment, redemption, repurchase or other retirement of any Loan that constitutes First Lien Debt and/or the amount of any permanent reduction of any Revolving Credit Commitment and/or

the amount of any permanent reduction of commitments under any Incremental Equivalent Debt in the form of revolving indebtedness that constitutes First Lien Debt, but excluding any Loan or Commitment or Incremental Equivalent Debt incurred or implemented under clause (e) below, and/or any other First Lien Debt, (ii) the amount of any voluntary prepayment, redemption, repurchase or other retirement of any Replacement Term Loans or Loans under any Revolver Replacement Facility (to the extent accompanied by a permanent reduction in commitments) or Replacement Debt, in each case, that is secured on a *pari passu* basis with the Initial Term Loans, previously applied to the permanent prepayment of any Loan hereunder, so long as such prepayment was not previously included in clause (d)(i) above and excluding any Loan or Commitment incurred or implemented under clause (e) below and (iii) the face amount of any reduction in the outstanding principal amount of any Term Loan that constitutes First Lien Debt and/or other First Lien Debt that is secured on a *pari passu* basis with the Initial Term Loans, but excluding any Loan or Commitment incurred under clause (e) below, resulting from any assignment of such Term Loan or First Lien Debt to (and/or assignment and/or purchase of such Term Loan or First Lien Debt by) the Borrower and/or any Restricted Subsidiary; provided that, for each of clauses (i), (ii) and (iii), the relevant prepayment, redemption, purchase, assignment, redemption or other retirement was not funded with the proceeds of any long-term Indebtedness (other than revolving Indebtedness), plus

(e) an unlimited amount so long as, in the case of this clause (e), after giving effect to the relevant Incremental Facility or Incremental Equivalent Debt, (i) if such Incremental Facility or Incremental Equivalent Debt constitutes First Lien Debt, the First Lien Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 4.50:1.00, (ii) if such Incremental Facility or Incremental Equivalent Debt constitutes Junior Lien Debt, the Secured Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 5.50:1.00, or (iii) if such Incremental Facility or Incremental Equivalent Debt is unsecured, the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 6.00:1.00, in each case described in this clause (e), calculated on a Pro Forma Basis, including the application of the proceeds thereof (in the case of each of clause (i), (ii) and (iii) without “netting” the cash proceeds of the applicable Incremental Facility, Incremental Equivalent Debt or other concurrent incurrence of Indebtedness on the consolidated balance sheet of the Borrower), and in the case of any Incremental Revolving Facility then being incurred or established, assuming a full drawing of such Incremental Revolving Facility (this clause (e), the “Incremental Incurrence-Based Component”);

provided that:

(i) any Incremental Facility and/or Incremental Equivalent Debt may be incurred under one or more of clauses (a) through (e) of this definition as selected by the Borrower in its sole discretion; provided that unless the Borrower elects otherwise, each such Incremental Facility and/or Incremental Equivalent Debt will be deemed to have been incurred under the Incremental Incurrence-Based Component, to the maximum extent permitted thereunder (and calculated as described below),

(ii) if any Incremental Facility or Incremental Equivalent Debt is intended to be incurred under the Incremental Incurrence-Based Component and any other clause of this definition in a single transaction or series of related transaction, (A) the permissibility of the portion of such Incremental Facility or Incremental Equivalent Debt to be incurred or implemented under the Incremental Incurrence-Based Component shall first be determined without giving effect to any Incremental Facility or Incremental Equivalent Debt to be incurred or implemented under any other clause of this definition, but giving

full *pro forma* effect to the use of proceeds of the entire amount of such Incremental Facility or Incremental Equivalent Debt and the related transactions, and (B) the permissibility of the portion of such Incremental Facility or Incremental Equivalent Debt to be incurred or implemented under the other applicable clauses of this definition shall be determined thereafter, and

(iii) any portion of any Incremental Facility or Incremental Equivalent Debt that is incurred or implemented under clauses (a) through (d) of this definition will be automatically reclassified as having been incurred under the Incremental Incurrence-Based Component if, at any time after the incurrence or implementation thereof, such portion of such Incremental Facility or Incremental Equivalent Debt would, using the figures reflected in the financial statements most recently delivered pursuant to Section 5.01(a) or (b) or, if available earlier, the financial statements that are internally available for the then most recently ended Fiscal Quarter that have been delivered to the Lenders, be permitted under the First Lien Leverage Ratio test, Secured Leverage Ratio test or Total Leverage Ratio test, as applicable, set forth in clause (e) of this definition; it being understood and agreed that once such Incremental Facility or Incremental Equivalent Debt is reclassified in accordance with the preceding sentence, it shall not further be reclassified as having been incurred under the provision of this definition in reliance on which such Incremental Facility or Incremental Equivalent Debt was originally incurred.

“Incremental Commitment” means any commitment made by a lender to provide all or any portion of any Incremental Facility or Incremental Loan.

“Incremental Equivalent Debt” means Indebtedness in the form of *pari passu* senior secured or unsecured notes or loans and/or commitments or junior secured or unsecured notes or loans and/or commitments in respect of any of the foregoing issued, incurred or implemented in lieu of loans under an Incremental Facility; provided, that:

(a) the aggregate principal amount thereof shall not exceed the Incremental Cap (as in effect at the time of determination, including giving effect to any reclassification on or prior to such date of determination),

(b) the Weighted Average Life to Maturity applicable to such Indebtedness (other than Customary Bridge Loans and revolving Indebtedness) is no shorter than shortest Weighted Average Life to Maturity of any then-existing Term Loans,

(c) the final maturity date with respect to such Indebtedness (other than Customary Bridge Loans and revolving Indebtedness) is no earlier than the Latest Term Loan Maturity Date on the date of the issuance or incurrence, as applicable, thereof,

(d) subject to clauses (b) and (c), such Indebtedness may otherwise have an amortization schedule as determined by the Borrower and the lenders providing such Incremental Equivalent Debt,

(e) the currency, pricing (including any “MFN” or other pricing terms), interest rate margins, rate floors, fees, premiums (including prepayment premiums), funding discounts and the maturity and amortization schedule applicable to any Incremental Equivalent Debt shall be determined by the Borrower and the lender or lenders providing such Incremental Equivalent Debt; provided that, in the case of any Incremental Equivalent Debt (other than bona fide revolving credit facilities) that are *pari passu* with the Initial Term Loans in right of payment and with respect to security, the Initial Term Loans shall benefit from the MFN Provision,

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- (f) such Incremental Equivalent Debt will be documented pursuant to separate documentation from this Agreement,
- (g) such Incremental Equivalent Debt shall be subject to an Acceptable Intercreditor Agreement,
- (h) no such Indebtedness may be (A) guaranteed by any Person which is not a Loan Party, (B) secured by any assets other than the Collateral or (C) issued, incurred or implemented by any Person other than the Borrower,
- (i) except as otherwise permitted herein (including with respect to margin, pricing, maturity and fees), (A) if such Indebtedness is in the form of a term loan, the terms of any such Incremental Equivalent Debt (1) may provide for the ability to participate with respect to voluntary prepayments on a pro rata basis, greater than pro rata basis or less than pro rata basis, (2) may provide for the ability to participate with respect to mandatory prepayments on a pro rata basis, to the extent constituting First Lien Debt, or less than pro rata basis (but not greater than pro rata basis unless and solely to the extent such Incremental Equivalent Debt is terminated in full and refinanced or replaced with a term facility that constitutes Refinancing Indebtedness or an Incremental Facility issued or incurred in reliance on clause (b) of the definition of “Incremental Cap”), and (3) if not substantially consistent with those applicable to any then-existing Term Loans, must be reasonably acceptable to the Administrative Agent (it being agreed that any terms contained in such Indebtedness (i) which are applicable only after the then-existing Latest Term Loan Maturity Date and/or, (ii) that are more favorable to the lenders or the agent of such Indebtedness than those contained in the Loan Documents and are then conformed (or added) to the Loan Documents for the benefit of the Term Lenders or the Administrative Agent pursuant to an amendment to this Agreement effectuated in reliance on Section 9.02(d)(ii) shall be deemed satisfactory to the Administrative Agent), and (B) if such Indebtedness is in the form of a revolving facility, (i) such Incremental Equivalent Debt will mature no earlier than, and will require no scheduled amortization or differing mandatory commitment reduction prior to, the then-existing Revolving Termination Date and (ii) the terms of any such Incremental Equivalent Debt, if not substantially consistent with those applicable to any then-existing Revolving Facility must be reasonably acceptable to the Administrative Agent (it being understood that (v) any such Incremental Equivalent Debt may provide for the ability to participate with respect to Borrowings and, to the extent constituting First Lien Debt, repayments on a pro rata basis or less than pro rata basis (but not greater than pro rata basis) with other then-outstanding Revolving Facilities, (w) any such Incremental Equivalent Debt may provide for the ability to permanently repay and terminate revolving commitments on a pro rata basis, to the extent constituting First Lien Debt, or a less than pro rata basis with any then-outstanding Revolving Facility (or on a greater than pro rata basis, only to the extent such Incremental Equivalent Debt is terminated in full and refinanced or replaced with a revolving facility that constitutes Refinancing Indebtedness or an Incremental Facility issued or incurred in reliance on clause (b) of the definition of “Incremental Cap”), (x) terms not substantially consistent with the Revolving Facility which are applicable only after the Latest Revolving Credit Maturity Date will be deemed to be satisfactory to the Administrative Agent and (y) any terms contained in such Incremental Equivalent Debt that are more favorable to the lenders or the agent of such Incremental Equivalent Debt than those contained in the Loan Documents (taken as a whole) and are then conformed (or added) to the Loan Documents for the benefit of the Revolving Lenders or, as applicable, the Administrative Agent (*i.e.*, by conforming or adding a term to the then-outstanding Revolving Loans shall be deemed satisfactory to the Administrative Agent), shall be deemed satisfactory to the Administrative Agent), and

(j) (A) no Default or Event of Default shall exist immediately prior to or after giving effect to the incurrence or implementation of such Incremental Equivalent Debt and (B) the condition set forth in Section 4.02(b) hereof shall be satisfied after giving effect to the incurrence or implementation of the relevant Incremental Equivalent Debt as if such incurrence or implementation constituted a "Credit Extension"; provided that notwithstanding the foregoing, in the case of any Incremental Equivalent Debt incurred or implemented in connection with any acquisition or similar Investment, the condition set forth in this clause (B) shall require only the making and accuracy of the Specified Representations and customary "specified acquisition agreement representations" before giving effect to such acquisition or Investment.

"Incremental Facilities" has the meaning assigned to such term in Section 2.22(a).

"Incremental Facility Amendment" means (i) the First Amendment and (ii) any other amendment to this Agreement that is reasonably satisfactory to the Administrative Agent (solely for purposes of giving effect to Section 2.22) and the Borrower executed by each of (a) Holdings and the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide all or any portion of the Incremental Facility being incurred pursuant thereto and in accordance with Section 2.22.

"Incremental Incurrence-Based Component" has the meaning assigned to such term in the definition of "Incremental Cap".

"Incremental Lender" has the meaning assigned to such term in Section 2.22(b).

"Incremental Loans" has the meaning assigned to such term in Section 2.22(a).

"Incremental Revolving Commitment" means any commitment made by a lender to provide all or any portion of any Incremental Revolving Facility.

"Incremental Revolving Facility" has the meaning assigned to such term in Section 2.22(a).

"Incremental Revolving Facility Lender" means, with respect to any Incremental Revolving Facility, each Revolving Lender providing any portion of such Incremental Revolving Facility.

"Incremental Revolving Loans" has the meaning assigned to such term in Section 2.22(a).

"Incremental Term Facility" has the meaning assigned to such term in Section 2.22(a).

"Incremental Term Loans" has the meaning assigned to such term in Section 2.22(a).

"Incurrence-Based Amount" has the meaning assigned to such term in Section 1.12(c).

"Indebtedness" as applied to any Person means, without duplication:

- (a) all indebtedness for borrowed money;
- (b) that portion of obligations with respect to Capital Leases to the extent recorded as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(c) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments to the extent the same would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(d) any obligation of such Person owed for all or any part of the deferred purchase price of property or services (excluding (i) any earn out obligation or purchase price adjustment until such obligation (A) becomes a liability on the statement of financial position or balance sheet (excluding the footnotes thereto) in accordance with GAAP and (B) has not been paid within 30 days after becoming due and payable, (ii) any such obligations incurred under ERISA, (iii) accrued expenses and trade accounts payable in the ordinary course of business (including on an inter-company basis) and (iv) liabilities associated with customer prepayments and deposits), which purchase price is (A) due more than six months from the date of incurrence of the obligation in respect thereof or (B) evidenced by a note or similar written instrument);

(e) all Indebtedness of others secured by any Lien on any asset owned or held by such Person regardless of whether the Indebtedness secured thereby have been assumed by such Person or is non-recourse to the credit of such Person;

(f) the face amount of any letter of credit issued for the account of such Person or as to which such Person is otherwise liable for reimbursement of drawings;

(g) the Guarantee by such Person of the Indebtedness of another;

(h) all obligations of such Person in respect of any Disqualified Capital Stock; and

(i) all net obligations of such Person in respect of any Derivative Transaction, including any Hedge Agreement, whether or not entered into for hedging or speculative purposes;

provided that (i) in no event shall obligations under any Derivative Transaction be deemed "Indebtedness" for any calculation of the Total Leverage Ratio, the First Lien Leverage Ratio, the Secured Leverage Ratio or any other financial ratio under this Agreement, (ii) the amount of Indebtedness of any Person for purposes of clause (e) shall be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness and (B) the fair market value of the property encumbered thereby as determined by such Person in good faith and, (iii) the term "Indebtedness", as it applies to the Borrower and its Restricted Subsidiaries shall exclude intercompany Indebtedness so long as (A) such intercompany Indebtedness has a term not exceeding 364 days (inclusive of any roll-over or extension of terms) and (B) in the case of any Indebtedness owed by any Loan Party to any Restricted Subsidiary that is not a Loan Party, such Indebtedness is unsecured and subordinated to the Obligations and evidenced by the Intercompany Note.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any third person (including any partnership in which such Person is a general partner and any unincorporated joint venture in which such Person is a joint venture) to the extent such Person would be liable therefor under applicable Requirements of Law or any agreement or instrument by virtue of such Person's ownership interest in such Person, (A) except to the extent the terms of such Indebtedness provided that such Person is not liable therefor and (B) only to the extent the relevant Indebtedness is of the type that would be included in the calculation of Consolidated Total Debt; provided that notwithstanding anything herein to the contrary, the term "Indebtedness" shall not include, and shall be calculated without giving effect to, (x) the effects of Accounting Standards Codification Topic 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose hereunder as a result of accounting for any embedded derivatives created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness hereunder but for the application of this proviso shall not be deemed an incurrence of Indebtedness hereunder) and (y) the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivative created by the terms of such Indebtedness (it being understood that any such amounts that would have constituted Indebtedness under this Agreement but for the application of this sentence shall not be deemed to be an incurrence of Indebtedness under this Agreement).

“Indemnified Taxes” means all Taxes, other than Excluded Taxes or Other Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

“Indemnitee” has the meaning assigned to such term in Section 9.03(b).

“Information” has the meaning assigned to such term in Section 3.11(a).

“Initial Lenders” means the Arrangers and the affiliates and assignees of the Arrangers who are party to this Agreement as Lenders on the Closing Date.

“Initial Revolving Credit Commitment” means, with respect to any Person, the commitment of such Person to make Initial Revolving Loans (and acquire participations in Letters of Credit and Swingline Loans) hereunder as set forth on the Commitment Schedule, or in the Assignment Agreement pursuant to which such Person assumed its Initial Revolving Credit Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 or 2.19, (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.05 or (c) increased pursuant to Section 2.22. The aggregate amount of the Initial Revolving Credit Commitments as of the Closing Date is \$50,000,000. The aggregate amount of the Initial Revolving Credit Commitments as of the First Amendment Effective Date after giving effect to the 2020 Incremental Revolving Facility Commitments is \$51,000,000.

“Initial Revolving Credit Exposure” means, with respect to any Lender at any time, the aggregate Outstanding Amount at such time of all Initial Revolving Loans of such Lender, plus the aggregate amount at such time of such Lender’s LC Exposure and Swingline Exposure attributable to its Initial Revolving Credit Commitment.

“Initial Revolving Credit Maturity Date” means the date that is five years after the Closing Date.

“Initial Revolving Facility” means the Initial Revolving Credit Commitments (including the 2020 Incremental Revolving Facility Commitment) and the Initial Revolving Loans and other extensions of credit thereunder.

“Initial Revolving Lender” means any Lender (including the 2020 Incremental Revolving Facility Lenders) with an Initial Revolving Credit Commitment or any Initial Revolving Credit Exposure.

“Initial Revolving Loan” means any revolving loan made by the Initial Revolving Lenders to the Borrower pursuant to Section 2.01(a)(ii) (including any 2020 Incremental Revolving Facility Loans).

“Initial Term Lender” means any Lender with an Initial Term Loan Commitment or an outstanding Initial Term Loan.

“Initial Term Loan Commitment” means, with respect to any Person, the commitment of such Person to make Initial Term Loans hereunder in an aggregate amount to not exceed the amount set forth opposite such Person’s name on the Commitment Schedule, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Term Lender pursuant to Section 9.05 or (ii) increased from time to time pursuant to Section 2.22. The aggregate amount of the Term Lenders’ Initial Term Loan Commitments on the Closing Date is \$450,000,000.

“Initial Term Loan Maturity Date” means the date that is six years after the Closing Date.

“Initial Term Loans” means the term loans made by the Initial Term Lenders to the Borrower pursuant to Section 2.01(a)(i) (and, unless the context requires otherwise, the 2020 Incremental Term Loans).

“Intellectual Property Security Agreement” means any agreement, or a supplement thereto, executed on or after the Closing Date confirming or effecting the grant of any Lien on IP Rights owned by any Loan Party to the Administrative Agent, for the benefit of the Secured Parties, required in accordance with this Agreement and the Security Agreement, including an Intellectual Property Security Agreement substantially in the form of Exhibit C hereto.

“Intercompany Note” means a promissory note substantially in the form of Exhibit F.

“Interest Election Request” means a request by the Borrower in the form of Exhibit H hereto or another form reasonably acceptable to the Administrative Agent to convert or continue a Borrowing in accordance with Section 2.08.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each Fiscal Quarter (commencing March 31, 2020) and the maturity date applicable to such Loan, (b) with respect to any LIBO Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a LIBO Rate Loan with an Interest Period of more than three months’ duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months’ duration been applicable to such Borrowing and (c) with respect to any Swingline Loan, the date such Swingline Loan is required to be repaid.

“Interest Period” means with respect to any LIBO Rate Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, to the extent available to all relevant affected Lenders, twelve months or a shorter period) thereafter, as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Rate” shall mean, in relation to any LIBO Rate Loan, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Published LIBO Rate for the longest period (for which the applicable Published LIBO Rate is available) that is shorter than the Interest Period of that Published LIBO Rate Loan and (b) the applicable Published LIBO Rate for the shortest period (for which such Published LIBO Rate is available) that exceeds the Interest Period of that LIBO Rate Loan, in each case, as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period.

“Investment” means (a) any purchase or other acquisition for consideration by the Borrower or any of its Restricted Subsidiaries of any of the Capital Stock of any other Person (other than any Loan Party), (b) the acquisition for consideration by the Borrower or any of its Restricted Subsidiaries by purchase or otherwise (other than any purchase or other acquisition of inventory, materials, supplies and/or equipment in the ordinary course of business) of all or a substantial portion of the business, property or fixed assets of any other Person or any division or line of business or other business unit of any other Person and (c) any loan, advance (other than any advance to any current or former employee, officer, director, member of management, manager, consultant or independent contractor of the Borrower, any Restricted Subsidiary, or any Parent Company for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by the Borrower or any of its Restricted Subsidiaries to any other Person (in each case, excluding any intercompany loan, advance or Indebtedness among the Borrower and its Restricted Subsidiaries so long as (A) such loan, advance or Indebtedness has a term not exceeding 364 days (inclusive of any roll-over or extension of terms) and (B) in the case of any such loan, advance or Indebtedness owed by any Loan Party to any Restricted Subsidiary that is not a Loan Party, such loan, advance or Indebtedness is unsecured and subordinated to the Obligations and evidenced by the Intercompany Note). Subject to Section 5.10, the amount of any Investment shall be the original cost of such Investment, plus the cost of any addition thereto that otherwise constitutes an Investment, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect thereto, but giving effect to any repayments of principal in the case of any Investment in the form of a loan and any return of capital or return on Investment in the case of any equity Investment (whether as a distribution, dividend, redemption or sale but not in excess of the amount of the relevant initial Investment).

“Investors” means (a) the Sponsor, (b) the Management Investors and (c) other investors that, directly or indirectly, beneficially own Capital Stock in Holdings on the Closing Date which may include one or more of the Sponsor’s limited partners.

“IP Rights” has the meaning assigned to such term in Section 3.05(c).

“IRS” means the US Internal Revenue Service.

“Issuing Bank” means, as the context may require, (i) Midcap or any other Revolving Lender that procures through one or more banks, trust companies or other Persons, in each case previously identified by the Administrative Agent or such other Revolving Lender from time to time in its sole discretion for purposes of issuing one or more Letters of Credit pursuant to Support Agreements hereunder (such banks, trust companies or other Person, each, a “Support Agreement Issuing Bank”) and (ii) each other Person that is or becomes a Revolving Lender, that, in the case of this clause (ii), agrees to act as an Issuing Bank hereunder pursuant to Section 2.05(h)(ii), and in the case of clauses (i) and (ii), each such Person in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank or Support Agreement Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by any branch or Affiliate of such Issuing Bank, in which case the term “Issuing Bank” or “Support Agreement Issuing Bank”, as applicable, shall include any such branch or Affiliate with respect to Letters of Credit issued by such branch or Affiliate.

“Joinder Agreement” means a Joinder Agreement substantially in the form of Exhibit K or such other form that is reasonably satisfactory to the Administrative Agent and the Borrower.

“Junior Lien Debt” means any Indebtedness (other than Indebtedness among Holdings, the Borrower and/or any of their respective subsidiaries) that is secured by a security interest in the Collateral that is expressly junior or subordinated to the Lien on the Collateral securing the Initial Term Loans and Initial Revolving Loans with an individual outstanding principal amount in excess of the Threshold Amount.

“Junior Lien Intercreditor Agreement” means (i) an intercreditor agreement substantially in the form of Exhibit G hereto (with (i) immaterial changes (as determined in the Administrative Agent’s sole discretion) thereto acceptable to the Administrative Agent and the Borrower in their sole discretion and (ii) any material changes thereto as the Borrower, the Administrative Agent and the Required Lenders may agree in their respective reasonable discretion (provided that, any changes to such form that are posted for review by the Lenders shall be deemed acceptable if the Required Lenders have not objected thereto within five Business Days following the date on which such changes are posted for review); provided, that in any event, such intercreditor agreement will provide for a “standstill period” of at least 180 days and will allow, among other things, additional First Lien Debt and Junior Lien Debt that is permitted to be incurred and secured pursuant to the terms of this Agreement and permitted refinancing Indebtedness in respect thereof (including in the form of Replacement Debt) or (ii) another intercreditor agreement in form and substance reasonably acceptable to the Borrower, the Administrative Agent and the Required Lenders (provided that any such intercreditor agreement posted for review by the Lenders shall be deemed acceptable to the Required Lenders if the Required Lenders have not objected thereto within five Business Days following the date on which such agreement is posted for review).

“Latest Maturity Date” means, as of any date of determination, the latest maturity or expiration date applicable to any Loan or commitment hereunder at such time, including the latest maturity or expiration date of any Term Loan, Term Commitment, Revolving Loan or Revolving Credit Commitment.

“Latest Revolving Credit Maturity Date” means, as of any date of determination, the latest maturity or expiration date applicable to any Revolving Loan or Revolving Credit Commitment hereunder at such time.

“Latest Term Loan Maturity Date” means, as of any date of determination, the latest maturity or expiration date applicable to any Term Loan hereunder at such time.

“LC Collateral Account” has the meaning assigned to such term in Section 2.05(i).

“LC Disbursement” means a payment or disbursement made by an Issuing Bank pursuant to a Letter of Credit (including a payment by the Administrative Agent, Revolving Lender or their Affiliates pursuant to a Support Agreement, as applicable).

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time and (b) the aggregate principal amount of all LC Disbursements that have not yet been reimbursed at such time. The LC Exposure of any Revolving Lender at any time shall equal its Applicable Percentage of the aggregate LC Exposure at such time.

“Left Lead Arranger” means MidCap.

“Legal Reservations” means the application of the relevant Debtor Relief Laws, general principles of equity and/or principles of good faith and fair dealing.

“Lenders” means the Term Lenders, the Revolving Lenders and any other Person that becomes a party hereto pursuant to an Assignment Agreement, in each case, other than any such Person that ceases to be a party hereto pursuant to an Assignment Agreement.

“Letter of Credit” means (i) any Standby Letter of Credit or Commercial Letter of Credit issued pursuant to this Agreement in Dollars (or such other currencies as agreed to by the Issuing Banks) or (ii) any Support Agreements relating to any letter of credit contemplated by clause (i), as the context requires.

“Letter of Credit Commitment” means with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The aggregate Letter of Credit Commitments of the Issuing Banks as of the Closing Date is \$10,000,000.

“Letter of Credit Reimbursement Loan” has the meaning assigned to such term in Section 2.05(d)(i).

“Letter-of-Credit Right” has the meaning set forth in Article 9 of the UCC.

“Letter of Credit Sublimit” means \$10,000,000, subject to increase in accordance with Section 2.22 hereof.

“LIBO Rate” means, the Published LIBO Rate, as adjusted to reflect applicable reserves prescribed by governmental authorities provided that, with respect to the Initial Term Loans (including the 2020 Incremental Term Loans) and Initial Revolving Loans (including any 2020 Incremental Revolving Facility Loans), in no event shall the LIBO Rate be less than 1.00% per annum.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capital Lease having substantially the same economic effect as any of the foregoing), in each case, in the nature of security; provided that in no event shall an operating lease in and of itself be deemed to constitute a Lien.

“Loan Documents” means this Agreement, any Promissory Note, each Loan Guaranty, the Collateral Documents, any Acceptable Intercreditor Agreement (if any) to which the Borrower is a party, each Refinancing Amendment, each Incremental Facility Amendment, each Extension Amendment and any other document or instrument designated by the Borrower and the Administrative Agent as a “Loan Document”. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto.

“Loan Guarantor” means Holdings and any Subsidiary Guarantor.

“Loan Guaranty” means the Loan Guaranty, substantially in the form of Exhibit I hereto, executed by each Loan Party thereto and the Administrative Agent for the benefit of the Secured Parties, as supplemented in accordance with the terms of Section 5.12 hereof.

“Loan Installment Date” has the meaning assigned to such term in Section 2.10(a).

“Loan Parties” means the Borrower and each Loan Guarantor.

“Loans” means any Initial Term Loan (including any 2020 Incremental Term Loans), any Additional Term Loan, any Revolving Loan, any Swingline Loan or any Additional Revolving Loan.

“Management Investors” means the officers, directors, managers, employees and members of management of the Borrower, any Parent Company and/or any subsidiary of the Borrower (including, on the Closing Date, those of the Target and their respective subsidiaries).

“Margin Stock” has the meaning assigned to such term in Regulation U.

“Material Adverse Effect” means, (a) on the Closing Date, a Closing Date Material Adverse Effect and (b) after the Closing Date, a material adverse effect on (i) the business, assets, financial condition or results of operations, in each case, of the Borrower and its Restricted Subsidiaries, taken as a whole, (ii) the rights and remedies (taken as a whole) of the Administrative Agent under the applicable Loan Documents or (iii) the ability of the Loan Parties (taken as a whole) to perform their payment obligations under the applicable Loan Documents.

“Material Debt Instrument” means any physical instrument evidencing any Indebtedness for borrowed money which is required to be pledged and delivered to the Administrative Agent (or its bailee) pursuant to the Security Agreement.

“Material Real Estate Asset” means any “fee-owned” Real Estate Asset located in the United States, any state thereof or the District of Columbia that is acquired by any Loan Party after the Closing Date having a fair market value (as reasonably determined by the Borrower after taking into account any liabilities with respect thereto that impact such fair market value) in excess of \$5,000,000 as of the date of the acquisition or any substantial improvements thereof.

“Maturity Date” means (a) with respect to the Initial Revolving Facility, the Initial Revolving Credit Maturity Date, (b) with respect to the Initial Term Loans (including the 2020 Incremental Term Loans), the Initial Term Loan Maturity Date, (c) with respect to any Replacement Term Loans or Revolver Replacement Facility, the final maturity date for such Replacement Term Loans or Revolver Replacement Facility, as the case may be, as set forth in the applicable Refinancing Amendment, (d) with respect to any Incremental Facility, the final maturity date set forth in the applicable Incremental Facility Amendment, and (e) with respect to any Extended Revolving Credit Commitment or Extended Term Loans, the final maturity date set forth in the applicable Extension Amendment.

“Maximum Rate” has the meaning assigned to such term in Section 9.19.

“MFN Provision” has the meaning assigned to such term in Section 2.22(a)(v).

“MidCap” has the meaning assigned to such term in the preamble to this Agreement.

“Minimum Extension Condition” has the meaning assigned to such term in Section 2.23(b).

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgage” means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Administrative Agent and the relevant Secured Parties, on any Material Real Estate Asset constituting Collateral, which shall contain such terms as may be necessary under applicable local Requirements of Law to perfect a Lien on the applicable Material Real Estate Asset.

“Mortgage Policies” has the meaning assigned to such term in the definition of “Collateral and Guarantee Requirement”.

“Mortgaged Property” means any Material Real Estate Asset that is encumbered by a Mortgage.

“Multiemployer Plan” means any employee benefit plan which is a “multiemployer plan” as defined in Section 3(37) of ERISA that is subject to the provisions of Title IV of ERISA, and in respect of which Holdings, the Borrower or any of its Restricted Subsidiaries, or any of their respective ERISA Affiliates, makes or is obligated to make contributions or with respect to which any of them has any ongoing obligation or liability, contingent or otherwise.

“Net Insurance/Condemnation Proceeds” means an amount equal to: (a) any Cash payments or proceeds (including Cash Equivalents) received by the Borrower or any of its Restricted Subsidiaries (i) under any casualty insurance policy in respect of a covered loss thereunder of any assets of the Borrower or any of its Restricted Subsidiaries or (ii) as a result of the taking of any assets of the Borrower or any of its Restricted Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (b) (i) any actual out-of-pocket costs and expenses incurred by the Borrower or any of its Restricted Subsidiaries in connection with the adjustment, settlement or collection of any claims of the Borrower or the relevant Restricted Subsidiary in respect thereof, (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest and other amounts on any Indebtedness (other than the Loans and any Indebtedness secured by a Lien on the Collateral that is *pari passu* with or expressly subordinated to the Lien on the Collateral securing any Secured Obligation) that is secured by a Lien on the assets in question and that is required to be repaid or otherwise comes due or would be in default under the terms thereof as a result of such loss, taking or sale, (iii) in the case of a taking, the reasonable out-of-pocket costs of putting any affected property in a safe and secure position, (iv) any selling costs and out-of-pocket expenses (including reasonable broker’s fees or commissions, legal fees, accountants’ fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees actually incurred in connection therewith transfer and similar Taxes and the Borrower’s good faith estimate of income Taxes paid or payable (including pursuant to Tax sharing arrangements or any intercompany distribution)) in connection with any sale or taking of such assets as described in clause (a) of this definition, (v) any amount provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustments associated with any sale or taking of such assets as referred to in clause (a) of this definition (provided that to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Insurance/Condemnation Proceeds) and (vi) in the case of any covered loss or taking from any non-Wholly-Owned Subsidiary, the pro rata portion thereof (calculated without regard to this clause (vi)) attributable to minority interests and not available for distribution to or for the account of the Borrower or a Wholly-Owned Subsidiary as a result thereof.

“Net Proceeds” means (a) with respect to any Disposition (including any Prepayment Asset Sale), the Cash proceeds (including Cash Equivalents and Cash proceeds subsequently received (as and when received) in respect of non-cash consideration initially received), net of (i) selling costs and out-of-pocket expenses (including reasonable broker’s fees or commissions, legal fees, accountants’ fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees actually incurred in connection therewith and transfer and similar Taxes and the Borrower’s good faith estimate of income Taxes paid or payable (including pursuant to any Tax sharing arrangement and/or any intercompany distribution) in connection with such Disposition), (ii) amounts provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustment associated with such Disposition (provided that to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Proceeds), (iii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness (other than the Loans

and any other Indebtedness secured by a Lien on the Collateral that is *pari passu* with or expressly subordinated to the Lien on the Collateral securing any Secured Obligation) which is secured by the asset sold in such Disposition and which is required to be repaid or otherwise comes due or would be in default and is repaid (other than any such Indebtedness that is assumed by the purchaser of such asset), (iv) Cash escrows (until released from escrow to the Borrower or any of its Restricted Subsidiaries) from the sale price for such Disposition and (v) in the case of any Disposition by any non-Wholly-Owned Subsidiary, the pro rata portion of the Net Proceeds thereof (calculated without regard to this clause (v)) attributable to any minority interest and not available for distribution to or for the account of the Borrower or a Wholly-Owned Subsidiary as a result thereof; and (b) with respect to any issuance or incurrence of Indebtedness or Capital Stock, the Cash proceeds thereof, net of all Taxes and customary fees, commissions, costs, underwriting discounts and other fees and expenses incurred in connection therewith.

“Non-Debt Fund Affiliate” means the Sponsor and any Affiliate of a the Sponsor, other than any Debt Fund Affiliate.

“Non-Defaulting Revolving Lenders” has the meaning assigned to such term in Section 2.21(d)(i).

“Notice of Intent to Cure” has the meaning assigned to such term in Section 6.15(b).

“Oaktree” means Oaktree Capital Management, L.P.

“Obligations” means all unpaid principal of and accrued and unpaid interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses (including fees and expenses accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), reimbursements, indemnities and all other advances to, debts, liabilities and obligations of any Loan Party to the Lenders or to any Lender, the Administrative Agent, any Issuing Bank or any indemnified party arising under the Loan Documents in respect of any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute, contingent, due or to become due, now existing or hereafter arising. In addition, the Obligations shall include, without limitation, all obligations, liabilities and indebtedness of the Administrative Agent arising from or in connection with all Support Agreements to the extent such obligations, liabilities and indebtedness is consistent with any obligations, liabilities and indebtedness that would have been “Obligations” if the relevant Letters of Credit were issued directly hereunder without the applicable Support Agreement.

“OFAC” has the meaning assigned to such term in Section 3.17(a).

“Organizational Documents” means (a) with respect to any corporation, its certificate or articles of incorporation or organization and its by-laws, (b) with respect to any limited partnership, its certificate of limited partnership and its partnership agreement, (c) with respect to any general partnership, its partnership agreement, (d) with respect to any limited liability company, its articles of organization or certificate of formation, and its operating agreement, and (e) with respect to any other form of entity, such other organizational documents required by local Requirements of Law or customary under such jurisdiction to document the formation and governance principles of such type of entity. In the event that any term or condition of this Agreement or any other Loan Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such “Organizational Document” shall only be to a document of a type customarily certified by such governmental official.

“Other Applicable Indebtedness” has the meaning assigned to such term in Section 2.11(b)(ii).

“Other Connection Taxes” means, with respect to any Lender, any Issuing Bank or the Administrative Agent Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary Taxes or any intangible, recording, filing or other similar Taxes arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document, but excluding (i) any Excluded Taxes, and (ii) any such Taxes that are Other Connection Taxes imposed with respect to an assignment or participation (other than an assignment made pursuant to Section 2.19(b)).

“Outstanding Amount” means (a) with respect to any Term Loan, Revolving Loan and/or Swingline Loan on any date, the amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Term Loan and/or Revolving Loan, as the case may be, occurring on such date, (b) with respect to any Letter of Credit, the aggregate amount available to be drawn under such Letter of Credit after giving effect to any changes in the aggregate amount available to be drawn under such Letter of Credit or the issuance or expiry of such Letter of Credit, including as a result of any LC Disbursement and (c) with respect to any LC Disbursement on any date, the amount of the aggregate outstanding amount of such LC Disbursement on such date after giving effect to any disbursements with respect to any Letter of Credit occurring on such date and any other changes in the aggregate amount of such LC Disbursement as of such date, including as a result of any reimbursements by the Borrower of such unreimbursed LC Disbursement.

“Parent Company” means any Person of which the Borrower is a direct or indirect Wholly-Owned Subsidiary.

“Participant” has the meaning assigned to such term in Section 9.05(c)(i).

“Participant Register” has the meaning assigned to such term in Section 9.05(c).

“Patent” means the following: (a) any and all patents and patent applications; (b) all inventions described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions and continuations in part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Plan” means any employee pension benefit plan, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, which Holdings, the Borrower or any of its Restricted Subsidiaries, or any of their respective ERISA Affiliates, maintains or contributes to or has an obligation to contribute to, or otherwise has any liability, contingent or otherwise.

“Perfection Certificate” means a certificate substantially in the form of Exhibit J.

“Perfection Requirements” means with respect to the Loan Parties, the filing of appropriate financing statements with the office of the Secretary of State or other appropriate office of the state of

organization of each Loan Party, the filing of Intellectual Property Security Agreements or other appropriate instruments or notices with the US Patent and Trademark Office, the US Copyright Office and certain equivalent offices in foreign jurisdictions to be mutually agreed between the Borrower and the Administrative Agent, the proper recording or filing, as applicable, of Mortgages and fixture filings with respect to any Material Real Estate Asset constituting Collateral, in each case in favor of the Administrative Agent for the benefit of the Secured Parties and the delivery to the Administrative Agent of any stock certificate or promissory note, together with instruments of transfer executed in blank, to the extent required by the applicable Loan Documents.

“Permitted Acquisition” means any acquisition made by the Borrower or any of its Restricted Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, or any business line, unit or division or product line (including research and development and related assets in respect of any product) of, any Person or of a majority of the outstanding Capital Stock of any Person (and, in any event, including any Investment in (x) any Restricted Subsidiary the effect of which is to increase the Borrower’s or any Restricted Subsidiary’s equity ownership in such Restricted Subsidiary or (y) any joint venture for the purpose of increasing the Borrower’s or its relevant Restricted Subsidiary’s ownership interest in such joint venture) if (A) such Person becomes a Restricted Subsidiary or (B) such Person, in one transaction or a series of related transaction, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets (or such division, business unit or product line) to, or is liquidated into, the Borrower or any Restricted Subsidiary as a result of such Investment provided, that:

(a) the total consideration paid by Persons that are Loan Parties (i) for the Capital Stock of any Person that does not become a Loan Party or is not a Loan Party, (ii) with respect to any Investment of the type referred to in clauses (x) and (y) above after giving effect to which the relevant joint venture is not, or does not become, a Loan Party, or (iii) in the case of an asset acquisition, assets that are not acquired by any Loan Party, when taken together with the total consideration for all such Persons and assets so acquired after the Closing Date, in reliance on Section 6.06(c), shall not exceed, in the aggregate, the greater of (A) \$50,000,000 and (B) 50% of Consolidated Adjusted EBITDA for the most recently ended Test Period, when aggregated with any other Investments by Loan Parties in non-Loan Parties pursuant to Section 6.06(b)(ii) or (d);

(b) the limitation described in clause (a) above shall not apply to any acquisition to the extent (i) any such consideration is financed with the proceeds of sales of the Qualified Capital Stock of, or common equity capital contributions to, Holdings (which are then contributed to the Borrower or any Restricted Subsidiary) (such proceeds, the “Permitted Acquisition Equity Proceeds”), other than any Cure Amount or Available Excluded Contribution Amount, (ii) the Person so acquired (or the Person owning the assets so acquired) becomes a Subsidiary Guarantor even though such Person is not otherwise required to become a Subsidiary Guarantor and/or (iii) at least 75.0% of the Consolidated Adjusted EBITDA of the Person(s) acquired in such acquisition (or the Persons owning the assets so acquired) (for this purpose and for the component definitions used in the definition of “Consolidated Adjusted EBITDA”, determined on a consolidated basis for such Person(s) and their respective Restricted Subsidiaries) is generated by Person(s) that will become Subsidiary Guarantors (*i.e.*, disregarding any Consolidated Adjusted EBITDA generated by Restricted Subsidiaries of such Persons that are not (or will not become) Subsidiary Guarantors);

(c) in the event the amount available under the clause (a) above is reduced as a result of any acquisition of (i) any Restricted Subsidiary that does not become a Loan Party or (ii) any assets that are not transferred to a Loan Party and such Restricted Subsidiary subsequently becomes a Loan Party or such assets are subsequently transferred to a Loan Party respectively, the amount available under clause (a) above shall be proportionately increased as a result thereof.

“Permitted Asset Swap” means the concurrent purchase and sale or exchange of Related Business Assets or any combination of Related Business Assets between the Borrower and/or any Restricted Subsidiary and any other Person.

“Permitted Holders” means (a) the Investors and (b) any Person with which one or more Investors form a “group” (within the meaning of Section 14(d) of the Exchange Act) so long as, in the case of this clause (b), the relevant Investors beneficially own more than 50% of the relevant voting stock beneficially owned by the group.

“Permitted Liens” means Liens permitted pursuant to Section 6.02.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or any other entity.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) maintained by Holdings and/or any Restricted Subsidiary or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any of its ERISA Affiliates, other than any Multiemployer Plan.

“Platform” has the meaning assigned to such term in Section 5.01.

“Prepayment Asset Sale” means any Disposition by Holdings, the Borrower or any Restricted Subsidiary made pursuant to Sections 6.07(e), (h), (q), (s) or (aa).

“Primary Obligor” has the meaning assigned to such term in the definition of “Guarantee”.

“Prime Rate” means the rate of interest last quoted by *The Wall Street Journal* as the “Prime Rate” in the US or, if *The Wall Street Journal* ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably determined by the Administrative Agent), in each case, which if less than 0% shall be 0%.

“Pro Forma Basis” or “pro forma effect” means, with respect to any determination of the Total Leverage Ratio, the First Lien Leverage Ratio, the Secured Leverage Ratio, Consolidated Adjusted EBITDA or Consolidated Total Assets (including any component definition thereof), that:

(a) (i) in the case of (A) any Disposition of all or substantially all of the Capital Stock of any Restricted Subsidiary or any division and/or product line of the Borrower and/or any Restricted Subsidiary, (B) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary, (C) if applicable, any transaction described in clauses (g) and/or (h) of the definition of “Subject Transaction” and/or (D) the implementation of any Business Optimization Initiative, income statement items (whether positive or negative and including any Expected Cost Saving) attributable to the property or Person subject to such Subject Transaction, shall be excluded as of the first day of the applicable Test Period with respect to any test or covenant for which the relevant determination is being made and (ii) in the case of (A) any Permitted Acquisition or other Investment, (B) designation of any Unrestricted Subsidiary as a Restricted Subsidiary and/or (C) if applicable, any transaction described in clauses (g) and (h) of the definition of “Subject Transaction”, income statement items (whether positive or negative) attributable to the property or Person subject to such Subject Transaction shall be included as of the first day of the applicable Test Period with respect to any test or covenant for which the relevant determination is being made,

(b) [Reserved],

(c) any retirement or repayment of Indebtedness by the Borrower or any of its Subsidiaries that constitutes a Subject Transaction shall be deemed to have occurred as of the first day of the applicable Test Period with respect to any test or covenant for which the relevant determination is being made,

(d) any Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries in connection therewith that constitutes a Subject Transaction shall be deemed to have occurred as of the first day of the applicable Test Period with respect to any test or covenant for which the relevant determination is being made; provided that, (x) if such Indebtedness has a floating or formula rate, such Indebtedness shall have an implied rate of interest for the applicable Test Period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness at the relevant date of determination (taking into account any interest hedging arrangements applicable to such Indebtedness), (y) interest on any obligation with respect to any Capital Lease shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of the Borrower to be the rate of interest implicit in such obligation in accordance with GAAP and (z) interest on any Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate or other rate shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen by the Borrower,

(e) the acquisition of any asset included in calculating Consolidated Total Assets and/or the amount Cash or Cash Equivalents, whether pursuant to any Subject Transaction or any Person becoming a subsidiary or merging, amalgamating or consolidating with or into the Borrower or any of its subsidiaries, or the Disposition of any asset included in calculating Consolidated Total Assets described in the definition of "Subject Transaction" shall be deemed to have occurred as of the last day of the applicable Test Period with respect to any test or covenant for which such calculation is being made,

(f) each other Subject Transaction shall be deemed to have occurred as of the first day of the applicable Test Period (or, in the case of Consolidated Total Assets, as of the last day of such Test Period) with respect to any test or covenant for which such calculation is being made, and

(g) the Unrestricted Cash Amount shall be calculated as of the date of the consummation of such Subject Transaction after giving pro forma effect thereto (other than, for the avoidance of doubt, the cash proceeds of any Indebtedness that is the Subject Transaction for which such a calculation is being made or is incurred to finance such Subject Transaction).

Notwithstanding anything to the contrary set forth in the immediately preceding paragraph, for the avoidance of doubt, when calculating (x) the First Lien Leverage Ratio for purposes of the definitions of "Applicable Rate" and (y) the Secured Leverage Ratio for purposes of Section 6.15(a) (other than for the purpose of determining pro forma compliance with Section 6.15(a) as a condition to taking any action under this Agreement), the events described in the immediately preceding paragraph that occurred subsequent to the end of the applicable Test Period shall not be given pro forma effect.

"Projections" means the financial projections and pro forma financial statements of the Borrower and its subsidiaries included in the Financial Model (or a supplement thereto).

“Promissory Note” means a promissory note of the Borrower payable to any Lender or its registered assigns, in substantially the form of Exhibit L hereto, evidencing the aggregate outstanding principal amount of Loans of the Borrower to such Lender resulting from the Loans made by such Lender.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Company Costs” means Charges associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 (and, in each case, similar Requirements of Law under other jurisdictions) and the rules and regulations promulgated in connection therewith and Charges relating to compliance with the provisions of the Securities Act and the Exchange Act (and, in each case, similar Requirements of Law under other jurisdictions), as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors’ or managers’ compensation, fees and expense reimbursement, Charges relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors’ and officers’ insurance and other executive costs, legal and other professional fees (including auditors’ and accountants’ fees), listing fees, filing fees and other costs and/or expenses associated with being a public company.

“Public Lender” has the meaning assigned to such term in Section 9.01(d).

“Published LIBO Rate” means, with respect to any Interest Period when used in reference to any Loan or Borrowing, (a) the rate of interest appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to such service as determined by Administrative Agent) as the London interbank offered rate for deposits in Dollars or any Alternate Currency, as applicable, for a term comparable to such Interest Period, at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the commencement of such Interest Period (but if more than one rate is specified on such page, the rate will be an arithmetic average of all such rates), (b) if such rate referenced in clause (a) is not available at such time for any reason, then the “Published LIBO Rate” for such Interest Period shall be a comparable successor rate approved by the Borrower that is, at such time, generally accepted by the syndicated loan market for loans denominated in U.S. dollars or any Alternate Currency, as applicable, in lieu of the “Published LIBO Rate” (as agreed by the Required Lenders that such rate is generally accepted successor rate; provided that any Lender who has not affirmatively disagreed that such proposed successor rate is the generally accepted successor rate in the syndicated loan market for loans denominated in U.S. dollars within 5 Business Days after receipt of a notice from the Borrower or the Administrative Agent of such determination shall be deemed to have agreed) or, if no such generally accepted successor rate exists at such time, a successor index rate as the Administrative Agent may determine with the consent of the Borrower and the Required Lenders (such consent not to be unreasonably withheld, delayed or conditioned and notwithstanding anything in Section 9.02 to the contrary) or (c) if the rates described in clauses (a) and (b) are not available at such time for any reason, then the “Published LIBO Rate” for such Interest Period shall be the Interpolated Rate.

“Qualified Capital Stock” of any Person means any Capital Stock of such Person that is not Disqualified Capital Stock.

“Qualifying IPO” means the issuance and sale by Holdings or any Parent Company of its common Capital Stock in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act (whether alone or in connection with a secondary public offering).

“Quality of Earnings Report” means the quality of earnings report with respect to the Target, dated as of October 25, 2019.

“Ratio Debt” has the meaning assigned to such term in Section 6.01(w).

“Real Estate Asset” means, at any time of determination, all right, title and interest (fee, leasehold or otherwise) of any Person in and to real property (including, but not limited to, land, improvements and fixtures thereon).

“Recipient” means the Administrative Agent, any Lender or any Issuing Bank, as applicable.

“Refinancing Amendment” means an amendment to this Agreement that is reasonably satisfactory to the Administrative Agent and the Borrower executed by (a) the Borrower, (b) the Administrative Agent and (c) each Lender that agrees to provide all or any portion of the Replacement Term Loans or the Revolver Replacement Facility, as applicable, being incurred pursuant thereto and in accordance with Section 9.02(c).

“Refinancing Indebtedness” has the meaning assigned to such term in Section 6.01(p).

“Refunding Capital Stock” has the meaning assigned to such term in Section 6.04(a)(viii).

“Register” has the meaning assigned to such term in Section 9.05(b).

“Regulation D” means Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation H” means Regulation H of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Related Business Assets” means assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any asset received by the Borrower or any Restricted Subsidiary in exchange for any asset transferred by the Borrower or any Restricted Subsidiary shall not be deemed to constitute a Related Business Asset if such asset consists of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Related Funds” means with respect to any Lender that is an Approved Fund, any other Approved Fund that is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, managers, officers, trustees, employees, partners, agents, advisors (with respect to MidCap, servicers and service providers) and other representatives of such Person and such Person’s Affiliates.

“Release” means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the Environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

“Replaced Revolving Facility” has the meaning assigned to such term in Section 9.02(c)(ii).

“Replaced Term Loans” has the meaning assigned to such term in Section 9.02(c)(i).

“Replacement Debt” means any Refinancing Indebtedness (whether borrowed in the form of secured or unsecured loans, issued in a public offering, Rule 144A under the Securities Act or other private placement or bridge financing in lieu of the foregoing or otherwise) incurred in respect of Indebtedness permitted under Section 6.01(a) (and any subsequent refinancing of such Replacement Debt).

“Replacement Term Loans” has the meaning assigned to such term in Section 9.02(c)(i).

“Reportable Event” means, with respect to any Pension Plan or Multiemployer Plan, any of the events described in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30-day notice period is waived under PBGC Reg. Section 4043.

“Representatives” has the meaning assigned to such term in Section 9.13.

“Required Excess Cash Flow Percentage” means, as of any date of determination, (a) if the First Lien Leverage Ratio is greater than 3.50:1.00, 75% (b) if the First Lien Leverage Ratio is less than or equal to 3.50:1.00 and greater than 3.00:1.00, 50% and (c) if the First Lien Leverage Ratio is less than or equal to 3.00:1.00, 25%; it being understood and agreed that, for purposes of this definition as it applies to the determination of the amount of Excess Cash Flow that is required to be applied to prepay the Term Loans under Section 2.11(b)(i) for any Excess Cash Flow Period, the First Lien Leverage Ratio shall be determined on the scheduled date of prepayment.

“Required Lenders” means, at any time, Lenders having Loans or unused Commitments representing more than 50% of the sum of the total Loans and such unused commitments at such time; provided that, in the event that there are 2 or more Lenders who are not Affiliates of each other and are not Defaulting Lenders, “Required Lenders” shall include at least 2 Lenders who are not Affiliates of each other and not Defaulting Lenders.

“Required Revolving Lenders” means, at any time, Lenders having Revolving Loans, Additional Revolving Loans, unused Revolving Credit Commitments or unused Additional Revolving Credit Commitments representing more than 50% of the sum of the total Revolving Loans, Additional Revolving Loans and such unused commitments at such time; provided that, in the event that there are 2 or more Revolving Lenders who are not Affiliates of each other and are not Defaulting Lenders, “Required Revolving Lenders” shall include at least 2 Revolving Lenders who are not Affiliates of each other and not Defaulting Lenders.

“Requirements of Law” means, with respect to any Person, collectively, the common law and all federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means, with respect to any Person, the chief executive officer, the president, the chief financial officer, the treasurer, any assistant treasurer of such Person and any other individual or similar official thereof, any executive vice president, any senior vice president, any vice president or the chief operating officer or other officer responsible for the administration of the obligations of such Person in respect of this Agreement, and, as to any document delivered on the Closing Date, shall include any secretary or assistant secretary or any other individual or similar official thereof with substantially equivalent responsibilities of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer of the applicable Loan Party so designated in writing by the Borrower to the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of any Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party, and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Responsible Officer Certification” means, with respect to the financial statements for which such certification is required, the certification of a Responsible Officer of the Borrower that such financial statements fairly present, in all material respects, in accordance with GAAP, the consolidated financial position of the Borrower as at the dates indicated and its consolidated income and cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

“Restricted Amount” has the meaning set forth in Section 2.11(b)(iv).

“Restricted Debt” means any Indebtedness (other than Indebtedness among the Borrower or any of its Restricted Subsidiaries) of the Borrower or any of its Restricted Subsidiaries that is expressly subordinated in right of payment to the Obligations, unsecured or Junior Lien Debt, in each case, with an individual outstanding principal amount in excess of the Threshold Amount; provided that for purposes of this definition, any series of related loans or notes issued in one issuance or incurred in one incurrence (e.g. a series of notes under one indenture) shall be treated as one issuance or incurrence for purposes of determining the Threshold Amount.

“Restricted Debt Payments” has the meaning set forth in Section 6.04(b).

“Restricted Payment” means (a) any dividend or other distribution on account of any shares of any class of the Capital Stock of the Borrower, except a dividend payable solely in shares of Qualified Capital Stock to the holders of such class; (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value of any shares of any class of the Capital Stock of the Borrower and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of the Capital Stock of the Borrower now or hereafter outstanding.

“Restricted Subsidiary” means, as to any Person, any subsidiary of such Person that is not an Unrestricted Subsidiary. Unless otherwise specified, “Restricted Subsidiary” shall mean any Restricted Subsidiary of the Borrower.

“Retained Excess Cash Flow Amount” means, at any date of determination, an amount, accumulating on an annual basis, that is equal to the aggregate cumulative sum of the Excess Cash Flow that is not required to be applied as a mandatory prepayment under Section 2.11(b)(i) for all Excess Cash Flow Periods ending after the Closing Date and prior to such date (but reduced by any amounts that are not required to be prepaid and are not actually prepaid pursuant to (i) clause (B) of such Section 2.11(b)(i), (ii) either the first or second proviso of such Section 2.11(b)(i) or (iii) Section 2.11(b)(iv)); provided that such amount shall not be less than zero for any Excess Cash Flow Period.

“Revaluation Date” means (a) with respect to any Revolving Loan denominated in an Alternate Currency, each of the following: (i) each date of any Borrowing of such Revolving Loan, (ii) each date of any continuation of such Revolving Loan pursuant to the terms of this Agreement, (iii) the last day of each Fiscal Quarter and (iv) the date of any voluntary reduction of a Revolving Credit Commitment pursuant to Section 2.08(c); and (b) with respect to any Letter of Credit denominated in an Alternate Currency, each of the following: (i) each date of issuance of such a Letter of Credit, (ii) each date of an amendment of such a Letter of Credit that increases the face amount thereof and (iii) the last day of each the Fiscal Quarter.

“Revolver Replacement Facility” has the meaning assigned to such term in Section 9.02(c)(ii).

“Revolving Credit Commitment” means any Initial Revolving Credit Commitment (including the 2020 Incremental Revolving Facility Commitment) and any Additional Revolving Credit Commitment.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the aggregate Outstanding Amount at such time of such Lender’s Initial Revolving Credit Exposure and Additional Revolving Credit Exposure.

“Revolving Facility” means the Initial Revolving Facility, any facility governing Extended Revolving Credit Commitments or Extended Revolving Loans and any Revolver Replacement Facility.

“Revolving Lender” means any Initial Revolving Lender (including the 2020 Incremental Revolving Facility Lenders) and any Additional Revolving Lender. Unless the context otherwise requires, the term “Revolving Lenders” shall include the Swingline Lender.

“Revolving Loans” means any Initial Revolving Loans and any Additional Revolving Loans.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of the McGraw-Hill Companies, Inc.

“Sale and Lease-Back Transaction” means a transaction where the Borrower or any of its Restricted Subsidiaries directly or indirectly, becomes or remains liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which the Borrower or a Restricted Subsidiary (a) has sold or transferred or is to sell or to transfer to any other Person (other than the Borrower or any of its Restricted Subsidiaries) and (b) intends to use for substantially the same purpose as the property which has been or is to be sold or transferred by the Borrower or a Restricted Subsidiary to any Person (other than the Borrower or any of its Restricted Subsidiaries) in connection with such lease.

“Scheduled Expenditures” has the meaning assigned to such term in the definition of “Excess Cash Flow”.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of its functions.

“Secured Hedging Obligations” means all Hedging Obligations (other than any Excluded Swap Obligations) under each Hedge Agreement that is in effect on the Closing Date or entered into at any time on or after the Closing Date between any Loan Party and (a) a counterparty that is (or is an Affiliate of) the Administrative Agent, a Lender or an Arranger as of the Closing Date or at the time such Hedge Agreement is entered into and/or (b) any other Person designated by the Borrower to the Administrative Agent, in each case for which such Loan Party agrees to provide security and in each case that has been designated to the Administrative Agent in writing by the Borrower as being a Secured Hedging Obligation for purposes of

the Loan Documents, it being understood that each counterparty thereto shall be deemed (A) to appoint the Administrative Agent as its agent under the applicable Loan Documents and (B) to agree to be bound by the provisions of Article 8, Section 9.03 and Section 9.10 and any Acceptable Intercreditor Agreement as if it were a Lender.

“Secured Leverage Ratio” means the ratio, as of any date of determination, of (a) Consolidated Secured Debt as of the last day of the most recently ended Test Period to (b) Consolidated Adjusted EBITDA for the most recently ended Test Period, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Secured Obligations” means all Obligations, together with (a) all Banking Services Obligations and (b) all Secured Hedging Obligations.

“Secured Parties” means (i) the Lenders, Issuing Banks and the Swingline Lender, (ii) the Administrative Agent, (iii) each counterparty to a Hedge Agreement with a Loan Party the obligations under which constitute Secured Hedging Obligations, (iv) each provider of Banking Services to any Loan Party the obligations under which constitute Banking Services Obligations, and (v) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document.

“Securities” means any stock, shares, units, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing; provided that the term “Securities” shall not include any earn-out agreement or obligation or any employee bonus or other incentive compensation plan or agreement.

“Securities Act” means the Securities Act of 1933 and the rules and regulations of the SEC promulgated thereunder.

“Security Agreement” means the Pledge and Security Agreement, substantially in the form of Exhibit M, among the Loan Parties, as grantors, and the Administrative Agent for the benefit of the Secured Parties.

“Shared Incremental Amount” means the greater of \$50,000,000 and 50% of Consolidated Adjusted EBITDA as of the last day of the most recently ended Test Period.

“Similar Business” means any Person the majority of the revenues of which are derived from a business that would be permitted by Section 6.10 if the references to “Restricted Subsidiaries” in Section 6.10 were read to refer to such Person.

“SPC” has the meaning assigned to such term in Section 9.05(e).

“Specified Acquisition Agreement Representations” means such of the representations and warranties made by or on behalf of the Target, its subsidiaries or their respective businesses in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower (or its applicable affiliate) has the right to terminate its obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of a breach of such representations and warranties.

“Special Flood Hazard Area” means an area that the Federal Emergency Management Agency has designated as an area subject to special flood or mud slide hazards.

“Specified Prepayment Asset Sale” means any Disposition by the Borrower or any Restricted Subsidiary made pursuant to clause (I) of the first proviso to Section 6.07(h).

“Specified Representations” means the representations and warranties set forth in Section 3.01(a)(i), Section 3.02 (as it relates to the due authorization, execution, delivery and performance of the Loan Documents and the enforceability thereof), Section 3.03(b)(i), Section 3.08, Section 3.12, Section 3.14 (as it relates to the creation, validity and perfection of the security interests in the Collateral), Section 3.16, Section 3.17(a)(ii), Section 3.17(b) and Section 3.17(c)(ii) (solely as it relates to the use of proceeds in violation of FCPA).

“Specified Subsidiary” has the meaning assigned to such term in Section 2.11(b)(iv).

“Sponsor” means, collectively, Advent, its controlled Affiliates and funds managed or advised by any of them or any of their respective controlled Affiliates.

“Spot Rate” means, for any currency, on any Revaluation Date or other relevant date of determination, the rate at which such currency may be exchanged into Dollars at the time of determination on such day on the applicable Reuters screen (or another commercially available source providing quotations of such rate as designated by the Administrative Agent from time to time) for such currency (or to the extent applicable, the rate at which dollars may be exchanged into such other currency) at approximately 11:00 a.m. on the date that is two Business Days prior to the date as of which the foreign exchange computation is made. In the event that such rate does not appear on such applicable Reuters screen (or another commercially available source providing quotations of such rate as designated by the Administrative Agent from time to time), the Spot Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such an agreement, such Spot Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about such time as the Administrative Agent shall elect after determining that such rates shall be the basis for determining the Spot Rate, on such date for the purchase of Dollars for delivery two (2) Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such an agreement, after the Borrower has one (1) Business Day to respond, such reasonable method the Administrative Agent deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Standby Letter of Credit” means any Letter of Credit other than any Commercial Letter of Credit.

“Stated Amount” means, with respect to any Letter of Credit, at any time, the maximum amount available to be drawn thereunder, in each case determined (x) as if any future automatic increases in the maximum available amount provided for in any such Letter of Credit had in fact occurred at such time and (y) without regard to whether any conditions to drawing could then be met but after giving effect to all previous drawings made thereunder.

“Subject Indebtedness” has the meaning assigned to such term in Section 1.03.

“Subject Loans” has the meaning assigned to such term in Section 2.11(b)(ii).

“Subject Person” has the meaning assigned to such term in the definition of “Consolidated Net Income”.

“Subject Proceeds” has the meaning assigned to such term in Section 2.11(b)(ii).

“Subject Transaction” means, with respect to any Test Period, (a) the Transactions, (b) any Permitted Acquisition or any other acquisition or similar Investment, whether by purchase, merger or otherwise, of all or substantially all of the assets of, or any business line, unit or division of, any Person or of a majority of the outstanding Capital Stock of any Person (and, in any event, including any Investment in (x) any Restricted Subsidiary the effect of which is to increase the Borrower’s or any Restricted Subsidiary’s respective equity ownership in such Restricted Subsidiary or (y) any joint venture for the purpose of increasing the Borrower’s or its relevant Restricted Subsidiary’s ownership interest in such joint venture), in each case that is permitted by this Agreement, (c) any Disposition of all or substantially all of the assets or Capital Stock of any subsidiary (or any business unit, line of business or division of the Borrower and/or a Restricted Subsidiary) not prohibited by this Agreement, (d) the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with Section 5.10, (e) any incurrence, retirement, redemption or repayment of Indebtedness (other than any Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), (f) any capital contribution in respect of Qualified Capital Stock or any issuance of Qualified Capital Stock (other than any amount constituting a Cure Amount), (g) the implementation of any Business Optimization Initiative and/or (h) any other event that by the terms of the Loan Documents requires pro forma compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a pro forma basis.

“subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of such Person or a combination thereof, in each case to the extent the relevant entity’s financial results are required to be included in such Person’s consolidated financial statements under GAAP; provided that in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interests in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding. Unless otherwise specified, “subsidiary” shall mean any subsidiary of the Borrower.

“Subsidiary Guarantor” means (x) on the Closing Date each wholly-owned Restricted Subsidiary that is a Domestic Subsidiary of the Borrower (other than any such subsidiary that is an Excluded Subsidiary on the Closing Date) and (y) thereafter, each subsidiary of the Borrower that becomes a guarantor of the Secured Obligations pursuant to the terms of this Agreement, in each case, until such time as the relevant subsidiary is released from its obligations under the Loan Guaranty in accordance with the terms and provisions hereof.

“Successor Borrower” has the meaning assigned to such term in Section 6.07(a).

“Successor Holdings” has the meaning assigned to such term in Section 6.07(cc).

“Support Agreement” has the meaning assigned to such term in Section 2.05(a).

“Supporting Obligations” has the meaning set forth in Article 9 of the UCC.

“Swap Obligations” means, with respect to any Loan Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swingline Commitment” means as to any Lender (i) the amount set forth opposite such Lender’s name on Schedule 1.01(a) hereof or (ii) if such Lender has entered into an Assignment and Assumption, the amount set forth for such Lender as its Swingline Commitment in the Register maintained by the Administrative Agent pursuant to Section 9.05(b)(iv).

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Revolving Lender at any time shall equal to its Applicable Revolving Credit Percentage of the aggregate Swingline Exposure at such time.

“Swingline Lender” means MidCap, in its capacity as lender of Swingline Loans hereunder, or any successor lender of Swingline Loans hereunder.

“Swingline Loan” means any Loan made pursuant to Section 2.04.

“Target” means, collectively, Olaplex LLC, a Delaware limited liability company and LiQWD, Inc., a California corporation.

“Tax Compliance Certificate” has the meaning assigned to such term in Section 2.17(f).

“Taxes” means all present and future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Date” has the meaning assigned to such term in the lead-in to Article 5.

“Term Commitment” means any Initial Term Loan Commitment and any Additional Term Loan Commitment.

“Term Facility” means the Term Loans provided to or for the benefit of the Borrower pursuant to the terms of this Agreement.

“Term Lender” means any Initial Term Lender (including any 2020 Incremental Term Loan Lender) and any Additional Term Lender.

“Term Loan” means the Initial Term Loans (including the 2020 Incremental Term Loans) and, if applicable, any Additional Term Loans.

“Test Period” means, as of any date, the period of four consecutive Fiscal Quarters then most recently ended for which financial statements required to be delivered pursuant to Section 5.01(a) or Section 5.01(b), as applicable, have been delivered (or are required to have been delivered) or, if earlier, are internally available and have been delivered to the Lenders; provided that, at all times prior to the first delivery of financial statements pursuant to Section 5.01(a) or (b), Test Period shall refer to the period covered by the pro forma consolidated financial statements of the Borrower delivered pursuant to Section 4.01.

“Threshold Amount” means \$5,000,000.

“Total Leverage Ratio” means the ratio, as of any date of determination, of (a) Consolidated Total Debt outstanding as of the last day of the most recently ended Test Period to (b) Consolidated Adjusted EBITDA for the most recently ended Test Period, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

“Total Revolving Credit Commitment” means, at any time, the aggregate amount of the Revolving Credit Commitments, as in effect at such time.

“Trademark” means the following: (a) all trademarks (including service marks), common law marks, trade names, trade dress, and logos, slogans and other indicia of origin under the Requirements of Law of any jurisdiction in the world, and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all renewals of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (d) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (e) all domestic rights corresponding to any of the foregoing.

“Transaction Costs” means fees, premiums, expenses and other transaction costs (including original issue discount or upfront fees) payable or otherwise borne by the Borrower, any Parent Company and/or its subsidiaries in connection with the Transactions and the transactions contemplated thereby.

“Transactions” means, collectively, (a) the execution, delivery and performance by the Loan Parties of the Loan Documents to which they are a party and the Borrowing of Loans hereunder on the Closing Date, (b) the transactions contemplated by the Acquisition Agreement, (c) the Equity Contribution and (d) the payment of the Transaction Costs.

“Treasury Capital Stock” has the meaning assigned to such term in Section 6.04(a)(viii).

“Treasury Regulations” means the US federal income tax regulations promulgated under the Code.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the creation or perfection of security interests.

“Unrestricted Cash Amount” means, as to any Person on any date of determination, the amount of (a) unrestricted Cash and Cash Equivalents of such Person and (b) Cash and Cash Equivalents of such Person that are restricted in favor of the Credit Facilities and/or other permitted *pari passu* or junior secured Indebtedness (which may also include Cash and Cash Equivalents securing other Indebtedness that is secured by a Lien on Collateral along with the Credit Facilities and/or other permitted *pari passu* or junior secured indebtedness), in each case calculated in accordance with GAAP; *provided* that the Unrestricted Cash Amount reducing Consolidated Total Debt for the purposes of calculating First Lien Leverage Ratio, Secured Leverage Ratio or Total Leverage Ratio shall be subject to a cap of \$10,000,000 (but shall not require any control agreements).

“Unrestricted Subsidiary” means (a) any subsidiary of the Borrower that is listed on Schedule 5.10 hereto or designated by the Borrower as an Unrestricted Subsidiary after the Closing Date pursuant to Section 5.10 and (b) any subsidiary of any Person described in the preceding clause (a).

“US” means the United States of America.

“US Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“USA PATRIOT Act” means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness; provided that the effects of any prepayment made in respect of such Indebtedness shall be disregarded in making such calculation.

“Wholly-Owned Subsidiary” of any Person means a subsidiary of such Person, 100% of the Capital Stock of which (other than directors’ qualifying shares or shares required by Requirements of Law to be owned by a resident of the relevant jurisdiction) shall be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

“Withdrawal Liability” means the liability to any Multiemployer Plan as the result of a “complete” or “partial” withdrawal by Holdings, the Borrower or any Restricted Subsidiary or any ERISA Affiliate from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (*e.g.*, a “Term Loan”) or by Type (*e.g.*, a “LIBO Rate Loan”) or by Class and Type (*e.g.*, a “LIBO Rate Term Loan”). Borrowings also may be classified and referred to by Class (*e.g.*, a “Term Loan Borrowing”) or by Type (*e.g.*, a “LIBO Rate Borrowing”) or by Class and Type (*e.g.*, a “LIBO Rate Term Loan Borrowing”).

Section 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein or in any Loan Document (including any Loan Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified or extended, replaced or refinanced (subject to any restrictions or qualifications on such amendments, restatements, amendment and restatements, supplements or modifications or extensions, replacements or refinancings set forth herein), (b) any reference to any Requirement of Law in any Loan Document shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Requirement of Law, (c) any reference herein or in any Loan Document to any Person shall be construed to include such Person’s successors and permitted assigns, (d) the words

“herein,” “hereof” and “hereunder,” and words of similar import, when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision hereof, (e) all references herein or in any Loan Document to Articles, Sections, clauses, paragraphs, Exhibits and Schedules shall be construed to refer to Articles, Sections, clauses and paragraphs of, and Exhibits and Schedules to, such Loan Document, (f) in the computation of periods of time in any Loan Document from a specified date to a later specified date, the word “from” means “from and including”, the words “to” and “until” mean “to but excluding” and the word “through” means “to and including” and (g) the words “asset” and “property”, when used in any Loan Document, shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including Cash, securities, accounts and contract rights. For purposes of determining compliance at any time with Sections 6.01, 6.02, 6.04, 6.05, 6.06, 6.07 and 6.09, in the event that any Indebtedness, Lien, Restricted Payment, Restricted Debt Payment, Investment, Disposition or Affiliate Transaction, as applicable, meets the criteria of more than one of the categories of transactions or items permitted pursuant to any clause of such Sections 6.01 (other than Sections 6.01(a)), 6.02 (other than Section 6.02(a)), 6.04, 6.05, 6.06, 6.07 and 6.09, the Borrower, in its sole discretion, may, from time to time, classify or reclassify such transaction or item (or portion thereof) under one or more clauses of each such Section and will only be required to include the amount and type of such transaction (or portion thereof) in any one category; provided that (i) upon delivery of any financial statements pursuant to Section 5.01(a) or (b) following the initial incurrence of any portion of any Indebtedness incurred under Section 6.01(a) through (gg) (other than Section 6.01(a)) (such portion of such Indebtedness, the “Subject Indebtedness”), if any such Subject Indebtedness could, based on such financial statements, have been incurred in reliance on Sections 6.01(q) or (w), such Subject Indebtedness shall automatically be reclassified as having been incurred under the applicable provisions of Sections 6.01(q) or (w), as applicable (in each case, subject to any other applicable provision of Section 6.01(q) or (w)) and any associated Lien will be deemed to have been permitted under Section 6.02(s) upon any such reclassification, (ii) upon delivery of any financial statements pursuant to Section 5.01(a) or (b) following the making of any Investment under Section 6.06 (other than Section 6.06(bb)), if all or any portion of such Investment could, based on such financial statements, have been made in reliance on Section 6.06(bb), such Investment (or the relevant portion thereof) shall automatically be reclassified as having been made in reliance on Section 6.06(bb) and (iii) upon delivery of any financial statements pursuant to Section 5.01(a) or (b), following the making of any Restricted Payment under Section 6.04(a) (other than Section 6.04(a)(xi)), if all or any portion of such Restricted Payment could, based on such financial statements, have been made in reliance on Section 6.04(a)(xi), such Restricted Payment (or the relevant portion thereof) shall automatically be reclassified as having been made in reliance on Section 6.04(a)(xi) and (iv) upon delivery of any financial statements pursuant to Section 5.01(a) or (b), following the making of any Restricted Debt Payment under Section 6.04(b) (other than Section 6.04(b)(vii)), if all or any portion of such Restricted Debt Payment could, based on such financial statements, have been made in reliance on Section 6.04(b)(vii), such Restricted Debt Payment (or the relevant portion thereof) shall automatically be reclassified as having been made in reliance on Section 6.04(b)(vii). It is understood and agreed that any Indebtedness, Lien, Restricted Payment, Restricted Debt Payment, Burdensome Agreement, Investment, Disposition and/or Affiliate transaction need not be permitted solely by reference to one category of permitted Indebtedness, Lien, Restricted Payment, Restricted Debt Payment, Burdensome Agreement, Investment, Disposition and/or Affiliate transaction under Sections 6.01, 6.02, 6.04, 6.05, 6.06, 6.07 or 6.09, respectively, but may instead be permitted in part under any combination thereof. For purposes of any amount herein expressed as “the greater of” a specified fixed amount and a percentage of Consolidated Adjusted EBITDA, “Consolidated Adjusted EBITDA” shall be deemed to refer to Consolidated Adjusted EBITDA of the Borrower and its Restricted Subsidiaries.

Section 1.04. Accounting Terms; GAAP.

(a) All financial statements to be delivered pursuant to this Agreement shall be prepared in accordance with GAAP as in effect from time to time and, except as otherwise expressly provided herein,

all terms of an accounting nature that are used in calculating the Total Leverage Ratio, the First Lien Leverage Ratio, the Secured Leverage Ratio, Consolidated Adjusted EBITDA or Consolidated Total Assets shall be construed and interpreted in accordance with GAAP, as in effect from time to time; provided that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date of delivery of the Quality of Earnings Report in GAAP or in the application thereof (including the conversion to IFRS as described below) on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change becomes effective until such notice have been withdrawn or such provision amended in accordance herewith; provided, further, that if such an amendment is requested by the Borrower or the Required Lenders, then the Borrower and the Administrative Agent shall negotiate in good faith to enter into an amendment of the relevant affected provisions (without the payment of any amendment or similar fee to the Lenders) to preserve the original intent thereof in light of such change in GAAP or the application thereof; provided, further, that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any subsidiary at “fair value,” as defined therein and (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. If the Borrower notifies the Administrative Agent that the Borrower (or its applicable Parent Company) is required to report under IFRS or has elected to do so through an early adoption policy, “GAAP” shall mean international financial reporting standards pursuant to IFRS (provided that after such conversion, the Borrower cannot elect to report under GAAP).

(b) Notwithstanding anything to the contrary herein, but subject to Section 1.12 hereof, all financial ratios and tests (including the Total Leverage Ratio, the First Lien Leverage Ratio, the Secured Leverage Ratio and the amount of Consolidated Total Assets and Consolidated Adjusted EBITDA (other than, for the avoidance of doubt, for purposes of calculating Excess Cash Flow)) contained in this Agreement that are calculated with respect to any Test Period during which any Subject Transaction occurs shall be calculated with respect to such Test Period and such Subject Transaction on a Pro Forma Basis. Further, if since the beginning of any such Test Period and on or prior to the date of any required calculation of any financial ratio or test (x) any Subject Transaction has occurred or (y) any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of its Restricted Subsidiaries or any joint venture since the beginning of such Test Period has consummated any Subject Transaction, then, in each case, any applicable financial ratio or test shall be calculated on a Pro Forma Basis for such Test Period as if such Subject Transaction had occurred at the beginning of the applicable Test Period (or, in the case of Consolidated Total Assets (or with respect to any determination pertaining to the balance sheet, including the acquisition of Cash and/or Cash Equivalents), as of the last day of such Test Period) (it being understood, for the avoidance of doubt, that solely for purposes of (x) calculating actual compliance with Section 6.15(a) and (y) calculating the First Lien Leverage Ratio for purposes of the definitions of “Applicable Rate”, the date of the required calculation shall be the last day of the Test Period, and no Subject Transaction occurring thereafter shall be taken into account).

(c) Notwithstanding anything to the contrary contained in paragraph (a) above or in the definition of “Capital Lease,” in the event of an accounting change requiring all leases to be capitalized, only those leases (assuming for purposes hereof that such leases were in existence on the date hereof) that would constitute Capital Leases in conformity with GAAP as of December 31, 2017 shall be considered Capital Leases, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

Section 1.05. Effectuation of Transactions. Each of the representations and warranties contained in this Agreement (and all corresponding definitions) is made after giving effect to the Transactions, unless the context otherwise requires.

Section 1.06. Timing of Payment of Performance. When payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of “Interest Period”) or performance shall extend to the immediately succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

Section 1.07. Times of Day. Unless otherwise specified herein, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

Section 1.08. Currency Equivalents Generally.

(a) The Administrative Agent shall determine the Spot Rate as of each Revaluation Date to be used for calculating the Dollar Equivalent amount of any Revolving Loan and/or Letter of Credit that is denominated in any Alternate Currency. The Spot Rate shall become effective as of such Revaluation Date and shall be the Spot Rate employed in converting any amount between any Alternate Currency and Dollars until the next occurring Revaluation Date.

(b) For purposes of any determination under Article 5, Article 6 (other than Section 6.15(a)) and the calculation of compliance with any financial ratio for purposes of taking any action hereunder) or Article 7 with respect to the amount of any Indebtedness, Lien, Restricted Payment, Restricted Debt Payment, Investment, Disposition, affiliate transaction or other transaction, event or circumstance, or any determination under any other provision of this Agreement, (any of the foregoing, a “specified transaction”), in a currency other than Dollars, (i) the Dollar equivalent amount of a specified transaction in a currency other than Dollars shall be calculated based on the rate of exchange quoted by the Bloomberg Foreign Exchange Rates & World Currencies Page (or any successor page thereto, or in the event such rate does not appear on any Bloomberg Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower) for such foreign currency, as in effect at 11:00 a.m. (London time) on the date of such specified transaction (which, in the case of any Restricted Payment, shall be deemed to be the date of the declaration thereof and, in the case of the incurrence of Indebtedness, shall be deemed to be on the date first committed); provided, that if any Indebtedness is incurred (and, if applicable, associated Lien granted) to refinance or replace other Indebtedness denominated in a currency other than Dollars, and the relevant refinancing or replacement would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing or replacement, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing or replacement Indebtedness (and, if applicable, associated Lien granted) does not exceed an amount sufficient to repay the principal amount of such Indebtedness being refinanced or replaced, except by an amount equal to (x) unpaid accrued interest and premiums (including tender premiums) thereon plus other reasonable and customary fees and expenses (including upfront fees and original issue discount) incurred in connection with such refinancing or replacement, (y) any existing commitment unutilized thereunder and

(z) additional amounts permitted to be incurred under Section 6.01 and (ii) for the avoidance of doubt, no Default or Event of Default shall be deemed to have occurred solely as a result of a change in the rate of currency exchange occurring after the time of any specified transaction so long as such specified transaction was permitted at the time incurred, made, acquired, committed, entered or declared as set forth in clause (i). For purposes of Section 6.15(a) and the calculation of compliance with any financial ratio for purposes of taking any action hereunder, on any relevant date of determination, amounts denominated in currencies other than Dollars shall be translated into Dollars at the applicable currency exchange rate used in preparing the financial statements delivered pursuant to Sections 5.01(a) or (b) (or, prior to the first such delivery, the Quality of Earnings Report), as applicable, for the relevant Test Period and will, with respect to any Indebtedness, reflect the currency translation effects, determined in accordance with GAAP, of any Hedge Agreement permitted hereunder in respect of currency exchange risks with respect to the applicable currency in effect on the date of determination for the Dollar equivalent amount of such Indebtedness; provided that the amount of any Indebtedness that is subject to a Debt FX Hedge shall be determined in accordance with the definition of "Consolidated Total Debt". Notwithstanding the foregoing or anything to the contrary herein, to the extent that the Borrower would not be in compliance with Section 6.15(a) if any Indebtedness denominated in a currency other than Dollars were to be translated into Dollars on the basis of the applicable currency exchange rate used in preparing the financial statements delivered pursuant to Section 5.01(a) or (b), as applicable, for the relevant Test Period, but would be in compliance with Section 6.15(a) if such Indebtedness that is denominated in a currency other than in Dollars were instead translated into Dollars on the basis of the average relevant currency exchange rates over such Test Period (taking into account the currency translation effects, determined in accordance with GAAP, of any Hedge Agreement permitted hereunder in respect of currency exchange risks with respect to the applicable currency in effect on the date of determination for the Dollar equivalent amount of such Indebtedness), then, solely for purposes of compliance with Section 6.15(a), the Secured Leverage Ratio as of the last day of such Test Period shall be calculated on the basis of such average relevant currency exchange rates; provided that the amount of any Indebtedness that is subject to a Debt FX Hedge shall be determined in accordance with the definition of "Consolidated Total Debt".

(c) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower's consent to appropriately reflect a change in currency of any country and any relevant market convention or practice relating to such change in currency.

Section 1.09. Cashless Rollovers. Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, to the extent that any Lender extends the maturity date of, or replaces, renews or refinances, any of its then-existing Loans with Incremental Loans, Replacement Term Loans, Loans in connection with any Revolver Replacement Facility, Extended Term Loans, Extended Revolving Loans or loans incurred under a new credit facility, in each case, to the extent such extension, replacement, renewal or refinancing is effected by means of a "cashless roll" by such Lender, such extension, replacement, renewal or refinancing shall be deemed to comply with any requirement hereunder or any other Loan Document that such payment be made "in Dollars", "in immediately available funds", "in Cash" or any other similar requirement.

Section 1.10. Additional Alternate Currencies.

(a) The Borrower may from time to time request that Revolving Loans be made and/or Letters of Credit be issued in a currency other than Dollars; provided that the relevant requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars. In the case of any such request with respect to the making of Revolving Loans, such request shall be subject to the approval of the Administrative Agent and each Revolving Lender in their sole discretion; and, in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and each applicable Issuing Bank.

(b) Any such request shall be made to the Administrative Agent in writing not later than 11:00 a.m. 10 Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent). In the case of any such request pertaining to Revolving Loans, the Administrative Agent shall promptly notify each Revolving Lender thereof, and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify each applicable Issuing Bank thereof. Each such Revolving Lender (in the case of any such request pertaining to Revolving Loans) and each applicable Issuing Bank (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., 5 Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Revolving Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by any Revolving Lender or the relevant Issuing Bank, as the case may be, to respond to such request within the time period specified in the preceding paragraph (b) shall be deemed to be a refusal by such Revolving Lender or Issuing Bank, as the case may be, to permit Revolving Loans to be made or Letters of Credit to be issued, as applicable, in such requested currency. If the Administrative Agent and all the Revolving Lenders that would be obligated to make Credit Extensions denominated in such requested currency consent to making Revolving Loans in such requested currency, the Administrative Agent shall so notify the Borrower, and such currency shall thereupon be deemed for all purposes to be an Alternate Currency hereunder for purposes of any Borrowing of Revolving Loans; and if the Administrative Agent and each applicable Issuing Bank consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternate Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent fails to obtain the requisite consent to any request for an additional currency under this Section 1.10, the Administrative Agent shall promptly so notify the Borrower.

Section 1.11. [Reserved].

Section 1.12. Certain Calculations and Tests.

(a) Notwithstanding anything to the contrary herein, to the extent that the terms of this Agreement require (i) compliance with any financial ratio or test (including, without limitation, Section 6.15(a) hereof, any First Lien Leverage Ratio test, any Secured Leverage Ratio test or any Total Leverage Ratio test) and/or any cap expressed as a percentage of Consolidated Adjusted EBITDA or Consolidated Total Assets or (ii) the absence of a Default or Event of Default (other than Event of Default pursuant to Section 7.01(a), 7.01(f) or 7.01(g)) as a condition to (A) the consummation of any transaction in connection with any acquisition or similar Investment (including the assumption or incurrence of Indebtedness), (B) the making of any Restricted Payment and/or (C) the making of any Restricted Debt Payment, the determination of whether the relevant condition is satisfied may be made, at the election of the Borrower, (1) in the case of any acquisition or similar Investment (including with respect to any Indebtedness contemplated or incurred in connection therewith), at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) either (x) the execution of the definitive agreement with respect to such acquisition or Investment or (y) the consummation of such acquisition or Investment, (2) in the case of any Restricted Payment (including with respect to any Indebtedness contemplated or incurred in connection therewith), at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) (x) the declaration of such Restricted Payment or (y) the making of such Restricted Payment and (3) in the case of any Restricted Debt Payment (including with respect to any Indebtedness contemplated or incurred in connection therewith), at the time of (or on the basis of the financial statements for the most recently ended Test Period at the time of) (x) delivery of irrevocable

(which may be conditional) notice with respect to such Restricted Debt Payment or (y) the making of such Restricted Debt Payment, in each case, after giving effect, on a Pro Forma Basis, to (I) the relevant acquisition, Investment, Restricted Payment, Restricted Debt Payment and/or any related Indebtedness (including the intended use of proceeds thereof) and (II) to the extent definitive documents in respect thereof have been executed or the declaration of any Restricted Payment has been made or delivery of notice with respect to a Restricted Debt Payment has been given (which definitive documents, declaration or notice has not terminated or expired without the consummation thereof), any additional acquisition, Investment, Restricted Payment, Restricted Debt Payment and/or any related Indebtedness (including the intended use of proceeds thereof) that the Borrower has elected to treat in accordance with this clause (a).

(b) For purposes of determining the permissibility of any action, change, transaction or event that requires a calculation of any financial ratio or test (including, without limitation, Section 6.15(a) hereof, any First Lien Leverage Ratio test, any Secured Leverage Ratio test, any Total Leverage Ratio test and/or the amount of Consolidated Adjusted EBITDA or Consolidated Total Assets), such financial ratio or test shall be calculated at the time such action is taken (subject to clause (a) above), such change is made, such transaction is consummated or such event occurs, as the case may be, and no Default or Event of Default shall be deemed to have occurred solely as a result of a change in such financial ratio or test occurring after such calculation, or after the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be.

(c) Notwithstanding anything to the contrary herein, with respect to any amount incurred or transaction entered into (or consummated) in reliance on a provision of this Agreement that does not require compliance with a financial ratio or test (including, without limitation, any First Lien Leverage Ratio test, any Secured Leverage Ratio test and/or any Total Leverage Ratio test) (any such amount, including any such amount drawn under any revolving credit facility, a "Fixed Amount") substantially concurrently with any amount incurred or transaction entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or test (including, without limitation, Section 6.15(a) hereof, any First Lien Leverage Ratio test, any Secured Leverage Ratio test and/or any Total Leverage Ratio test) (any such amount, an "Incurrence-Based Amount"), it is understood and agreed that (i) any Fixed Amount shall be disregarded in the calculation of the financial ratio or test applicable to the relevant Incurrence-Based Amount and (ii) except as provided in clause (i), pro forma effect shall be given to the entire transaction. The Borrower may elect that amounts incurred or transactions entered into (or consummated) in reliance on one or more of any Incurrence-Based Amount or any Fixed Amount in its sole discretion; provided, that unless the Borrower elects otherwise, each such amount or transaction shall be deemed incurred, entered into or consummated first under any Incurrence-Based Amount to the maximum extent permitted thereunder.

(d) The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

(e) The increase in any amount secured by any Lien by virtue of the accrual of interest, the accretion of accreted value, the payment of interest or a dividend in the form of additional Indebtedness, amortization of original issue discount and/or any increase in the amount of Indebtedness outstanding solely as a result of any fluctuation in the exchange rate of any applicable currency will not be deemed to be the granting of a Lien for purposes of Section 6.02.

ARTICLE 2

THE CREDITS

Section 2.01. Commitments.

(a) Subject to the terms and conditions set forth herein, (i) each Initial Term Lender severally, and not jointly, agrees to make Initial Term Loans to the Borrower on the Closing Date in Dollars in a principal amount not to exceed its Initial Term Loan Commitment and (ii) each Initial Revolving Lender (including, from and after the First Amendment Effective Date, the 2020 Incremental Revolving Facility Lender with respect to its 2020 Incremental Revolving Facility Commitment) severally, and not jointly, agrees to make Revolving Loans to the Borrower in Dollars or any Alternate Currency as may be requested by the Borrower, at any time and from time to time on and after the Closing Date, and until the earlier of the Initial Revolving Credit Maturity Date and the termination of the Initial Revolving Credit Commitment of such Initial Revolving Lender in accordance with the terms hereof; provided that, after giving effect to any Borrowing of Revolving Loans, the Outstanding Amount of such Initial Revolving Lender's Revolving Credit Exposure shall not exceed such Initial Revolving Lender's Revolving Credit Commitment. Within the foregoing limits and subject to the terms, conditions and limitations set forth herein, (x) Revolving Loans denominated in Dollars may consist of ABR Loans, LIBO Rate Loans, or a combination thereof, and may be borrowed, paid, repaid and reborrowed and (y) Revolving Loans denominated in any Alternate Currency shall consist of LIBO Rate Loans, and may be borrowed, paid, repaid and reborrowed. Amounts paid or prepaid in respect of the Initial Term Loans may not be reborrowed.

(b) Subject to the terms and conditions of this Agreement and the First Amendment, each 2020 Incremental Term Loan Lender severally, and not jointly, agrees to make the 2020 Incremental Term Loans to the Borrower on the First Amendment Effective Date in Dollars in a principal amount not to exceed its 2020 Incremental Term Loan Commitment. Amounts paid or prepaid in respect of the 2020 Incremental Term Loans may not be reborrowed.

(c) Subject to the terms and conditions of this Agreement and any applicable Refinancing Amendment, Extension Amendment, or Incremental Facility Amendment, each Lender with an Additional Commitment of a given Class, severally and not jointly, agrees to make Additional Loans of such Class to the Borrower, which Loans shall not exceed for any such Lender at the time of any incurrence thereof the Additional Commitment of such Class of such Lender as set forth in the applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment.

Section 2.02. Loans and Borrowings.

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. Each Swingline Loan shall be made in accordance with the terms and procedures set forth in Section 2.04

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or LIBO Rate Loans as the Borrower may request in accordance herewith; provided that each Swingline Loan shall be an ABR Loan and each Revolving Loan denominated in any Alternate Currency shall be a LIBO Rate Loan. Each Lender at its option may make any LIBO Rate Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement, (ii) such LIBO Rate Loan shall be deemed to have been made and held by such Lender, and the obligation of the Borrower to repay such LIBO Rate Loan shall nevertheless be to such Lender for the account of such

domestic or foreign branch or Affiliate of such Lender and (iii) in exercising such option, such Lender shall use reasonable efforts to minimize increased costs to the Borrower resulting therefrom (which obligation of such Lender shall not require it to take, or refrain from taking, actions that it determines would result in increased costs for which it will not be compensated hereunder or that it otherwise determines would be disadvantageous to it and in the event of such request for costs for which compensation is provided under this Agreement, the provisions of Section 2.15 shall apply); provided, further, that no such domestic or foreign branch or Affiliate of such Lender shall be entitled to any greater indemnification under Section 2.17 in respect of any US federal withholding tax with respect to such LIBO Rate Loan than that to which the applicable Lender was entitled on the date on which such Loan was made (except in connection with any indemnification entitlement arising as a result of any Change in Law after the date on which such Loan was made).

(c) At the commencement of each Interest Period for any LIBO Rate Borrowing, such LIBO Rate Borrowing shall comprise an aggregate principal amount that is an integral multiple of \$50,000 and not less than \$250,000 (or the Dollar Equivalent thereof in the case of any LIBO Rate Borrowing denominated in any other Alternate Currency). Each ABR Borrowing when made shall be in a minimum principal amount of \$50,000 and in an integral multiple of \$50,000; provided that an ABR Revolving Loan Borrowing may be made in a lesser aggregate amount that is (x) equal to the entire aggregate unused Revolving Credit Commitments or (y) required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of six different Interest Periods in effect for LIBO Rate Borrowings at any time outstanding (or such greater number of different Interest Periods as the Administrative Agent may agree from time to time).

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not, nor shall it be entitled to, request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date applicable to the relevant Loans.

Section 2.03. Requests for Borrowings. Each Term Loan Borrowing, each Revolving Loan Borrowing, each conversion of Term Loans or Revolving Loans from one Type to the other, and each continuation of LIBO Rate Loans shall be made upon irrevocable notice by the Borrower to the Administrative Agent, which may be given by a Borrowing Request or an Interest Election Request, as applicable (provided that notices in respect of Term Loan Borrowings and/or Revolving Loan Borrowing (x) to be made on the Closing Date may be conditioned on the closing of the Acquisition and (y) to be made in connection with any acquisition, investment or irrevocable repayment or redemption of Indebtedness may be conditioned on the closing of such Permitted Acquisition, permitted Investment or permitted irrevocable repayment or redemption of Indebtedness). Each such notice must be in the form of a Borrowing Request or an Interest Election Request, as applicable, appropriately completed and signed by a Responsible Officer of the Borrower and must be received by the Administrative Agent (by hand delivery or other electronic transmission (including “.pdf” or “.tif”)) not later than (i) 11:00 a.m. three Business Days prior to the requested day of any Borrowing of, conversion to or continuation of LIBO Rate Loans (or one Business Day in the case of any Borrowing of LIBO Rate Loans to be made on the Closing Date or the First Amendment Effective Date), (ii) 11:00 a.m. one Business Day prior to the requested date of any Borrowing of ABR Loan (other than a Swingline Loan), (iii) 10:00 a.m. on the requested date of any Borrowing of any Swingline Loan and (iv) 11:00 a.m. one Business Day prior to the requested date of any conversion to ABR Loans (or, in each case, such later time as is reasonably acceptable to the Administrative Agent); provided, however, that if the Borrower wishes to request LIBO Rate Loans having an Interest Period of other than one, two, three or six months in duration as provided in the definition of “Interest Period”, (A) the applicable notice from the Borrower must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of the relevant Borrowing, conversion or continuation (or such later time as is reasonably acceptable to the Administrative Agent), whereupon the Administrative Agent

shall give prompt notice to the appropriate Lenders of such request and determine whether the requested Interest Period is available to them and (B) not later than 12:00 p.m. three Business Days before the requested date of the relevant Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower whether or not the requested Interest Period is available to the appropriate Lenders.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested LIBO Rate Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall advise each Lender of the details and amount of any Loan to be made as part of the relevant requested Borrowing (x) in the case of any ABR Borrowing, on the same Business Day of receipt of a Borrowing Request in accordance with this Section or (y) in the case of any LIBO Rate Borrowing, no later than one Business Day following receipt of a Borrowing Request in accordance with this Section.

Section 2.04. Swingline Loans.

(a) Subject to the terms and conditions set forth herein, the Swingline Lender shall make Swingline Loans to the Borrower from time to time on and after the Closing Date and until the Latest Revolving Credit Maturity Date, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$5,000,000, (ii) the aggregate Outstanding Amount of all Revolving Loans, Swingline Loans and LC Exposure exceeding the Total Revolving Credit Commitment, or (iii) the Swingline Lender's Applicable Percentage of the aggregate Outstanding Amount of all Revolving Loans, Swingline Loans and LC Exposure exceeding such Lender's Revolving Credit Commitment; provided that the Swingline Lender shall not, unless it otherwise so elects, make a Swingline Loan to refinance an outstanding Swingline Loan. Each Swingline Loan shall be in a minimum principal amount of not less than \$100,000 or such lesser amount as may be agreed by the Swingline Lender; provided that, notwithstanding the foregoing, any Swingline Loan may be in an aggregate amount that is (x) equal to the entire unused balance of the aggregate unused Revolving Credit Commitments or (y) required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e). Within the foregoing limits and subject to the terms and conditions set forth herein, Swingline Loans may be borrowed, prepaid and reborrowed. To request a Swingline Loan, the Borrower shall notify the Swingline Lender (with a copy to the Administrative Agent) of such request by delivery of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower, not later than 10:00 a.m. on the day of a proposed Swingline Loan. The Swingline Lender shall make each Swingline Loan available to the Borrower on the same Business Day in accordance with the instructions of the Borrower (including, in the case of a Swingline Loan made to finance the reimbursement of any LC Disbursement as provided in Section 2.05(e), by remittance to the applicable Issuing Bank).

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 12:00 p.m. on any Business Day require the Revolving Lenders to purchase participations on the second Business Day following receipt of such notice in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Revolving Lender's Applicable Percentage of such Swingline Loan or Swingline Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Swingline Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or any reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement,

withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this Section 2.04(b) by effecting a wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Revolving Loans made by such Revolving Lender (and Section 2.07 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders pursuant to this Section 2.04(b)), and the Administrative Agent shall promptly remit to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower of any participation in any Swingline Loan acquired pursuant to this Section 2.04(b), and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower in respect of any Swingline Loan after receipt by the Swingline Lender of the proceeds of any sale of participations therein shall be promptly remitted by the Swingline Lender to the Administrative Agent, and any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that have made their payments pursuant to this Section 2.04(b) and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or the Administrative Agent, as the case may be, and thereafter to the Borrower, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of a participation in a Swingline Loan pursuant to this Section 2.04(b) shall not relieve the Borrower of any default in the payment thereof.

(c) If any Revolving Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Revolving Lender pursuant to the foregoing provisions of this Section 2.04 by the time specified in Section 2.04(b), the Swingline Lender shall be entitled to recover from such Revolving Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate *per annum* equal to the Alternate Base Rate from time to time in effect and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A certificate of the Swingline Lender submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this clause (c) shall be conclusive absent manifest error.

(d) Notwithstanding anything to the contrary contained herein, MidCap and any other Swingline Lender may, upon 30 days' prior written notice to the Borrower, each Issuing Bank and the Lenders, resign as Swingline Lender, which resignation shall be effective as of the date referenced in such notice (but in no event less than ten days after the delivery of such written notice); provided, that any such resignation (i) by MidCap shall be concurrent with MidCap's resignation as the Administrative Agent or (ii) shall be subject to the appointment and acceptance of a successor Swingline Lender. In the event of any such resignation as the Swingline Lender, the Borrower shall, unless an Event of Default under Section 7.01(a) or, with respect to the Borrower, Section 7.01(f) or (g) then exists, be entitled to appoint any Revolving Lender that is willing to accept such appointment as successor Swingline Lender hereunder. Upon the acceptance of any appointment as Swingline Lender hereunder by a successor Swingline Lender, such successor Swingline Lender shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Swingline Lender, and the retiring Swingline Lender shall be discharged from its duties and obligations in such capacity hereunder. In the event the Swingline Lender resigns, the Borrower shall promptly repay all outstanding Swingline Loans on the effective date of such resignation (which repayment may be effectuated with the proceeds of a Borrowing).

Section 2.05. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, each Issuing Bank party hereto agrees (and, in the case of an "Issuing Bank" pursuant to clause (i) of such definition, agrees to induce a Support Agreement Issuing Bank by or through one or more guarantees, reimbursement or similar

support agreements by the Administrative Agent, such Revolving Lender (or one or more of their Affiliates) to such Support Agreement Issuing Bank (each a "Support Agreement") to, in each case in reliance upon the agreements of the other Revolving Lenders set forth in this Section 2.05, (A) from time to time on any Business Day during the period from the Closing Date to the fifth Business Day prior to the Latest Revolving Credit Maturity Date, upon the request of the Borrower, to issue Letters of Credit issued on sight basis only for the account of the Borrower and/or any of its subsidiaries (provided that the Borrower will be the applicant) and to amend or renew Letters of Credit previously issued by it, in accordance with Section 2.05(b), and (B) to honor drafts under the Letters of Credit; provided that no Issuing Bank shall be required to issue or procure any Letters of Credit if the Stated Amount of such Letter of Credit, taken together with the aggregate Stated Amount of all other then-outstanding Letters of Credit then issued by such Issuing Bank would exceed such Issuing Bank's Letter of Credit Commitment, and (ii) the Revolving Lenders severally agree to participate in the Letters of Credit issued pursuant to Section 2.05(d).

(i) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of any Letter of Credit, the Borrower shall deliver to the applicable Issuing Bank and the Administrative Agent, at least three Business Days in advance of the requested date of issuance (or such shorter period as is acceptable to the applicable Issuing Bank or, in the case of any issuance to be made on the Closing Date, one Business Day prior to the Closing Date), a request to issue a Letter of Credit, which shall specify that it is being issued under this Agreement, in the form of Exhibit N attached hereto (it being understood that, to the extent applicable, the issuance of any Letter of Credit expressly for the benefit of any subsidiary that is not a Loan Party shall be contingent upon the Administrative Agent's receipt of any documentation and other information with respect to such subsidiary that has not been previously provided with respect to any Loan Party, that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, and reasonably requested by the applicable Issuing Bank or Support Agreement Issuing Bank at least two Business Days prior to the requested date of issuance. To request an amendment, extension or renewal of an outstanding Letter of Credit, (other than any automatic extension of a Letter of Credit permitted under Section 2.05(c)) the Borrower shall submit such a request to the applicable Issuing Bank or Issuing Banks selected by the Borrower (with a copy to the Administrative Agent) at least three Business Days in advance of the requested date of amendment, extension or renewal (or such shorter period as is acceptable to the applicable Issuing Bank), identifying the Letter of Credit to be amended, extended or renewed, and specifying the proposed date (which shall be a Business Day) and other details of the amendment, extension or renewal. If requested by the applicable Issuing Bank in connection with any request for any Letter of Credit, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. No Letter of Credit, letter of credit application or other document entered into by the Borrower with any Issuing Bank relating to any Letter of Credit shall contain any representations or warranties, covenants or events of default not set forth in this Agreement (and to the extent any such representation or warranty, covenant or Event of Default is inconsistent herewith, the same shall be rendered null and void (or reformed automatically without further action by any Person to conform to the terms of this Agreement), and all representations and warranties, covenants and events of default set forth therein shall contain standards, qualifications, thresholds and exceptions for materiality or otherwise consistent with those set forth in this Agreement (and, to the extent any such representation or warranty, covenant or Event of Default is inconsistent herewith, the same shall be deemed to automatically incorporate the applicable standards, qualifications, thresholds and exceptions set forth herein without action by any Person). No Letter of Credit may be issued, amended, extended or renewed unless (and with respect to clause (i) and (ii) below, on the issuance,

amendment, extension or renewal of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, extension, or renewal (i) the LC Exposure does not exceed the Letter of Credit Sublimit, and (ii) (A) the aggregate amount of the Initial Revolving Credit Exposure shall not exceed the aggregate amount of the Initial Revolving Credit Commitments then in effect, (B) the aggregate amount of the Additional Revolving Credit Exposure attributable to any Class of Additional Revolving Credit Commitments does not exceed the aggregate amount of the Additional Revolving Credit Commitments of such Class then in effect and (C) if such Letter of Credit has a term extending beyond the Maturity Date applicable to the Revolving Credit Commitments of any Class, the aggregate amount of the LC Exposure attributable to Letters of Credit expiring after such Maturity Date does not exceed the aggregate amount of the Revolving Credit Commitments then in effect that are scheduled to remain in effect after such Maturity Date.

(b) Expiration Date.

(i) No Standby Letter of Credit shall expire later than the earlier of (A) the date that is one year after the date of the issuance of such Standby Letter of Credit and (B) the date that is five Business Days prior to the Latest Revolving Credit Maturity Date; provided that, any Standby Letter of Credit may provide for the automatic extension thereof for any number of additional periods of up to one year in duration (which additional periods shall not extend beyond the date referred to in the preceding clause (B) unless 103% of the then-available face amount thereof is Cash collateralized or backstopped on or before the date that such Letter of Credit is extended beyond the date referred to in clause (B) above pursuant to arrangements reasonably satisfactory to the relevant Issuing Bank).

(ii) No Commercial Letter of Credit shall expire later than the earlier to occur of (A) 180 days after the issuance thereof and (B) the date that is five Business Days prior to the Latest Revolving Credit Maturity Date unless 103% of the then-available face amount thereof is Cash collateralized or backstopped on or before the date that such Letter of Credit is extended beyond the date referred to in clause (B) above pursuant to arrangements reasonably satisfactory to the relevant Issuing Bank.

(c) Participations. By the issuance of any Letter of Credit (or an amendment to any Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Revolving Lenders, the applicable Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Applicable Revolving Credit Percentage of the aggregate amount available to be drawn under such Letter of Credit (in respect of any Letter of Credit issued in an Alternate Currency, expressed in the Dollar Equivalent thereof). In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (c) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or Event of Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(d) Reimbursement.

(i) If the applicable Issuing Bank makes any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse the Issuing Bank for the amount of such LC Disbursement, by paying to the Administrative Agent an amount equal to such LC Disbursement, not later than 1:00 p.m. one Business Day (or two Business Days if the Borrower receives notice of such payment or LC Disbursement after 10:00 a.m.) immediately following the date on which the Borrower receives notice of such payment or LC Disbursement under paragraph (g) of this Section; provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Loan Borrowing denominated in Dollars in an equivalent amount (any such Revolving Loan Borrowing, a “Letter of Credit Reimbursement Loan”), and, to the extent so financed, the obligation of the Borrower to make such payment shall be discharged and replaced by the resulting ABR Revolving Loan Borrowing or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Revolving Lender’s Applicable Revolving Credit Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Revolving Credit Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Revolving Lender (and Section 2.07 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Each Revolving Lender hereby absolutely and unconditionally agrees to fund such Revolving Lenders Applicable Revolving Credit Percentage of each applicable Letter of Credit Reimbursement Loan, unaffected by any circumstance whatsoever, including (i) the occurrence of a Default or Event of Default, (ii) the fact that, whether before or after giving effect to the making of any such Letter of Credit Reimbursement Loan, the Revolving Credit Exposure exceed or will exceed the Revolving Credit Commitment and/or (iii) the non-satisfaction of any conditions set forth in 4.02; provided, that in no event shall any Revolving Lender be obligated to fund in excess of its Revolving Credit Commitment after giving effect to its share of the Revolving Credit Exposure and its Swingline Exposure. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear.

(ii) If any Revolving Lender fails to make available to the Administrative Agent for the account of the applicable Issuing Bank any amount required to be paid by such Revolving Lender pursuant to the foregoing provisions of this Section 2.05(d) by the time specified therein, such Issuing Bank shall be entitled to recover from such Revolving Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate per annum equal to the greater of the Federal Funds Effective Rate from time to time in effect and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A certificate of the applicable Issuing Bank submitted to any Revolving Lender (through the Administrative Agent) with respect to any amount owing under this clause (ii) shall be conclusive absent manifest error.

(iii) Without limiting the foregoing, concurrently with the issuance of any Letter of Credit by a Support Agreement Issuing Bank, the Administrative Agent or applicable Revolving Lender shall be deemed to have sold and transferred to each other Revolving Lender, and each other Revolving Lender shall be deemed irrevocably and immediately to have purchased and received from Administrative Agent or such Revolving Lender, without recourse or warranty, an

undivided interest and participation in, to the extent of such Lender's Applicable Revolving Credit Percentage of the Revolving Credit Commitments, the Administrative Agent's or such Revolving Lender's Support Agreement liabilities and obligations in respect of such Letter of Credit and the Borrower's reimbursement obligations with respect thereto. Any purchase obligation arising pursuant to this clause (iii) shall (A) be absolute and unconditional and (B) shall not be affected by any circumstances whatsoever, including any amendment, renewal or extension of any Support Agreement or the existence of a Default or Event of Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Obligations Absolute. The obligation of the Borrower to reimburse LC Disbursements as provided in paragraph (d) of this Section shall be absolute, irrevocable and unconditional and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Bank or Support Agreement Issuing Bank under any Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the obligations of the Borrower hereunder. Neither the Administrative Agent, the Revolving Lenders nor any Issuing Bank, nor any of their respective Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Issuing Bank or applicable Support Agreement Issuing Bank; provided that the foregoing shall not be construed to excuse such Issuing Bank or applicable Support Agreement Issuing Bank from liability to the Borrower to the extent of any direct damages suffered by the Borrower that are caused by such Issuing Bank's or applicable Support Agreement Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of applicable Issuing Bank or applicable Support Agreement Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank or applicable Support Agreement Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of any Letter of Credit, the applicable Issuing Bank or applicable Support Agreement Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(f) Disbursement Procedures. The applicable Issuing Bank or applicable Support Agreement Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank or applicable Support Agreement Issuing Bank shall promptly notify the Administrative Agent and the Borrower by electronic means or by telephone (confirmed by electronic means) upon any LC Disbursement thereunder; provided that no failure to give or delay in giving such notice shall relieve the Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(g) Interim Interest. If any Issuing Bank makes any LC Disbursement, unless the Borrower reimburses such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement (or the date on which such LC Disbursement is reimbursed with the proceeds of Loans, as applicable), at the rate per annum then applicable to Initial Revolving Loans that are ABR Loans (or, to the extent of the participation in such LC Disbursement by any Revolving Lender of another Class, the rate per annum then applicable to the Revolving Loans of such other Class); provided that if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (d) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (d) of this Section to reimburse such Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment and shall be payable on the date on which the Borrower is required to reimburse the applicable LC Disbursement in full (and, thereafter, on demand).

(h) Replacement or Resignation of an Issuing Bank; Designation of New Issuing Banks.

(i) Any Issuing Bank may be replaced with the consent of the Administrative Agent (not to be unreasonably withheld or delayed) and the Borrower at any time by written agreement among the Borrower, the Administrative Agent and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement becomes effective, unless otherwise agreed by the replaced Issuing Bank, the Borrower shall pay all unpaid fees accrued prior to such date for the account of the replaced Issuing Bank pursuant to Section 2.12(b)(ii). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of any Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed) and the relevant Revolving Lender, designate one or more additional Revolving Lenders to act as an issuing bank under the terms of this Agreement. Any Revolving Lender designated as an issuing bank pursuant to this paragraph (ii) who agrees in writing to such designation shall be deemed to be an "Issuing Bank" (in addition to being a Revolving Lender) in respect of Letters of Credit issued or to be issued by such Revolving Lender in respect of its Letter of Credit Commitment (the amount of which Letter of Credit Commitment shall be specified in the agreement pursuant to which such Revolving Lender becomes an Issuing Bank), and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Banks and such Revolving Lender; provided, that for the avoidance of doubt, it is understood and agreed that the Letter of Credit Commitment of the other Issuing Banks shall not be reduced or otherwise be affected by the appointment of any additional Revolving Lender as an Issuing Bank pursuant to this paragraph (ii).

(iii) Notwithstanding anything to the contrary contained herein, each Issuing Bank may, upon thirty days' prior written notice to the Borrower, each other Issuing Bank and the Lenders, resign as Issuing Bank, which resignation shall be effective as of the date referenced in such notice (but in no event less than thirty days (or such later date as the relevant Issuing Bank

may agree) after the delivery of such written notice); provided that the effectiveness of such resignation shall be conditioned on and subject to the appointment of a replacement Issuing Bank reasonably satisfactory to the Borrower who agrees to assume the entire Letter of Credit Commitment of the resigning Issuing Bank, and no such resignation shall become effective unless and until such replacement Issuing Bank shall have accepted such appointment and agreed to provide such Letter of Credit Commitment on terms acceptable to the Borrower; provided, further, that it is understood and agreed that in the event of any such resignation, any Letter of Credit then outstanding shall remain outstanding (irrespective of whether any amount have been drawn at such time). In the event of any such resignation of any Issuing Bank, the Borrower shall be entitled, but shall not be obligated, to appoint another Revolving Lender that is willing, in its sole discretion to accept such appointment in writing as successor Issuing Bank in respect of such resigning Issuing Bank; it being understood that the resignation of any such Issuing Bank shall not be effective in the event of a failure to appoint any such successor Issuing Bank and/or a failure of any Revolving Lender to accept such appointment as Issuing Bank. Upon the acceptance of any appointment as Issuing Bank hereunder, the successor Issuing Bank shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Issuing Bank, and the retiring Issuing Bank shall be discharged from its duties and obligations in such capacity hereunder.

(i) Cash Collateralization.

(i) If any Event of Default exists and the Loans have been declared due and payable in accordance with Article 7 hereof or the Revolving Credit Commitments have been terminated, then on the Business Day on which the Borrower receives notice from the Administrative Agent at the direction of the Required Revolving Lenders demanding the deposit of Cash collateral pursuant to this paragraph (i), the Borrower shall deposit, in an interest-bearing account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the "LC Collateral Account"), an amount in Cash equal to 103% of the LC Exposure as of such date minus the amount then on deposit in the LC Collateral Account); provided that the obligation to deposit such Cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.01(f) or (g).

(ii) Any such deposit under clause (i) above shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations in accordance with the provisions of this paragraph (i). The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account, and the Borrower hereby grants the Administrative Agent, for the benefit of the Secured Parties, a first priority security interest in the LC Collateral Account. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the applicable Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of the Required Revolving Lenders) be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of Cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (together with all interest and other earnings with respect thereto, to the extent not applied as aforesaid) shall be returned to the Borrower promptly but in no event later than three Business Days after such Event of Default has been cured or waived.

Section 2.06. [Reserved].

Section 2.07. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder not later than 11:00 a.m., in each case on the Business Day specified in the applicable Borrowing Request by wire transfer of immediately available funds to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's respective Applicable Percentage (calculated in the case of any Term Loan Borrowing solely on the basis of the Term Commitments); provided that Swingline Loans shall be made as provided in Section 2.04. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to the account designated in the relevant Borrowing Request or as otherwise directed by the Borrower; provided that ABR Revolving Loans (or LIBO Rate Revolving Loans in the case of any Letter of Credit denominated in any Alternate Currency) made to finance the reimbursement of any LC Disbursement as provided in Section 2.05(d) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent has received notice from any Lender that such Lender will not make available to the Administrative Agent such Lender's share of any Borrowing prior to the proposed date of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if any Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand (without duplication) such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate (or, with respect to any amount denominated in any Alternate Currency, the rate of interest per annum at which overnight deposits in the applicable Alternate Currency), on an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by the Administrative Agent in the applicable offshore interbank market for such currency and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to Loans comprising such Borrowing at such time. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing and the obligation of the Borrower to repay the Administrative Agent such corresponding amount pursuant to this Section 2.07(b) shall cease. If the Borrower pays such amount to the Administrative Agent, the amount so paid shall constitute a repayment of such Borrowing by such amount. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrower or any other Loan Party may have against any Lender as a result of any default by such Lender hereunder.

Section 2.08. Type; Interest Elections.

(a) Each Borrowing shall initially be of the Type specified in the applicable Borrowing Request and, in the case of any LIBO Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert any Borrowing denominated in Dollars to a Borrowing of a different Type or to continue such Borrowing and, in the case of a LIBO Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders based upon their Applicable Percentages (calculated in the case of any Term Loan Borrowing solely on the basis of the outstanding Term Loans) and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Loans, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall deliver an Interest Election Request, appropriately completed and signed by a Responsible Officer of the Borrower, to the Administrative Agent in accordance with Section 2.03.

If any such Interest Election Request requests a LIBO Rate Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a LIBO Rate Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, such Borrowing shall be continued as a LIBO Rate Borrowing with an Interest Period of one month's duration. Notwithstanding anything to the contrary herein, if an Event of Default exists and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as such Event of Default exists (i) no outstanding Borrowing may be converted to or continued as a LIBO Rate Borrowing and (ii) unless repaid, each LIBO Rate Borrowing shall be converted to an ABR Borrowing at the end of the then-current Interest Period applicable thereto.

(e) It is understood and agreed that only a Borrowing denominated in Dollars may be made in the form of, or converted into, an ABR Loan.

(f) Notwithstanding anything to the contrary, the Interest Period for the 2020 Incremental Term Loans shall end on the same date as the Interest Period for the Initial Term Loans outstanding immediately prior to the First Amendment Effective Date, and if the Interest Periods for the Initial Term Loans outstanding immediately prior to the First Amendment Effective Date end on more than one date, the Interest Periods for the 2020 Incremental Term Loans shall end on such same dates (allocated among such dates on a basis ratable to the dates for the Initial Term Loans outstanding immediately prior to the First Amendment Effective Date).

Section 2.09. Termination and Reduction of Commitments.

(a) Unless previously terminated, (i) the Initial Term Loan Commitments on the Closing Date shall automatically terminate upon the making of the Initial Term Loans on the Closing Date, (ii) the Initial Revolving Credit Commitments (including any 2020 Incremental Revolving Facility Commitment) shall automatically terminate on the Initial Revolving Credit Maturity Date, (iii) the 2020 Incremental Term Loan Commitments shall automatically terminate upon the making of the 2020 Incremental Term Loans on the First Amendment Effective Date, (iv) the Additional Term Loan Commitments of any Class shall automatically terminate upon the making of the Additional Term Loans of such Class and, if any such Additional Term Loan Commitment is not drawn on the date that such Additional Term Loan Commitment is required to be drawn pursuant to the applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment, the undrawn amount thereof shall automatically terminate and (v) the Additional Revolving Credit Commitments of any Class shall automatically terminate on the Maturity Date specified therefor in the applicable Refinancing Amendment, Extension Amendment or Incremental Facility Amendment.

(b) Upon delivery of the notice required by Section 2.09(c), the Borrower may at any time terminate or from time to time reduce, the Revolving Credit Commitments of any Class; provided that (i) each reduction of the Revolving Credit Commitments of any Class shall be in an amount that is an integral

multiple of \$1,000,000 and not less than \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Credit Commitments of any Class if, after giving effect to any concurrent prepayment of Revolving Loans and Swingline Loans, the aggregate amount of the Revolving Credit Exposure attributable to the Revolving Credit Commitments of such Class would exceed the aggregate amount of the Revolving Credit Commitments of such Class; provided that, after the establishment of any Additional Revolving Credit Commitments, any such termination or reduction of the Revolving Credit Commitments of any Class shall be subject to the provisions set forth in Section 2.22, 2.23 and/or 9.02, as applicable.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce any Revolving Credit Commitment under paragraph (b) of this Section in writing at least three Business Days prior to the effective date of such termination or reduction (or such later date to which the Administrative Agent may agree), specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Revolving Lenders of each applicable Class of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that any such notice may state that it is conditioned upon the effectiveness of other transactions, in which case such notice may be revoked or delayed by the Borrower (by written notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of any Revolving Credit Commitment pursuant to this Section 2.09 shall be permanent. Upon any reduction of any Revolving Credit Commitment, the Revolving Credit Commitment of each Revolving Lender of the relevant Class shall be reduced by such Revolving Lender's Applicable Percentage of the amount of such reduction.

Section 2.10. Repayment of Loans; Evidence of Debt.

(a) (i) The Borrower hereby unconditionally promises to repay the outstanding principal amount of the Initial Term Loans (including, with respect to clauses (A)(II) and (B), the 2020 Incremental Term Loans) to the Administrative Agent for the account of each applicable Term Lender (A) on the last day of each Fiscal Quarter prior to the Initial Term Loan Maturity Date (each such date being referred to as a "Loan Installment Date"), commencing June 30, 2020, (I) prior to the First Amendment Effective Date, in an amount equal to 0.625% of the original principal amount of the Initial Term Loans outstanding on the Closing Date and (II) on each Loan Installment Date following the First Amendment Effective Date, an amount equal to \$5,028,000 (in each case, as such payments may be reduced from time to time as a result of the application of prepayments in accordance with Section 2.11 and repurchases and assignments in accordance with Section 9.05(g) or increased in connection with the incurrence of Incremental Term Loans), and (B) on the Initial Term Loan Maturity Date, in an amount equal to the remainder of the principal amount of such Initial Term Loans (including the 2020 Incremental Term Loans) outstanding on such date, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(ii) The Borrower shall repay the Additional Term Loans of any Class in such scheduled amortization installments and on such date or dates as shall be specified therefor in the applicable Refinancing Amendment, Incremental Facility Amendment or Extension Amendment (as such payments may be reduced from time to time as a result of the application of prepayments in accordance with Section 2.11 or repurchases in accordance with Section 9.05(g) or increased as a result of any increase in the amount of such Additional Term Loans of such Class pursuant to Section 2.22(a)).

(b)

(i) The Borrower hereby unconditionally promises to pay in Dollars or the relevant Alternate Currency with respect to any payment or repayment of any Borrowing denominated in

any Alternate Currency (A) to the Administrative Agent for the account of each Initial Revolving Lender, the then-unpaid principal amount of the Initial Revolving Loans of such Lender on the Initial Revolving Credit Maturity Date, (B) to the Administrative Agent for the account of each Additional Revolving Lender, the then-unpaid principal amount of each Additional Revolving Loan of such Additional Revolving Lender on the Maturity Date applicable thereto and (C) to the Swingline Lender (or, to the extent required by Section 2.04(b), the Administrative Agent), the then unpaid principal amount of each Swingline Loan on the earlier of (x) the 10th Business Day following the incurrence of such Swingline Loan and (y) the Latest Revolving Credit Maturity Date applicable to the applicable Swingline Commitment; provided that, notwithstanding anything to the contrary herein, it is understood and agreed by the parties hereto that any Swingline Loan may be repaid by replacing such outstanding Swingline Loan with a Revolving Loan as long as, after giving effect to such replacement, the Outstanding Amount of Revolving Loans does not exceed the Total Revolving Credit Commitment in effect of such time.

(ii) On the Maturity Date applicable to the Revolving Credit Commitments of any Class, the Borrower shall (A) cancel and return outstanding Letters of Credit (or alternatively, with respect to each outstanding Letter of Credit, furnish to the Administrative Agent a Cash deposit (or if reasonably satisfactory to the relevant Issuing Bank, a "backstop" letter of credit) equal to 103% of the amount of the LC Exposure minus any amount then on deposit in any Cash collateral account established for the benefit of the relevant Issuing Bank) as of such date, in each case to the extent necessary so that, after giving effect thereto, the aggregate amount of the Revolving Credit Exposure attributable to the Revolving Credit Commitments of any other Class shall not exceed the Revolving Credit Commitments of such other Class then in effect, (B) prepay Swingline Loans to the extent necessary so that, after giving effect thereto, the aggregate amount of the Revolving Credit Exposure attributable to the Revolving Credit Commitments of any other Class shall not exceed the Revolving Credit Commitments of such other Class then in effect and (C) make payment in full of all accrued and unpaid fees and all reimbursable expenses and other Obligations with respect to the Revolving Facility of the applicable Class then due, together with accrued and unpaid interest (if any) thereon.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Type and currency thereof and the Interest Period (if any) applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders or the Issuing Banks and each Lender's or Issuing Bank's share thereof.

(e) The entries made in the accounts maintained pursuant to paragraphs (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein (absent manifest error); provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any manifest error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement; provided, further, that in the event of any inconsistency between the accounts maintained by the Administrative Agent pursuant to paragraph (d) of this Section and any Lender's records, the accounts of the Administrative Agent shall govern; provided, further, that in the event of any inconsistency between the Register and any other accounts maintained by the Administrative Agent, the Register shall govern absent manifest error.

(f) Any Lender may request that any Loan made by it be evidenced by a Promissory Note. In such event, the Borrower shall prepare, execute and deliver a Promissory Note to such Lender payable to such Lender and its registered permitted assigns; it being understood and agreed that such Lender (and/or its applicable permitted assign) shall be required to return such Promissory Note to the Borrower in accordance with Section 9.05(b)(iii) and upon the occurrence of the Termination Date (or as promptly thereafter as practicable). If any Lender loses the original copy of its Promissory Note, it shall execute an affidavit of loss containing an indemnification provision that is reasonably satisfactory to the Borrower. The obligation of each Lender to execute and deliver an affidavit of loss containing an indemnification provision that is reasonably satisfactory to the Borrower shall survive the Termination Date.

Section 2.11. Prepayment of Loans.

(a) Optional Prepayments.

(i) Upon prior notice in accordance with paragraph (a)(iii) of this Section, the Borrower shall have the right at any time and from time to time to prepay any Borrowing of Term Loans of one or more Classes (such Class or Classes to be selected by the Borrower in its sole discretion) in whole or in part without premium or penalty (but subject (A) in the case of Borrowings of Initial Term Loans (including the 2020 Incremental Term Loans) only, to Section 2.12(f) and (B) if applicable, to Section 2.16). Each such prepayment shall be paid to the Lenders in accordance with their respective Applicable Percentages (calculated solely on the basis of the outstanding Term Loans) of the relevant Class.

(ii) Upon prior notice in accordance with paragraph (a)(iii) of this Section, the Borrower shall have the right at any time and from time to time to prepay any Borrowing of Revolving Loans of any Class or any Borrowing of Swingline Loans, in whole or in part without premium or penalty (but subject to Section 2.16); provided that (A) after the establishment of any Additional Revolving Loans, any such prepayment of any Borrowing of Revolving Loans of any Class shall be subject to the provisions set forth in Section 2.22, 2.23 and/or 9.02, as applicable, and (B) no Borrowing of Revolving Loans may be prepaid unless all Swingline Loans then outstanding, if any, are prepaid concurrently therewith. Each such prepayment shall be paid to the Revolving Lenders in accordance with their respective Applicable Percentages of the relevant Class.

(iii) The Borrower shall notify the Administrative Agent (and, in the case of a prepayment of a Swingline Loan, the Swingline Lender) in writing of any prepayment under this Section 2.11(a) (A) in the case of any prepayment of a LIBO Rate Borrowing, not later than 1:00 p.m. three Business Days before the date of prepayment, (B) in the case of any prepayment of an ABR Borrowing, not later than 1:00 p.m., one Business Day before the date of prepayment or (C) in the case of any prepayment of a Swingline Loan, not later than 1:00 p.m. on the date of prepayment (or, in each case, such later time as to which the Administrative Agent may reasonably agree). Each such notice shall be irrevocable (except as set forth in the proviso to this sentence) and shall specify the prepayment date and the principal amount of each Borrowing or portion of each relevant Class to be prepaid; provided that any notice of prepayment delivered by the Borrower may be conditioned upon the effectiveness of other transactions, in which case such notice may be revoked or delayed by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly following receipt of any such notice relating to any Borrowing, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount at least equal to the amount that would be permitted in the case of a Borrowing of the same Type and Class as provided in Section 2.02(c), or such lesser amount that is then outstanding with respect

to such Borrowing being repaid (and in increments of \$100,000 in excess thereof or such lesser incremental amount that is then outstanding with respect to such Borrowing being repaid). Each prepayment of Term Loans shall be applied to the Class or Classes of Term Loans specified in the applicable prepayment notice, and each prepayment of Term Loans of such Class or Classes made pursuant to this Section 2.11(a) shall be applied against the remaining scheduled installments of principal due in respect of the Term Loans of such Class or Classes in the manner specified by the Borrower or, in the absence of any such specification on or prior to the date of the relevant optional prepayment, in direct order of maturity.

(b) Mandatory Prepayments.

(i) No later than the fifth Business Day after the date on which the financial statements with respect to each Fiscal Year of the Borrower are required to be delivered pursuant to Section 5.01(b), commencing with the Fiscal Year ending on December 31, 2021, the Borrower shall prepay the outstanding principal amount of Initial Term Loans (including the 2020 Incremental Term Loans) and any Additional Term Loans then subject to ratable prepayment requirements in accordance with clause (vi) of this Section 2.11(b) below in an aggregate principal amount (the "ECF Prepayment Amount") equal to (A) the Required Excess Cash Flow Percentage of Excess Cash Flow of the Borrower and its Restricted Subsidiaries for the Excess Cash Flow Period then ended, minus (B) at the option of the Borrower, (x) the aggregate principal amount of any optional prepayment, repurchase, redemption or other retirement of any First Lien Debt (and in the case of any such First Lien Debt constituting revolving indebtedness, to the extent accompanied by a permanent reduction in the applicable revolving commitments) prior to the date that the applicable prepayment is due, excluding any such optional prepayments, repurchases, redemptions or other retirements made during such Fiscal Year that reduced the amount required to be prepaid pursuant to this Section 2.11(b)(i) in the prior Fiscal Year of the Borrower, (y) the amount of any reduction in the outstanding principal amount of any Term Loan constituting First Lien Debt and/or any other First Lien Debt resulting from any assignment to (and/or purchase by) the Borrower or any Restricted Subsidiary of any such Indebtedness (and in the case of any such Indebtedness constituting revolving indebtedness, to the extent accompanied by a permanent reduction in the applicable revolving commitments) prior to the date that the applicable prepayment is due, in each case, to the extent of the amount paid in Cash by the Borrower or the applicable Restricted Subsidiary in connection with the relevant assignment and/or purchase, excluding any such assignment and/or purchase made during such Fiscal Year that reduced the amount required to be prepaid pursuant to this Section 2.11(b)(i) in the prior Fiscal Year and (z) the amount of Scheduled Expenditures consisting of Capital Expenditures, acquisitions and/or other Investments applied during such Fiscal Year of the Borrower or after such Fiscal Year but prior to the date that the applicable prepayment is due (or contractually committed during such Fiscal Year, or after such Fiscal Year but prior to the date that the applicable prepayment is due, to be applied during the immediately succeeding Fiscal Year of the Borrower), excluding any such Scheduled Expenditures made during such Fiscal Year that reduced the amount required to be prepaid pursuant to this Section 2.11(b)(i) in the prior Fiscal Year, provided that, in the case of this clause (z), to the extent the aggregate amount actually utilized to finance such Scheduled Expenditures during the immediately succeeding Fiscal Year is less than the contractually committed amount deducted therefor pursuant to this clause (z), the amount of the resulting shortfall shall be added to the calculation of Excess Cash Flow for the next succeeding Fiscal Year), and in each case of the foregoing clauses (x), (y) and (z), only to the extent that such amounts were not financed with the proceeds of long-term Indebtedness (other than revolving Indebtedness); provided that no prepayment under this Section 2.11(b)(i) shall be required unless and solely to the extent that the amount thereof exceeds \$2,500,000; provided, further, that if at the time that any such prepayment would be required, the Borrower (or any Restricted Subsidiary of the Borrower) is also required to

prepay any First Lien Debt (such Indebtedness required to be so prepaid or offered to be so repurchased, "Other Applicable Indebtedness") with any portion of the ECF Prepayment Amount, then the Borrower may apply such portion of the ECF Prepayment Amount on a pro rata basis (determined on the basis of the aggregate outstanding principal amount of the Loans and Other Applicable Indebtedness at such time; provided, that the portion of such ECF Prepayment Amount allocated to the Other Applicable Indebtedness shall not exceed the amount of such ECF Prepayment Amount required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such ECF Prepayment Amount shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.11(b)(i) shall be reduced accordingly; provided, further, that to the extent the holders of Other Applicable Indebtedness decline to have such Indebtedness prepaid, the declined amount shall promptly (and in any event within 10 Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof.

(ii) No later than the fifth Business Day following the receipt of Net Proceeds in respect of any Prepayment Asset Sale or Net Insurance/Condemnation Proceeds, in each case, in excess of \$2,500,000 in the aggregate in any Fiscal Year, the Borrower shall apply 100% of the Net Proceeds or Net Insurance/Condemnation Proceeds received with respect thereto in excess of such threshold (collectively, the "Subject Proceeds") to prepay the outstanding principal amount of Initial Term Loans (including the 2020 Incremental Term Loans) and any Additional Term Loans then subject to ratable prepayment requirements (the "Subject Loans") in accordance with clause (vi) below; provided that (A) if prior to the date any such prepayment is required to be made in respect of Net Proceeds recovered from a Specified Prepayment Asset Sale or Net Insurance/Condemnation Proceeds, the Borrower notifies the Administrative Agent in writing of the Borrower's intention to reinvest the applicable Subject Proceeds in the business (other than in Cash or Cash Equivalents) of the Borrower or any of its Restricted Subsidiaries, then so long as no Event of Default then exists, the Borrower shall not be required to make a mandatory prepayment under this clause (ii) in respect of the applicable Subject Proceeds to the extent (x) the applicable Subject Proceeds are so reinvested within 12 months following receipt thereof, or (y) the Borrower or any of its subsidiaries has committed to so reinvest the applicable Subject Proceeds during such 12-month period and the applicable Subject Proceeds are so reinvested within 180 days after the expiration of such 12-month period; it being understood that if the applicable Subject Proceeds have not been so reinvested prior to the expiration of the applicable period, the Borrower shall promptly prepay the Subject Loans with the amount of applicable Subject Proceeds not so reinvested as set forth above (without regard to the immediately preceding proviso) and (B) if, at the time that any such prepayment would be required hereunder, the Borrower or any of its Restricted Subsidiaries is required to repay or repurchase any Other Applicable Indebtedness (or offer to repurchase such Other Applicable Indebtedness), then the relevant Person may apply the Subject Proceeds on a pro rata basis to the prepayment of the Subject Loans and to the repurchase or repayment of the Other Applicable Indebtedness (determined on the basis of the aggregate outstanding principal amount of the Subject Loans and the Other Applicable Indebtedness (or accreted amount if such Other Applicable Indebtedness is issued with original issue discount) at such time); it being understood that (1) the portion of the Subject Proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of the Subject Proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, (and the remaining amount, if any, of the Subject Proceeds shall be allocated to the Subject Loans in accordance with the terms hereof), and the amount of the prepayment of the Subject Loans that would have otherwise been required pursuant to this Section 2.11(b)(i) shall be reduced accordingly and (2) to the extent the holders of the Other Applicable Indebtedness decline to have such Indebtedness

prepaid or repurchased, the declined amount shall promptly (and in any event within 10 Business Days after the date of such rejection) be applied to prepay the Subject Loans in accordance with the terms hereof.

(iii) In the event that the Borrower or any of its Restricted Subsidiaries receives Net Proceeds from the issuance or incurrence of Indebtedness by the Borrower or any of its Restricted Subsidiaries (other than Indebtedness that is permitted to be incurred under Section 6.01, except to the extent the relevant Indebtedness constitutes (A) Refinancing Indebtedness (including Replacement Debt) incurred to refinance all or a portion of any Class of Term Loans pursuant to Section 6.01(p), (B) Incremental Loans incurred in reliance on clause (b) of the definition of "Incremental Cap" to refinance all or a portion of any Class of Term Loans pursuant to Section 2.22, (C) Replacement Term Loans incurred to refinance all or any portion of any Class of Term Loans in accordance with the requirements of Section 9.02(c) and/or (D) Incremental Equivalent Debt incurred to refinance all or a portion of the Loans in accordance with the requirements of the definition thereof, in each case to the extent required by the terms thereof to prepay or offer to prepay such Indebtedness), the Borrower shall, promptly upon (and in any event not later than two Business Days thereafter) the receipt of such Net Proceeds by the Borrower or its applicable Restricted Subsidiary, apply an amount equal to 100% of such Net Proceeds to prepay the outstanding principal amount of the relevant Class or Classes of Term Loans in accordance with clause (vi) below.

(iv) Notwithstanding anything in this Section 2.11(b) to the contrary:

(A) the Borrower shall not be required to prepay any amount that would otherwise be required to be paid pursuant to Sections 2.11(b)(i) or (ii) above to the extent that the relevant Excess Cash Flow is generated by any Foreign Subsidiary or any Domestic Subsidiary of any Foreign Subsidiary (any such Person, a "Specified Subsidiary"), the relevant Prepayment Asset Sale is consummated by any Specified Subsidiary or the relevant Net Insurance/Condemnation Proceeds are received by any Specified Subsidiary, as the case may be, for so long as the repatriation and/or other transfer to the Borrower of any such amount would be, in the good faith determination of the Borrower, prohibited, restricted or delayed under any Requirement of Law (including for the avoidance of doubt Requirements of Law relating to financial assistance, corporate benefit, thin capitalization, capital maintenance and similar legal principles, restrictions on upstreaming and/or cross-streaming of Cash intra-group and Requirements of Law relating to the fiduciary and/or statutory duties of the directors (or equivalent Persons) of the Borrower and/or any of its Restricted Subsidiaries) or would conflict with the fiduciary and/or statutory duties of such Specified Subsidiary's directors (or equivalent Persons), or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any officer, director, employee, manager, member of management or consultant of such Specified Subsidiary (it being agreed that, solely within 365 days following the end of the applicable Excess Cash Flow Period or the event giving rise to the relevant Subject Proceeds, the Borrower shall take all commercially reasonable actions required by applicable Requirements of Law to permit such repatriation and/or other transfer) (it being understood that if the repatriation and/or other transfer of the relevant affected Excess Cash Flow or Subject Proceeds, as the case may be, is permitted under the applicable Requirement of Law and, to the extent applicable, would no longer conflict with the fiduciary and/or statutory duties of such director, or result in, or be reasonably expected to result in, a material risk of personal or criminal liability for the Persons described above, in either case, within 365 days following the end of the applicable Excess Cash Flow Period or the event giving rise to the relevant Subject Proceeds, the relevant Specified Subsidiary will

promptly repatriate and/or transfer the relevant Excess Cash Flow or Subject Proceeds, as the case may be, and the repatriated or transferred Excess Cash Flow or Subject Proceeds, as the case may be, will be promptly (and in any event not later than two Business Days after such repatriation) applied (net of additional Taxes payable or reserved against such Excess Cash Flow as a result thereof) to the repayment of the Term Loans pursuant to this Section 2.11(b) to the extent required herein (without regard to this clause (iv)),

(B) the Borrower shall not be required to prepay any amount that would otherwise be required to be paid pursuant to Sections 2.11(b)(i) or (ii) to the extent that the relevant Excess Cash Flow is generated by any joint venture or the relevant Subject Proceeds are received by any joint venture, in each case, for so long as the distribution and/or other transfer to the Borrower of such Excess Cash Flow or Subject Proceeds would, in the good faith determination of the Borrower, be prohibited under the Organizational Documents governing such joint venture; it being understood that if the relevant prohibition ceases to exist within the 365-day period following the end of the applicable Excess Cash Flow Period or the event giving rise to the relevant Subject Proceeds, the relevant joint venture will promptly distribute the relevant Excess Cash Flow or the relevant Subject Proceeds, as the case may be, and the distributed or otherwise transferred Excess Cash Flow or Subject Proceeds, as the case may be, will be promptly (and in any event not later than two Business Days after such distribution and/or other transfer) applied to the repayment of the Term Loans pursuant to this Section 2.11(b) to the extent required herein (without regard to this clause (iv)),

(C) the Borrower shall not be required to prepay any amount that would otherwise be required to be paid pursuant to Sections 2.11(b)(i) or (ii) to the extent that the relevant Excess Cash Flow is generated by any Foreign Subsidiary that is not a Loan Party or the relevant Subject Proceeds are received by any Foreign Subsidiary that is not a Loan Party, in each case, for so long as the Borrower determines in good faith that the distribution to the Borrower of such Excess Cash Flow or Subject Proceeds would be prohibited under an agreement permitted pursuant to Section 6.05 by which such Foreign Subsidiary is bound governing any Indebtedness; it being understood that if the relevant prohibition ceases to exist within the 365-day period following the end of the applicable Excess Cash Flow Period or the event giving rise to the relevant Subject Proceeds, the relevant Foreign Subsidiary will promptly distribute the relevant Excess Cash Flow or the relevant Subject Proceeds, as the case may be, and the distributed Excess Cash Flow or Subject Proceeds, as the case may be, will be promptly (and in any event not later than two Business Days after such distribution) applied to the repayment of the Term Loans pursuant to this Section 2.11(b) to the extent required herein (without regard to this clause (iv)), and

(D) if the Borrower determines in good faith that the repatriation (or other intercompany distribution or transfer) to the Borrower, directly or indirectly, from a Specified Subsidiary as a distribution or dividend (or other intercompany transfer) of any amount required to mandatorily prepay the Term Loans pursuant to Sections 2.11(b)(i) or (ii) above would result in a material and adverse Tax liability (including any withholding Tax) being incurred by Holdings, the Borrower or any of its Restricted Subsidiaries (such amount, a “Restricted Amount”), the amount that the Borrower shall be required to mandatorily prepay pursuant to Sections 2.11(b)(i) or (ii) above, as applicable, shall be reduced by the Restricted Amount; provided that to the extent that the repatriation (or other intercompany distribution or transfer) of the relevant Subject Proceeds or Excess Cash Flow, directly or indirectly, from the relevant Specified Subsidiary would no longer have a material and adverse tax consequence within the 365-day period following the event

giving rise to the relevant Subject Proceeds or the end of the applicable Excess Cash Flow Period, as the case may be, an amount equal to the Subject Proceeds or Excess Cash Flow, as applicable and to the extent available, not previously applied pursuant to this clause (C), shall be promptly applied to the repayment of the Term Loans pursuant to Section 2.11(b) as otherwise required above;

(v) Any Term Lender may elect, by notice to the Administrative Agent at or prior to the time and in the manner specified by the Administrative Agent, prior to any prepayment of Term Loans required to be made by the Borrower pursuant to this Section 2.11(b), to decline all (but not a portion) of its Applicable Percentage (calculated solely on the basis of the outstanding Term Loans) of such prepayment (such declined amounts, the “Declined Proceeds”); provided that (A) in the event that any Term Lender elects to decline (or otherwise waives) receipt of such Declined Proceeds in accordance with the terms hereof, the remaining amount thereof may be retained by the Borrower and (B) for the avoidance of doubt, no Lender may reject any prepayment made under Section 2.11(b)(iii) above to the extent that such prepayment is made with the Net Proceeds of (w) Refinancing Indebtedness (including Replacement Debt) incurred to refinance all or a portion of the Term Loans pursuant to Section 6.01(p), (x) Incremental Loans incurred to refinance all or a portion of the Term Loans pursuant to Section 2.22, (y) Replacement Term Loans incurred to refinance all or any portion of the Term Loans in accordance with the requirements of Section 9.02(c) and/or (z) Incremental Equivalent Debt incurred to refinance all or a portion of the Loans in accordance with the requirements of the definition thereof. If any Lender fails to deliver a written notice to the Administrative Agent of its election to decline receipt of its Applicable Percentage (calculated solely on the basis of the outstanding Term Loans) of any mandatory prepayment within the time frame specified by the Administrative Agent, such failure will be deemed to constitute an acceptance of such Lender’s Applicable Percentage (calculated solely on the basis of the outstanding Term Loans) of the total amount of such mandatory prepayment of Term Loans.

(vi) Except as otherwise contemplated by this Agreement or provided in, or intended with respect to, any Refinancing Amendment, any Incremental Facility Amendment or any Extension Amendment or any Replacement Debt (provided, that such Refinancing Amendment, Incremental Facility Amendment or Extension Amendment may not provide that the applicable Class of Term Loans receive a greater than pro rata portion of any prepayment of Term Loans pursuant to Section 2.11(b) than would otherwise be permitted by this Agreement), in each case effectuated or issued in a manner consistent with this Agreement, each prepayment of Term Loans pursuant to Section 2.11(b) shall be applied ratably to each Class of Term Loans then outstanding that is *pari passu* with the Initial Term Loans in right of payment and with respect to security provided that any prepayment of Term Loans with the Net Proceeds of any Refinancing Indebtedness, Incremental Term Facility or Replacement Term Loans shall be applied to the applicable Class of Term Loans being refinanced or replaced). With respect to each relevant Class of Term Loans, all accepted prepayments under this Section 2.11(b) shall be applied against the remaining scheduled installments of principal due in respect of such Term Loans as directed by the Borrower (or, in the absence of direction from the Borrower, to the remaining scheduled amortization payments in respect of such Term Loans in direct order of maturity), and each such prepayment shall be paid to the Term Lenders in accordance with their respective Applicable Percentage (calculated solely on the basis of the outstanding Term Loans) of the applicable Class. If no Lenders exercise the right to waive a prepayment of the Term Loans pursuant to Section 2.11(b)(v), the amount of such mandatory prepayments shall be applied first to the then outstanding Term Loans that are ABR Loans to the full extent thereof and then to the then outstanding Term Loans that are LIBO Rate Loans in a manner that minimizes the amount of any payment required to be made by the Borrower pursuant to Section 2.16.

(vii) (A) In the event that on any Revaluation Date (after giving effect to the determination of the Outstanding Amount of each Revolving Loan, Swingline Loan and/or LC Obligation) the aggregate Revolving Credit Exposure exceeds an amount equal to 105% of the Total Revolving Credit Commitment then in effect, the Borrower shall, within five Business Days of receipt of notice from the Administrative Agent, prepay the Revolving Loans or Swingline Loans and/or reduce LC Exposure (in each case, taking the Dollar Equivalent of any amount denominated in an Alternate Currency), in an aggregate amount sufficient to reduce such aggregate Revolving Credit Exposure as of the date of such payment to an amount not to exceed 100% of the Total Revolving Credit Commitment then in effect by taking any of the following actions as it shall determine at its sole discretion: (I) prepayment of Revolving Loans or Swingline Loans in accordance with Section 2.11(a)(ii) and/or (II) with respect to any excess LC Exposure, deposit of Cash in the LC Collateral Account or the backstop” or replacement of the applicable Letters of Credit, in each case, in an amount equal to 103% of such excess LC Exposure (minus the amount then on deposit in the LC Collateral Account).

(B) Each prepayment of any Revolving Loan Borrowing under this Section 2.11(b)(vii) shall be paid to the Revolving Lenders in accordance with their respective Applicable Percentages of the applicable Class.

(viii) Prepayments made under this Section 2.11(b) shall be (A) accompanied by accrued interest as required by Section 2.13, (B) subject to Section 2.16 and (C) except in the case of prepayments of Initial Term Loans (including the 2020 Incremental Term Loans) under clause (iii) above, to the extent they are subject to Section 2.12(f), without premium or penalty.

Section 2.12. Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender of any Class (other than any Defaulting Lender) a commitment fee, which shall accrue at a rate equal to the Facility Fee Rate per annum applicable to the Revolving Credit Commitments of such Class on the average daily amount of the unused Revolving Credit Commitment of such Class of such Revolving Lender during the period from and including the Closing Date to the date on which such Lender’s Revolving Credit Commitment of such Class terminates. Accrued commitment fees shall be payable in arrears on the last day of each Fiscal Quarter of the Borrower (commencing June 30, 2020) for the quarterly period then ended (or, in the case of the payment made on June 30, 2020, for the period from the Closing Date to such date), and on the date on which the Revolving Credit Commitments of the applicable Class terminate. For purposes of calculating the commitment fee only, the Revolving Credit Commitment of any Class of any Revolving Lender shall be deemed to be used to the extent of Revolving Loans of such Class of such Revolving Lender and the LC Exposure of such Revolving Lender attributable to its Revolving Credit Commitment of such Class, and no portion of the Revolving Credit Commitment of any Class shall be deemed used as a result of outstanding Swingline Loans.

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender of any Class a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate used to determine the interest rate applicable to Revolving Loans of such Class that are LIBO Rate Loans on the daily face amount of such Lender’s LC Exposure attributable to its Revolving Credit Commitment of such Class (excluding any portion thereof that is attributable to unreimbursed LC Disbursements), during the period from and including the Closing Date to the earlier of (A) the later of the date on which such Revolving Lender’s Revolving Credit Commitment of such Class terminates and the date on which such Revolving Lender ceases to have any LC Exposure attributable to its Revolving Credit Commitment of such Class and (B) the Termination Date, and (ii) to each Issuing Bank (or in the case of a Support Agreement Issuing Bank, to the Administrative Agent or the applicable

Revolving Lender), for its own account, a fronting fee, in respect of each Letter of Credit issued by such Issuing Bank for the period from the date of issuance of such Letter of Credit to the earlier of (A) the expiration date of such Letter of Credit, (B) the date on which such Letter of Credit terminates or (C) the Termination Date), computed at a rate equal to the rate agreed by such Issuing Bank (or, in the case of a Support Agreement Issuing Bank, the Administrative Agent or the applicable Revolving Lender) and the Borrower (but in any event not to exceed 0.125% per annum) of the daily face amount of such Letter of Credit, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees shall accrue to but excluding the last day of each Fiscal Quarter of the Borrower and be payable in arrears for the quarterly period then ended (or, in the case of the payment made on June 30, 2020, for the period from the Closing Date to such date) on the last day of each Fiscal Quarter of the Borrower (commencing, if applicable, June 30, 2020); provided that all such fees shall be payable on the date on which the Revolving Credit Commitments of the applicable Class terminate, and any such fees accruing after the date on which the Revolving Credit Commitments of the applicable Class terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within 30 days after receipt of a written demand (accompanied by reasonable back-up documentation) therefor.

(c) [Reserved].

(d) The Borrower agrees to pay to the Administrative Agent, for its own account, the annual administration fee described in the Fee Letter.

(e) All fees payable hereunder shall be paid on the dates due, in Dollars and in immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to any Issuing Bank). Fees paid shall not be refundable under any circumstances except as otherwise provided in the Fee Letter. Fees payable hereunder shall accrue through and including the last day of the month immediately preceding the applicable fee payment date.

(f) Other than in connection with a Change of Control or a Qualifying IPO, in the event that on or prior to July 8, 2022, the Borrower prepays pursuant to Section 2.11(a)(i) or prepays or refinances any Initial Term Loans (including any 2020 Incremental Term Loans) pursuant to Section 2.11(b)(iii) (it being understood and agreed for the avoidance of doubt that prepayments as a result of assignments made pursuant to Section 9.05(g) hereof shall not be subject to this Section 2.12(f)), or repays the Initial Term Loans (including any 2020 Incremental Term Loans) following an acceleration (including any automatic acceleration as a result of an Event of Default under clauses (f) or (g) of Section 7.01 or as a result of applicable law) of the Initial Term Loans (including any 2020 Incremental Term Loans) after an acceleration in accordance with Section 7.01, the Borrower shall pay to the Administrative Agent, for the ratable account of each of the applicable Initial Term Lenders (including any Lender whose Loans are repaid or replaced pursuant to Section 2.19(b)(iv)), a premium of (i) 2.00% of the aggregate principal amount of the Initial Term Loans (including any 2020 Incremental Term Loans) so prepaid, repaid or refinanced prior to July 8, 2021 and (ii) 1.00% of the aggregate principal amount of the Initial Term Loans (including any 2020 Incremental Term Loans) so prepaid, repaid, or refinanced on or after July 8, 2021, but prior to July 8, 2022. All such amounts shall be due and payable on the date of the relevant prepayment pursuant to Sections 2.11(a)(i), 2.11(b)(iii) or Section 7.01. For the avoidance of doubt, no prepayment premium shall be payable pursuant to this Section 2.12(f) in connection with any repayment, prepayment or refinancing of Initial Term Loans (including any 2020 Incremental Term Loans) on or after July 8, 2022.

(g) Unless otherwise indicated herein, all computations of fees shall be made on the basis of a 360-day year and shall be payable for the actual days elapsed (including the first day but excluding the last day). Each determination by the Administrative Agent of the amount of any fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.13. Interest.

(a) The Term Loans, the Revolving Loans and the Swingline Loans, in each case, comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Term Loans and Revolving Loans comprising each LIBO Rate Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) [Reserved].

(d) Notwithstanding the foregoing but in all cases subject to Section 9.05(f), at any time when an Event of Default under Section 7.01(a) or Sections 7.01(f) or (g) is continuing, if any principal of or interest on any Term Loan or Revolving Loan, any LC Disbursement or any fee payable by the Borrower hereunder is not, in each case, paid or reimbursed when due, whether at stated maturity, upon acceleration or otherwise, the relevant overdue amount shall bear interest, to the fullest extent permitted by applicable Requirements of Law, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal or interest of any Term Loan, Revolving Loan or unreimbursed LC Disbursement, 2.00% plus the rate otherwise applicable to such Term Loan, Revolving Loan or LC Disbursement as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2.00% plus the rate applicable to Revolving Loans that are ABR Loans as provided in paragraph (a) of this Section; provided that no amount shall accrue pursuant to this Section 2.13(d) on any overdue amount, reimbursement obligation in respect of any LC Disbursement or other amount that is payable to any Defaulting Lender so long as such Lender is a Defaulting Lender.

(e) Accrued interest on each Term Loan, Revolving Loan and each Swingline Loan shall be payable in arrears on each Interest Payment Date for such Term Loan, Revolving Loan or Swingline Loan and (i) on the Maturity Date applicable to such Loan, (ii) in the case of a Revolving Loan of any Class, upon termination of the Revolving Credit Commitments of such Class and in the case of any Swingline Loan, upon termination of all of the Revolving Credit Commitments, as applicable; provided that (A) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (B) in the event of any repayment or prepayment of any Term Loan, Revolving Loan (other than an ABR Revolving Loan of any Class prior to the termination of the Revolving Credit Commitments of such Class) or Swingline Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (C) in the event of any conversion of any LIBO Rate Loan prior to the end of the current Interest Period therefor, accrued interest on such Term Loan or Revolving Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. Interest shall accrue on each Loan for the day on which the Loan is made and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that any Loan that is repaid on the same day on which it is made shall bear interest for one day.

Section 2.14. Alternate Rate of Interest. If at least two Business Days prior to the commencement of any Interest Period for a LIBO Rate Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders in writing that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall promptly give notice thereof to the Borrower and the Lenders by telephone, facsimile or electronic mail promptly thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, which the Administrative Agent agrees promptly to do, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a LIBO Rate Borrowing shall be ineffective and such Borrowing shall be converted to an ABR on the last day of the Interest Period applicable thereto, and (ii) if any Borrowing Request requests a LIBO Rate Borrowing, such Borrowing shall be made as an ABR Borrowing (or, in the case of a pending request for a Borrowing denominated in any Alternate Currency, the Borrower and the Revolving Lenders shall establish a mutually acceptable alternative rate) on the last day of the Interest Period applicable thereto, and (ii) if any Borrowing Request requests a LIBO Rate Borrowing, such Borrowing shall be made as an ABR Borrowing (or, in the case of a pending request for a Borrowing denominated in any Alternate Currency, the Borrower and the Revolving Lenders shall establish a mutually acceptable alternative rate).

Section 2.15. Increased Costs.

(a) If any Change in Law:

(i) imposes, modifies or deems applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the LIBO Rate) or Issuing Bank;

(ii) subject any Lender or Issuing Bank to any Taxes (other than (A) Indemnified Taxes and Other Taxes indemnifiable under Section 2.17, (B) Taxes described in clauses (c) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on or with respect to its loans, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) imposes on any Lender or Issuing Bank or the London interbank market any other condition (other than Taxes) affecting this Agreement or LIBO Rate Loans made by any Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing is to increase the cost to the relevant Lender of making or maintaining any LIBO Rate Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise) in respect of any LIBO Rate Loan or Letter of Credit in an amount deemed by such Lender or Issuing Bank to be material, then, within 30 days after the Borrower's receipt of the certificate contemplated by paragraph (c) of this Section, the Borrower will pay to such Lender or Issuing Bank, as applicable, such additional amount or amounts as will compensate such Lender or Issuing Bank, as applicable, for such additional costs incurred or reduction suffered; provided that the Borrower shall not be liable for such compensation if (x) the relevant Change in Law occurs on a date prior to the date such Lender becomes a party hereto, (y) such Lender invokes Section 2.20 or (z) in the case of requests for reimbursement under clause (iii) above resulting from a market disruption, (A) the relevant circumstances are not generally affecting the banking market or (B) the applicable request has not been made by Lenders constituting Required Lenders.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding liquidity or capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law other than due to Taxes (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to liquidity or capital adequacy), then within 30 days of receipt by the Borrower of the certificate contemplated by paragraph (c) of this Section the Borrower will pay to such Lender or such Issuing Bank, as applicable, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) Any Lender or Issuing Bank requesting compensation under this Section 2.15 shall be required to deliver a certificate to the Borrower that (i) sets forth the amount or amounts necessary to compensate such Lender or Issuing Bank or the holding company thereof, as applicable, as specified in paragraph (a) or (b) of this Section, (ii) sets forth, in reasonable detail, the manner in which such amount or amounts were determined and (iii) certifies that such Lender or Issuing Bank is generally charging such amounts to similarly situated borrowers, which certificate shall be conclusive absent manifest error.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided, however that the Borrower shall not be required to compensate any Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Bank notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided, further, that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.16. Break Funding Payments. Subject to Section 9.05(f), in the event of (a) the conversion or prepayment of any principal of any LIBO Rate Loan other than on the last day of an Interest Period applicable thereto (whether voluntary, mandatory, automatic, by reason of acceleration or otherwise), (b) the failure to borrow, convert, continue or prepay any LIBO Rate Loan on the date or in the amount specified in any notice delivered pursuant hereto or (c) the assignment of any LIBO Rate Loan of any Lender other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the actual amount of any actual out-of-pocket loss, expense and/or liability (including any actual out-of-pocket loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund or maintain LIBO Rate loans, but excluding loss of anticipated profit) that such Lender may incur or sustain as a result of such event. Any Lender requesting compensation under this Section 2.16 shall be required to deliver a certificate to the Borrower that (A) sets forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, the basis therefor and, in reasonable detail, the manner in which such amount or amounts were determined and (B) certifies that such Lender is generally charging the relevant amounts to similarly situated borrowers, which certificate shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

Section 2.17. Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction for any Taxes, except as required by applicable Requirements of Law. If any applicable Requirements of Law (as determined in the good faith of the applicable withholding agent) requires the deduction or withholding of any Tax from any such payment, then (i) if such Tax is an Indemnified Tax and/or Other Tax, the amount payable by the applicable Loan Party shall be increased as necessary so that after all required deductions or withholdings have been made (including deductions or withholdings applicable to additional sums payable under this Section 2.17) each Lender (or, in the case of any payment made to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the applicable withholding agent shall make such deductions and (iii) the applicable withholding agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(b) Payment of Other Taxes. In addition, the Loan Parties shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Requirements of Law or at the option of the Administrative Agent timely reimburse it for the payment of Other Taxes.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender within 30 days after receipt of the certificate described in the succeeding sentence, for the full amount of any Indemnified Taxes or Other Taxes payable or paid by the Administrative Agent or such Lender, as applicable (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17), other than any penalties determined by a final and non-appealable judgment of a court of competent jurisdiction (or documented in any settlement agreement) to have resulted from the gross negligence, bad faith or willful misconduct of the Administrative Agent or such Lender, and, in each case, any reasonable expenses arising therefrom or with respect thereto, whether or not correctly or legally imposed or asserted; provided that if the Borrower reasonably believes that such Taxes were not correctly or legally asserted, the Administrative Agent or such Lender, as applicable, will use reasonable efforts to cooperate with the Borrower to obtain a refund of such Taxes (which shall be repaid to the Borrower in accordance with Section 2.17(g)) at the expense of the Loan Parties, so long as such efforts would not, in the sole determination of the Administrative Agent or such Lender, result in any additional out-of-pocket costs or expenses not reimbursed by the Loan Parties or be otherwise materially disadvantageous to the Administrative Agent or such Lender, as applicable. In connection with any request for reimbursement under this Section 2.17(c), the relevant Lender or the Administrative Agent, as applicable, shall deliver a certificate to the Borrower setting forth, in reasonable detail, the basis and calculation of the amount of the relevant payment or liability. Notwithstanding anything to the contrary contained in this Section 2.17, no Borrower shall be required to indemnify the Administrative Agent or any Lender pursuant to this Section 2.17 for any amount to the extent the Administrative Agent or such Lender fails to notify the Borrower of such possible indemnification claim within 180 days after the Administrative Agent or such Lender receives written notice from the applicable taxing authority of the specific tax assessment giving rise to such indemnification claim.

(d) [Reserved].

(e) Evidence of Payments. As soon as practicable after any payment of any Taxes pursuant to this Section 2.17 by any Loan Party to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued, if any, by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment that is reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of any withholding Tax with respect to any payment made under any Loan Document shall deliver to the Borrower and the Administrative Agent (or, in the event that the Administrative Agent shall appoint another Person as a sub-agent responsible for U.S. federal income tax withholding with respect to any payment made under any Loan Document pursuant to a sub-agency agreement then in effect with the Administrative Agent in accordance with the provisions of Section 8.06, such Person), at the time or times reasonably requested by the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent), such properly completed and executed documentation as the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent) may reasonably request to permit such payments to be made without withholding or at a reduced rate of withholding. In

addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent), shall deliver such other documentation prescribed by applicable Requirements of Law or reasonably requested by the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent) as will enable the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent) to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Each Lender hereby authorizes the Administrative Agent (or the applicable Person acting as sub-agent) to deliver to the Borrower and to any successor Administrative Agent any documentation provided to the Administrative Agent (or the applicable Person acting as sub-agent) pursuant to this Section 2.17(f). Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (f)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) each Lender that is a US Person shall deliver to the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) on or prior to the date on which it becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent)), two executed copies of IRS Form W-9 certifying that such Lender is exempt from US federal backup withholding;

(B) each Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent)), whichever of the following is applicable:

(1) in the case of any Foreign Lender claiming the benefits of an income tax treaty to which the US is a party, two executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing any available exemption from, or reduction of, US federal withholding Tax;

(2) two executed copies of IRS Form W-8ECI (or any successor forms);

(3) in the case of any Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 871(h) or 881(c) of the Code, (x) two executed copies of a certificate substantially in the form of Exhibit O-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10-percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code, and that no payments of interest payable to such Lender hereunder are effectively connected with the conduct of a US trade or business (a "Tax Compliance Certificate") and (y) two executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable (or any successor forms); or

(4) to the extent any Foreign Lender is not the beneficial owner (e.g., where the Foreign Lender is a partnership or participating Lender), two executed copies of IRS Form W-8IMY (or any successor forms), accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a Tax Compliance Certificate substantially in the form of Exhibit O-2, Exhibit O-3 or Exhibit O-4, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if such Foreign Lender is a partnership (and not a participating Lender) and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a Tax Compliance Certificate substantially in the form of Exhibit O-3 on behalf of each such direct or indirect partner(s);

(C) each Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent)), two executed copies of any other form prescribed by applicable Requirements of Law as a basis for claiming exemption from or a reduction in US federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Requirements of Law to permit the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent) to determine the withholding or deduction required to be made; and

(D) if a payment made to any Lender under any Loan Document would be subject to US federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) at the time or times prescribed by applicable Requirements of Law and at such time or times reasonably requested by the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent) such documentation as is prescribed by applicable Requirements of Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) as may be necessary for the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

For the avoidance of doubt, if a Lender is an entity disregarded from its owner for US federal income tax purposes, references to the foregoing documentation are intended to refer to documentation with respect to such Lender's owner and, as applicable, such Lender.

Each Lender agrees that if any documentation it previously delivered expires or becomes obsolete or inaccurate in any respect (including any specific documentation required above in this Section 2.17(f)), it shall deliver to the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) updated or other appropriate documentation (including any new documentation reasonably requested by the Borrower or the Administrative Agent (or the applicable Person acting as sub-agent)) or promptly notify the Borrower and the Administrative Agent (or the applicable Person acting as sub-agent) in writing of its legal ineligibility to do so.

(g) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion, that it has received a refund (whether received in cash or applied as a credit against any cash taxes payable) of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.17 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender (including any Taxes imposed with respect to such refund), and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower pursuant to this paragraph (g) to the extent that the payment thereof would place the Administrative Agent or such Lender in a less favorable net after-Tax position than the position that the Administrative Agent or such Lender would have been in if the Tax subject to indemnification had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.17 shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the relevant Loan Party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent (or the applicable Person acting as sub-agent) or any assignment of rights by, or the replacement of, any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Definition of "Lender". For the avoidance of doubt, the term "Lender" shall, for all purposes of this Section 2.17, include any Issuing Bank and any Swingline Lender.

(j) Certain Documentation. On or before the date the Administrative Agent becomes a party to this Agreement, the Administrative Agent (or the applicable Person acting as sub-agent) shall deliver to the Borrower whichever of the following is applicable: (i) if the Administrative Agent (or the applicable Person acting as sub-agent) is a US Person, two executed copies of IRS Form W-9 certifying that such Administrative Agent (or the applicable Person acting as sub-agent) is exempt from US federal backup withholding or (ii) if the Administrative Agent (or the applicable Person acting as sub-agent) is not a US Person, (A) with respect to payments received for its own account, two executed copies of IRS Form W-8ECI or IRS Form W-8BEN-E, as applicable and (ii) with respect to payments received on account of any Lender, two executed copies of IRS Form W-8IMY (together with all required accompanying documentation) certifying that the Administrative Agent (or the applicable Person acting as sub-agent) is a US branch and may be treated as a United States person for purposes of applicable US federal withholding Tax. At any time thereafter, the Administrative Agent (or the applicable Person acting as sub-agent) shall provide updated documentation previously provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Borrower. Notwithstanding anything to the contrary in this Section 2.17(j), the Administrative Agent (or the applicable Person acting as sub-agent) shall not be required to provide any documentation that the Administrative Agent (or the applicable Person acting as sub-agent) is not legally eligible to deliver as a result of a Change in Law after the Closing Date. For the avoidance of doubt, and notwithstanding anything to the contrary under any Loan Document, the Administrative Agent shall be permitted to perform any and all of its duties and to exercise its rights and powers hereunder or under any other Loan Document (including its rights to receive payments under any Loan Document (including payments received on behalf of any

Lender) and any U.S. federal income Tax withholding and/or reporting obligations associated with receipt of such payments) by or through any one or more Persons appointed as sub-agent by the Administrative Agent pursuant to a sub-agency agreement.

Section 2.18. Payments Generally; Allocation of Proceeds; Sharing of Payments.

(a) Unless otherwise specified, the Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, reimbursements of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 3:00 p.m. on the date when due. Each such payment shall be made in immediately available funds (or such other form of consideration as the relevant Lender may agree), without set-off or counterclaim. Any amount received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to the applicable account designated by the Administrative Agent to the Borrower, except that payments pursuant to Sections 2.15, 2.16, 2.17 and/or 9.03 shall be made directly to the Person or Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. Except as provided in Sections 2.19(b) and 2.20, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans of a given Class and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type (and of the same Class) shall be allocated pro rata among the Lenders in accordance with their respective Applicable Percentages (calculated, in the case of Term Loan Borrowings, solely on the basis of the outstanding Term Loans) of the applicable Class. Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole Dollar amount. All payments hereunder shall be made in Dollars or the relevant Alternate Currency, as applicable (or such other form of consideration as the relevant recipient may agree). Any payment required to be made by the Administrative Agent hereunder shall be deemed to have been made by the time required if the Administrative Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by the Administrative Agent to make such payment.

(b) Subject in all respects to the provisions of any Acceptable Intercreditor Agreement, all proceeds of Collateral received by the Administrative Agent while an Event of Default exists and all or any portion of the Loans have been accelerated hereunder pursuant to Section 7.01, shall be applied, first, on a pro rata basis, to pay any fees, indemnities, liabilities, obligations or expense reimbursements then due to the Administrative Agent (including with respect to outstanding Letters of Credit (and the related Support Agreements)) or to any Issuing Bank from the Borrower constituting Secured Obligations, second, on a pro rata basis in accordance with the amounts of the Secured Obligations (other than contingent indemnification obligations for which no claim has yet been made) owed to the Secured Parties on the date of any such distribution, to the payment in full of the Secured Obligations (including Obligations under Support Agreements and including, with respect to LC Exposure, an amount to be paid to the Administrative Agent equal to 103% of the LC Exposure (minus the amount then on deposit in the LC Collateral Account) on such date, to be held in the LC Collateral Account as Cash collateral for such Obligations); provided that if any Letter of Credit expires undrawn, then any Cash collateral held to secure the related LC Exposure shall be applied in accordance with this Section 2.18(b), beginning with clause first above, third, as provided in any Acceptable Intercreditor Agreement, and fourth, to, or at the direction of, the Borrower or as a court of competent jurisdiction may otherwise direct.

(c) If any Lender obtains payment (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) in respect of any principal of or interest on any of its Loans of any Class or participations in LC Disbursements or Swingline Loans held by it resulting in such Lender receiving

payment of a greater proportion of the aggregate amount of its Loans of such Class and participations in LC Disbursements or Swingline Loans and accrued interest thereon than the proportion received by any other Lender with Loans of such Class and participations in LC Disbursements or Swingline Loans, then the Lender receiving such greater proportion shall purchase (for Cash at face value) participations in the Loans of such Class and sub-participations in LC Disbursements or Swingline Loans of other Lenders of such Class at such time outstanding to the extent necessary so that the benefit of all such payments shall be shared by the Lenders of such Class ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans of such Class and participations in LC Disbursements or Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by any Lender as consideration for the assignment of or sale of a participation in any of its Loans to any permitted assignee or participant, including any payment made or deemed made in connection with Sections 2.22, 2.23, 9.02(c) and/or Section 9.05. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Requirements of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise rights of set-off and counterclaim against the Borrower with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.18(c) and will, in each case, notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.18(c) shall from and after the date of such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

(d) Unless the Administrative Agent has received written notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender or any Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lender or Issuing Bank the amount due. In such event, if the Borrower has not in fact made such payment, then each Lender or the applicable Issuing Bank severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender fails to make any payment required to be made by it pursuant to Section 2.07(b) or Section 2.18(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amount thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15 or determines it can no longer make or maintain LIBO Rate Loans pursuant to Section 2.20, or any Loan Party is required to pay any additional amount to or indemnify any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or its participation in any Letter of Credit affected by

such event, or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to [Section 2.15](#) or [2.17](#), as applicable, in the future or mitigate the impact of [Section 2.20](#), as the case may be, and (ii) would not subject such Lender to any unreimbursed out-of-pocket cost or expense and would not otherwise be disadvantageous to such Lender in any material respect. The Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under [Section 2.15](#) or determines it can no longer make or maintain LIBO Rate Loans pursuant to [Section 2.20](#), (ii) any Loan Party is required to pay any additional amount to or indemnify any Lender or any Governmental Authority for the account of any Lender pursuant to [Section 2.17](#), (iii) any Lender is a Defaulting Lender or (iv) in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender”, “each Revolving Lender” or “each Lender directly affected thereby” (or any other Class or group of Lenders other than the Required Lenders) with respect to which Required Lender or Required Revolving Lender consent (or the consent of Lenders holding loans or commitments of such Class or lesser group representing more than 50% of the sum of the total loans and unused commitments of such Class or lesser group at such time) has been obtained, as applicable, any Lender is a non-consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, (x) terminate the applicable Commitments of such Lender, and repay all Obligations of the Borrower owing to such Lender relating to the applicable Loans and participations held by such Lender as of such termination date (provided that, if, after giving effect such termination and repayment, the aggregate amount of the Revolving Credit Exposure of any Class exceeds the aggregate amount of the Revolving Credit Commitments of such Class then in effect, then the Borrower shall, not later than the next Business Day, prepay one or more Revolving Loan Borrowings of the applicable Class (and, if no Revolving Loan Borrowings of such Class are outstanding, deposit Cash collateral in the LC Collateral Account) in an amount necessary to eliminate such excess) or (y) replace such Lender by requiring such Lender to assign and delegate (and such Lender shall be obligated to assign and delegate), without recourse (in accordance with and subject to the restrictions contained in [Section 9.05](#)), all of its interests, rights and obligations under this Agreement to an Eligible Assignee that assumes such obligations (which Eligible Assignee may be another Lender, if any Lender accepts such assignment); provided that (A) such Lender has received payment of an amount equal to the outstanding principal amount of its Loans and, if applicable, participations in LC Disbursements or Swingline Loans, in each case of such Class of Loans and/or Commitments, accrued interest thereon, accrued fees and all other amounts payable to it under any Loan Document with respect to such Class of Loans and/or Commitments, (B) in the case of any assignment resulting from a claim for compensation under [Section 2.15](#) or payments required to be made pursuant to [Section 2.17](#), such assignment would result in a reduction in such compensation or payments and (C) such assignment does not conflict with applicable Requirements of Law. No Lender (other than a Defaulting Lender) shall be required to make any such assignment and delegation, and the Borrower may not repay the Obligations of such Lender or terminate its Commitments, if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each Lender agrees that if it is replaced pursuant to this [Section 2.19](#), it shall execute and deliver to the Administrative Agent an Assignment Agreement to evidence such sale and purchase and shall deliver to the Administrative Agent any Promissory Note (if the assigning Lender’s Loans are evidenced by one or more Promissory Notes) subject to such Assignment Agreement (provided that the failure of any Lender replaced pursuant to this [Section 2.19](#) to execute an Assignment Agreement or deliver any such Promissory Note shall not render such sale and purchase (and the corresponding assignment) invalid), such assignment shall be recorded in the Register and any such Promissory Note shall be deemed cancelled. Each Lender hereby irrevocably appoints the Administrative Agent (such appointment being coupled with an interest) as such Lender’s attorney-in-fact, with full authority in the place and stead of such Lender and in the name of such Lender, from time to time in the Administrative Agent’s discretion, with prior written notice to such Lender, to take

any action and to execute any such Assignment Agreement or other instrument that the Administrative Agent may deem reasonably necessary to carry out the provisions of this clause (b). To the extent that any Lender is replaced pursuant to Section 2.19(b)(iv) in connection with a transaction requiring payment of a fee pursuant to Section 2.12(f), the Borrower shall pay to each Lender being replaced as a result of such transaction the fee set forth in Section 2.12(f).

Section 2.20. **Illegality.** If any Lender reasonably determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted after the Closing Date that it is unlawful, for such Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to the Published LIBO Rate (whether denominated in Dollars or an Alternate Currency), or to determine or charge interest rates based upon the Published LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of Dollars or any Alternate Currency in the applicable interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue LIBO Rate Loans in the effected currency or currencies or to convert ABR Loans to LIBO Rate Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the Published LIBO Rate component of the Alternate Base Rate, the interest rate on which ABR Loans of such Lender, shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Published LIBO Rate component of the Alternate Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist (which notice such Lender agrees to give promptly). Upon receipt of such notice, (x) the Borrower shall, upon demand from the relevant Lender (with a copy to the Administrative Agent), prepay or (I) if applicable and such Loans are denominated in Dollars, convert all of such Lender's LIBO Rate Loans to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Published LIBO Rate component of the Alternate Base Rate) or (II) if applicable and such Loans are denominated in any Alternate Currency, convert such Loans to Loans bearing interest at an alternative rate mutually acceptable to the Borrower and such Lender, in each case, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBO Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBO Rate Loans (in which case the Borrower shall not be required to make payments pursuant to Section 2.16 in connection with such payment); (y) [reserved] and (z) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Published LIBO Rate, the Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such Lender without reference to the Published LIBO Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Published LIBO Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the determination of such Lender, otherwise be materially disadvantageous to such Lender.

Section 2.21. **Defaulting Lenders.** Notwithstanding any provision of this Agreement to the contrary, if any Person becomes a Defaulting Lender, then the following provisions shall apply for so long as such Person is a Defaulting Lender:

(a) Fees shall cease to accrue on the unfunded portion of any Commitment of such Defaulting Lender pursuant to Section 2.12(a) and, subject to clause (d)(iv) below, on the participation of such Defaulting Lender in Letters of Credit pursuant to Section 2.12(b) and pursuant to any other provisions of this Agreement or other Loan Document.

(b) The Commitments and the Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders, each affected Lender, the Required Lenders, the Required Revolving Lenders or such other number of Lenders as may be required hereby or under any other Loan Document have taken or may take any action hereunder (including any consent to any waiver, amendment or modification pursuant to Section 9.02); provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which (i) increases the Commitment of such Defaulting Lender hereunder, (ii) reduces the principal amount of any amount owing to such Defaulting Lender or (iii) affects such Defaulting Lender disproportionately and adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

(c) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of any Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 2.11, Section 2.15, Section 2.16, Section 2.17, Section 2.18, Article 7, Section 9.05 or otherwise, and including any amount made available to the Administrative Agent by such Defaulting Lender pursuant to Section 9.09), shall be applied at such time or times as may be determined by the Administrative Agent and, where relevant, the Borrower as follows: first, to the payment of any amount owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amount owing by such Defaulting Lender to any applicable Issuing Bank and/or Swingline Lender hereunder; third, if so reasonably determined by the Administrative Agent or reasonably requested by the applicable Issuing Bank, to be held as Cash collateral for future funding obligations of such Defaulting Lender in respect of any participation in any Letter of Credit; fourth, so long as no Default or Event of Default exists, as the Borrower may request, to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement; fifth, as the Administrative Agent or the Borrower may elect, to be held in a deposit account and released in order to satisfy obligations of such Defaulting Lender to fund Loans under this Agreement; sixth, to the payment of any amount owing to thenon-Defaulting Lenders, Issuing Banks or Swingline Lenders as a result of any judgment of a court of competent jurisdiction obtained by any non-Defaulting Lender, any Issuing Bank or any Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, to the payment of any amount owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loan or LC Exposure in respect of which such Defaulting Lender has not fully funded its appropriate share and (y) such Loan or LC Exposure was made or created, as applicable, at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Exposure owed to, allnon-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loan of, or LC Exposure owed to, such Defaulting Lender. Any payment, prepayment or other amount paid or payable to any Defaulting Lender that are applied (or held) to pay amounts owed by any Defaulting Lender or to post Cash collateral pursuant to this Section 2.21(c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(d) If any Swingline Exposure or LC Exposure exists at the time any Lender becomes a Defaulting Lender then:

(i) The Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among thenon-Defaulting Lenders under the Revolving Facility (the "Non-Defaulting Revolving Lenders") in accordance with their respective Applicable Revolving Credit Percentages but only to the extent that (A) the sum of the Revolving Credit Exposures of all non-Defaulting Lenders attributable to the Revolving Credit Commitments of any Class does not exceed the total of the Revolving Credit Commitments of all Non-Defaulting Revolving Lenders of such Class and

(B) the Revolving Credit Exposure of any non-Defaulting Lender that is attributable to its Revolving Credit Commitment of such Class does not exceed such non-Defaulting Lender's Revolving Credit Commitment of such Class. Subject to Section 9.23, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of any Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any other right or remedy available to it hereunder or under applicable Requirements of Law, within two Business Days following notice by the Administrative Agent, Cash collateralize 103% of such Defaulting Lender's LC Exposure and any obligations of such Defaulting Lender to fund participations in any Swingline Loans (after giving effect to any partial reallocation pursuant to paragraph (i) above and any Cash collateral provided by such Defaulting Lender or pursuant to Section 2.21(c) above) or make other arrangements reasonably satisfactory to the Administrative Agent and to the applicable Issuing Bank and/or the Swingline Lender with respect to such LC Exposure and/or Swingline Loans and obligations to fund participations. Cash collateral (or the appropriate portion thereof) provided to reduce LC Exposure or other obligations shall be released promptly following (A) the elimination of the applicable LC Exposure or other obligations giving rise thereto (including by the termination of the Defaulting Lender status of the applicable Person (or, as appropriate, its assignee following compliance with Section 2.19)) or (B) the Administrative Agent's good faith determination that there exists excess Cash collateral (including as a result of any subsequent reallocation of Swingline Loans and LC Exposure among non-Defaulting Lenders described in clause (i) above);

(iii) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to this Section 2.21(d), then the fees payable to the Revolving Lenders pursuant to Sections 2.12(a) and (b), as the case may be, shall be adjusted to give effect to such reallocation; and

(iv) if any Defaulting Lender's LC Exposure is not Cash collateralized, prepaid or reallocated pursuant to this Section 2.21(d), then, without prejudice to any rights or remedies of the applicable Issuing Bank or any Revolving Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until such Defaulting Lender's LC Exposure is Cash collateralized or reallocated.

(e) So long as any Revolving Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, extend, create, incur, amend or increase any Letter of Credit unless it is reasonably satisfied that the related exposure will be 100% covered by the Revolving Credit Commitments of the non-Defaulting Lenders, Cash collateral provided pursuant to Section 2.21(c) and/or Cash collateral provided in accordance with Section 2.21(d), and participating interests in any such or newly issued, extended or created Letter of Credit or newly made Swingline Loan shall be allocated among Non-Defaulting Revolving Lenders in a manner consistent with Section 2.21(d)(i) (it being understood that Defaulting Lenders shall not participate therein).

(f) In the event that the Administrative Agent, each Issuing Bank and the Borrower agree that any Defaulting Lender has adequately remedied all matters that caused such Person to be a Defaulting Lender, then the Applicable Revolving Credit Percentage of Swingline Exposure and LC Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Person's Revolving Credit Commitment, and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the applicable Class of the other Revolving Lenders or participations in Revolving Loans of the

applicable Class as the Administrative Agent determine as necessary in order for such Revolving Lender to hold such Revolving Loans or participations in accordance with its Applicable Percentage of the applicable Class or its Applicable Revolving Credit Percentage, as applicable. Notwithstanding the fact that any Defaulting Lender has adequately remedied all matters that caused such Person to be a Defaulting Lender, (x) no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender and (y) except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Person's having been a Defaulting Lender.

Section 2.22. Incremental Credit Extensions.

(a) The Borrower may, at any time, on one or more occasions pursuant to an Incremental Facility Amendment (i) add one or more new Classes of term facilities and/or increase the principal amount of the Term Loans of any existing Class by requesting new commitments to provide such Term Loans (any such new Class or increase, an "Incremental Term Facility" and any loan made pursuant to an Incremental Term Facility, "Incremental Term Loans") and/or (ii) increase the aggregate amount of the Revolving Credit Commitments of any existing Class (any such increase, an "Incremental Revolving Facility" and, together with any Incremental Term Facility, "Incremental Facilities"; and the loans thereunder, "Incremental Revolving Loans" and any Incremental Revolving Loans, together with any Incremental Term Loans, "Incremental Loans") in an aggregate principal amount not to exceed the Incremental Cap; provided that:

(i) no Incremental Commitment in respect of any Incremental Term Facility may be in an amount that is less than \$5,000,000 (or such lesser amount to which the Administrative Agent may reasonably agree),

(ii) except as the Borrower and any Lender may separately agree, no Lender shall be obligated to provide any Incremental Commitment, and the determination to provide such commitments shall be within the sole and absolute discretion of such Lender (it being agreed that the Borrower shall not be obligated to offer the opportunity to any Lender to participate in any Incremental Facility),

(iii) no Incremental Facility or Incremental Loan (nor the creation, provision or implementation thereof) shall require the approval of any existing Lender other than in its capacity, if any, as a lender providing all or part of any Incremental Commitment or Incremental Loan,

(iv) except as otherwise permitted herein (including with respect to currency, pricing (including any "MFN" or other pricing terms), interest rate margins, rate floors, fees, premiums (including prepayment premiums), funding discounts, maturity and amortization), (A) the terms of any Incremental Term Facility, if not substantially consistent with those applicable to any then-existing Term Loans, must be reasonably acceptable to the Administrative Agent (it being agreed that any terms contained in such Incremental Term Facility (x) that are applicable only after the then-existing Latest Term Loan Maturity Date or (y) that are, taken as a whole, more favorable to the lenders or the agent of such Incremental Term Facility than those contained in the Loan Documents and are then conformed (or added) to the Loan Documents for the benefit of the Term Lenders or, as applicable, the Administrative Agent (*i.e.*, by conforming or adding a term to the then-outstanding Term Loans pursuant to the applicable Incremental Facility Amendment), shall, in each case, be deemed satisfactory to the Administrative Agent) and (B) the terms of any Incremental Revolving Facility, shall be substantially consistent with those applicable to any applicable then-existing Revolving Facility,

(v) the currency, pricing (including any “MFN” or other pricing terms), interest rate margins, rate floors, fees, premiums (including prepayment premiums), funding discounts and, subject to clauses (vi), (vii) and (viii) below, the maturity and amortization schedule applicable to any Incremental Facility shall be determined by the Borrower and the lender or lenders providing such Incremental Facility; provided that, in the case of any Incremental Term Facility denominated in Dollars that is *pari passu* with the Initial Term Loans in right of payment and with respect to security, the Effective Yield applicable thereto may not be more than 0.50% higher than the Effective Yield applicable to the Initial Term Loans unless the Applicable Rate (and/or, as provided in the proviso below, the Alternate Base Rate floor or LIBO Rate floor) with respect to the Initial Term Loans is adjusted, or fees are paid to the relevant Initial Term Lenders, in each case, such that the Effective Yield in respect of such Initial Term Loans is not more than 0.50% per annum less than the Effective Yield with respect to such Incremental Term Facility; provided, further, that any increase in Effective Yield applicable to any Initial Term Loan due to the application or imposition of an Alternate Base Rate floor or LIBO Rate floor on any Incremental Term Loan may, at the election of the Borrower, be effected solely through an increase in (or implementation of, as applicable) any Alternate Base Rate floor or LIBO Rate floor applicable to such Initial Term Loan (this clause (v), the “MFN Provision”),

(vi) other than with respect to any Incremental Term Facility consisting of Indebtedness in the form of Customary Bridge Loans, the final maturity date with respect to any Incremental Term Loans shall be no earlier than the then-existing Latest Term Loan Maturity Date,

(vii) other than with respect to any Incremental Term Facility consisting of Indebtedness in the form of Customary Bridge Loans, the Weighted Average Life to Maturity of any Incremental Term Facility shall be no shorter than the remaining Weighted Average Life to Maturity of any then-existing tranche of Term Loans (without giving effect to any prepayment thereof),

(viii) subject to clauses (vi) and (vii) above, any Incremental Term Facility may otherwise have an amortization schedule as determined by the Borrower and the lenders providing such Incremental Term Facility,

(ix) subject to clause (v) above, to the extent applicable, any fees payable in connection with any Incremental Facility shall be determined by the Borrower and the arrangers and/or lenders providing such Incremental Facility,

(x) (A) any Incremental Term Facility may rank *pari passu* with or junior to the Initial Term Loans, in right of payment and/or security or may be unsecured and (B) no Incremental Facility may be (x) guaranteed by any Person that is not a Loan Party or (y) secured by any asset other than the Collateral; provided that if any such Incremental Term Facility is not in the form of a loan constituting First Lien Debt, such Incremental Facility will be documented pursuant to separate loan documentation from the Loan Documents and shall be subject to an Acceptable Intercreditor Agreement,

(xi) any Incremental Term Facility may participate (A) in any voluntary prepayment of Term Loans as set forth in Section 2.11(a)(i) and (B) in any mandatory prepayment of Term Loans as set forth in Section 2.11(b)(vi), in each case, to the extent provided in such Sections,

(xii) (A) no Default or Event of Default shall exist immediately prior to or after giving effect to the incurrence or implementation of such Incremental Facility and (B) the condition set forth in Section 4.02(b) hereof shall be satisfied after giving effect to the incurrence or

implementation of the relevant Incremental Facility as if such incurrence or implementation constituted a "Credit Extension"; provided that notwithstanding the foregoing, in the case of any Incremental Facility incurred or implemented in connection with any acquisition or similar Investment, the condition set forth in this clause (B) shall require only the making and accuracy of the Specified Representations and customary "specified acquisition agreement representations" before giving effect to such acquisition or Investment,

(xiii) the proceeds of any Incremental Facility may be used for working capital needs and other general corporate purposes (including capital expenditures, acquisitions and other Investments, working capital and or purchase price adjustments, Restricted Payments and Restricted Debt Payments and related fees and expenses) and any other use not prohibited by this Agreement, and

(xiv) on the date of the Borrowing of any Incremental Term Loans that will be of the same Class as any then-existing Class of Term Loans, and notwithstanding anything to the contrary set forth in Sections 2.08 or 2.13 above, such Incremental Term Loans shall be added to (and constitute a part of, be of the same Type as and, at the election of the Borrower, have the same Interest Period as) each Borrowing of outstanding Term Loans of such Class on a pro rata basis (based on the relative sizes of such Borrowings), so that each Term Lender providing such Incremental Term Loans will participate proportionately in each then-outstanding Borrowing of Term Loans of such Class; it being acknowledged that the application of this clause (a)(xiv) may result in new Incremental Term Loans having Interest Periods (the duration of which may be less than one month) that begin during an Interest Period then applicable to outstanding LIBO Rate Loans of the relevant Class and which end on the last day of such Interest Period.

(b) Incremental Commitments may be provided by any existing Lender, or by any other Eligible Assignee (any such other lender being called an "Incremental Lender"); provided that the Administrative Agent (and, in the case of any Incremental Revolving Facility, any Issuing Bank and any Swingline Lender) shall have a right to consent (such consent not to be unreasonably withheld, conditioned or delayed) to the relevant Incremental Lender's provision of Incremental Commitments if such consent would be required under Section 9.05(b) for an assignment of Loans to such Incremental Lender; provided, further, that any Incremental Lender that is an Affiliated Lender shall be subject to the provisions of Section 9.05(g), *mutatis mutandis*, to the same extent as if the relevant Incremental Commitments and related Obligations had been acquired by such Lender by way of assignment.

(c) Each Lender or Incremental Lender providing a portion of any Incremental Commitment shall execute and deliver to the Administrative Agent and the Borrower all such documentation (including the relevant Incremental Facility Amendment) as may be reasonably required by the Administrative Agent to evidence and effectuate such Incremental Commitment. On the effective date of the relevant Incremental Commitment, each Incremental Lender shall become a Lender for all purposes in connection with this Agreement.

(d) As conditions precedent to the effectiveness of any Incremental Facility or the making of any Incremental Loans, (i) upon its request, the Administrative Agent shall be entitled to receive customary written opinions of counsel, as well as such reaffirmation agreements, supplements and/or amendments as it shall reasonably require, (ii) the Administrative Agent shall be entitled to receive, from each Incremental Lender, an Administrative Questionnaire and such other documents as it shall reasonably require from such Incremental Lender, (iii) the Administrative Agent and the Incremental Lenders shall be entitled to receive all fees required to be paid in respect of such Incremental Facility or Incremental Loans, (iv) subject to Section 2.22(h), the Administrative Agent shall have received a Borrowing Request as if the relevant Incremental Loans were subject to Section 2.03 or another written request the form of which is reasonably

acceptable to the Administrative Agent (it being understood and agreed that the requirement to deliver a Borrowing Request shall not result in the imposition of any condition precedent, including to the availability of the relevant Incremental Loans (including with respect to the absence of a Default or Event of Default and/or the accuracy of any representation and/or warranty), (v) the Administrative Agent shall be entitled to receive a certificate of the Borrower signed by a Responsible Officer thereof certifying and attaching a copy of the resolutions adopted by the governing body of the Borrower approving or consenting to such Incremental Facility or Incremental Loans and (vi) the Flood Insurance Requirements shall be re-satisfied with respect to any Mortgaged Property.

(e) Notwithstanding anything to the contrary in this Section 2.22 or in any other provision of any Loan Document, the conditions to availability or funding of any Incremental Facility shall be determined by the relevant Incremental Lenders providing such Incremental Facility and the Borrower.

(f) Upon the implementation of any Incremental Revolving Facility pursuant to this Section 2.22:

(i) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each relevant Incremental Revolving Facility Lender, and each relevant Incremental Revolving Facility Lender will automatically and without further act be deemed to have assumed a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit and Swingline Loans such that, after giving effect to each deemed assignment and assumption of participations, all of the Revolving Lenders' (including each Incremental Revolving Facility Lender) (A) participations hereunder in Letters of Credit and (B) participations hereunder in Swingline Loans shall be held on a pro rata basis on the basis of their respective Revolving Credit Commitments (after giving effect to any increase in the Revolving Credit Commitment pursuant to Section 2.22) and (ii) the existing Revolving Lenders of the applicable Class shall assign Revolving Loans to certain other Revolving Lenders of such Class (including the Revolving Lenders providing the relevant Incremental Revolving Facility), and such other Revolving Lenders (including the Revolving Lenders providing the relevant Incremental Revolving Facility) shall purchase such Revolving Loans, in each case to the extent necessary so that all of the Revolving Lenders of such Class participate in each outstanding Borrowing of Revolving Loans pro rata on the basis of their respective Revolving Credit Commitments of such Class (after giving effect to any increase in the Revolving Credit Commitment pursuant to this Section 2.22); it being understood and agreed that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this clause (f).

(g) On the date of effectiveness of any Incremental Revolving Facility, the maximum amount of LC Exposure and/or Swingline Loans, as applicable, permitted hereunder and/or the Letter of Credit Sublimit shall increase by an amount, if any, agreed upon by Administrative Agent, the Issuing Banks, the Swingline Lender and the Borrower, as applicable; it being understood and agreed that the Borrower and any Lender providing any Incremental Revolving Facility may agree that such Lender will provide a portion of the Letter of Credit Sublimit in excess of its Applicable Percentage thereof.

(h) The Lenders hereby irrevocably authorize the Administrative Agent to, and the Administrative Agent shall (without the consent of any Lenders (other than those providing the applicable Incremental Facility)), enter into any Incremental Facility Amendment and/or any amendment to any other Loan Document as may be necessary, appropriate or advisable in order to establish new Classes or sub-Classes in respect of Loans or commitments pursuant to this Section 2.22 and such technical amendments as may be necessary, appropriate or advisable in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Classes or sub-Classes. In addition, the

Incremental Facility Amendment with respect to any Incremental Term Facility may, without the consent of any Lenders (other than those providing such Incremental Term Loans) or the Administrative Agent, include such amendments to this Agreement as may be necessary, appropriate or advisable as reasonably determined by the Administrative Agent and the Borrower to make the applicable Incremental Term Loans “fungible” with the relevant existing Class of Term Loans (including by modifying the amortization schedule and/or extending the time period during which any prepayment premium applies).

- (i) This Section 2.22 shall supersede any provision in Section 2.18 or 9.02 to the contrary.

Section 2.23. Extensions of Loans and Revolving Credit Commitments.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an Extension Offer) made from time to time by the Borrower to all Lenders holding Loans of any Class or Commitments of any Class, in each case on a pro rata basis (based on the aggregate outstanding principal amount of the respective Loans or Commitments of such Class) and on the same terms to each such Lender, the Borrower is hereby permitted to consummate transactions with any individual Lender who accepts the terms contained in the relevant Extension Offer to extend the Maturity Date of all or a portion of such Lender’s Loans and/or Commitments of such Class and otherwise modify the terms of all or a portion of such Loans and/or Commitments pursuant to the terms of the relevant Extension Offer (including by increasing the interest rate or fees payable in respect of such Loans and/or Commitments (and related outstandings) and/or modifying the amortization schedule, if any, in respect of such Loans) (each, an Extension), and each group of Loans or Commitments, as applicable, in each case as so extended, and the original Loans and the original Commitments (in each case not so extended), being a “Class”; it being understood that any Extended Term Loans shall constitute a separate Class of Loans from the Class of Loans from which they were converted and any Extended Revolving Credit Commitments shall constitute a separate Class of Revolving Credit Commitments from the Class of Revolving Credit Commitments from which they were converted), so long as the following terms are satisfied:

(i) except as to (A) currency, pricing (including any “MFN” or other pricing terms), interest rate margins, rate floors, fees, premiums (including prepayment premiums), funding discounts, maturity and amortization (which shall, subject to immediately succeeding clause (iii) and to the extent applicable, be determined by the Borrower and any Lender who agrees to an Extension of its Revolving Credit Commitments and set forth in the relevant Extension Offer), (B) terms applicable to such Extended Revolving Credit Commitments or Extended Revolving Loans (each as defined below) that are more favorable to the lenders or the agent of such Extended Revolving Credit Commitments or Extended Revolving Loans than those contained in the Loan Documents and are then conformed (or added) to the Loan Documents for the benefit of the Revolving Lenders or, as applicable, the Administrative Agent (*i.e.*, by conforming or adding a term to the then-outstanding Revolving Loans pursuant to the applicable Extension Amendment), (C) [reserved] and (D) any covenants or other provisions applicable only to periods after the Latest Revolving Credit Maturity Date, the Revolving Credit Commitment of any Lender who agrees to an extension with respect to such Commitment (an Extended Revolving Credit Commitment); and the Loans thereunder, “Extended Revolving Loans”), and the related outstandings, shall constitute a revolving commitment (or related outstandings, as the case may be) with substantially consistent terms (or terms not less favorable to existing Lenders) as the Class of Revolving Credit Commitments subject to the relevant Extension Offer (and related outstandings) provided hereunder; provided that to the extent more than one Revolving Facility exists after giving effect to any such Extension, (x) the borrowing and repayment (except for (1) payments of interest and fees at different rates on the Revolving Facilities (and related outstandings), (2) repayments required upon the Maturity Date of any Revolving Facility and (3) repayments made in connection with a permanent repayment and termination of Revolving Credit Commitments under any

Revolving Facility (subject to clause (z) below)) of Revolving Loans with respect to any Revolving Facility after the effective date of such Extended Revolving Credit Commitments shall be made on a pro rata basis with all other Revolving Facilities, (y) all Swingline Loans and Letters of Credit shall be participated on a pro rata basis by all Revolving Lenders and (z) any permanent repayment of Revolving Loans with respect to, and reduction or termination of Revolving Credit Commitments under, any Revolving Facility after the effective date of such Extended Revolving Credit Commitments shall be made on a pro rata basis or less than pro rata basis with all other Revolving Facilities, except that the Borrower shall be permitted to permanently repay Revolving Loans and terminate Revolving Credit Commitments of any Revolving Facility on a greater than pro rata basis (I) as compared to any other Revolving Facilities with a later Maturity Date than such Revolving Facility and (II) to the extent refinanced or replaced with a Revolver Replacement Facility or Replacement Debt;

(ii) except as to (A) currency, pricing (including any “MFN” or other pricing terms), interest rate margins, rate floors, fees, premiums (including prepayment premiums), funding discounts, maturity and amortization (which shall, subject to immediately succeeding clauses (iii), (iv) and (v), be determined by the Borrower and any Lender who agrees to an Extension of its Term Loans and set forth in the relevant Extension Offer), (B) terms applicable to such Extended Term Loans (as defined below) that are more favorable to the lenders or the agent of such Extended Term Loans than those contained in the Loan Documents applicable to the relevant Term Loans and are then conformed (or added) to the Loan Documents for the benefit of the Term Lenders in respect of such Term Loans or, as applicable, the Administrative Agent (*i.e.*, by conforming or adding a term to the then-outstanding Term Loans of the applicable Class pursuant to the applicable Extension Amendment), (C) [reserved] and (D) any covenants or other provisions applicable only to periods after the Latest Term Loan Maturity Date (in each case, as of the date of such Extension), the Term Loans of any Lender extended pursuant to any Extension (any such extended Term Loans, the “Extended Term Loans”) shall have substantially consistent terms (or terms not less favorable to existing Lenders) as the tranche of Term Loans subject to the relevant Extension Offer;

(iii) (x) the final maturity date of any Extended Term Loans may be no earlier than the then applicable Latest Term Loan Maturity Date at the time of Extension and (y) no Extended Revolving Credit Commitments or Extended Revolving Loans may have a final maturity date earlier than (or require commitment reductions prior to) the Latest Revolving Credit Maturity Date;

(iv) the Weighted Average Life to Maturity of any Class of Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of any then-existing Term Loans;

(v) subject to clauses (iii) and (iv) above, any Extended Term Loans may otherwise have an amortization schedule as determined by the Borrower and the Lenders providing such Extended Term Loans,

(vi) any Extended Term Loans may participate (A) in any voluntary prepayment of Term Loans as set forth in Section 2.11(a)(i) and (B) in any mandatory prepayment of Term Loans as set forth in Section 2.11(b)(vi), in each case, to the extent provided in such Sections;

(vii) if the aggregate principal amount of Loans or Commitments, as the case may be, in respect of which Lenders have accepted the relevant Extension Offer exceed the maximum aggregate principal amount of Loans or Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the Loans or Commitments, as the case may be, of such Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed the applicable Lender’s actual holdings of record) with respect to which such Lenders have accepted such Extension Offer;

- (viii) unless the Administrative Agent otherwise agrees, any Extension must be in a minimum amount of \$5,000,000;
- (ix) any applicable Minimum Extension Condition must be satisfied or waived by the Borrower;
- (x) any documentation in respect of any Extension shall be consistent with the foregoing;
- (xi) prior to the effectiveness of any Extension, to the extent legally required, the Flood Insurance Requirements shall be satisfied with respect to any Mortgaged Property; and
- (xii) no Extension of any Revolving Facility shall be effective as to the obligations of the Swingline Lender to make any Swingline Loans or any Issuing Bank with respect to Letters of Credit without the consent of the Swingline Lender or such Issuing Bank (such consents not to be unreasonably withheld or delayed) (and, in the absence of such consent, all references herein to Latest Revolving Credit Maturity Date shall be determined, when used in reference to the Swingline Lender or such Issuing Bank, without giving effect to such Extension).

(b) (i) No Extension consummated in reliance on this Section 2.23 shall constitute a voluntary or mandatory prepayment for purposes of Section 2.11, (ii) the scheduled amortization payments (insofar as such schedule affects payments due to Lenders participating in the relevant Class) set forth in Section 2.10 shall be adjusted to give effect to any Extension of any Class of Loans and/or Commitments and (iii) except as set forth in clause (a) (viii) above, no Extension Offer is required to be in any minimum amount or any minimum increment; provided that the Borrower may at its election specify as a condition (a "Minimum Extension Condition") to the consummation of any Extension that a minimum amount (to be specified in the relevant Extension Offer in the Borrower's sole discretion) of Loans or Commitments (as applicable) of any or all applicable tranches be tendered; it being understood that the Borrower may, in its sole discretion, waive any such Minimum Extension Condition. The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section 2.23 (including, for the avoidance of doubt, the payment of any interest, fees or premium in respect of any Extended Term Loans and/or Extended Revolving Credit Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including Sections 2.10, 2.11 and/or 2.18) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section.

(c) Subject to any consent required under Section 2.23(a)(xi), no consent of any Lender or the Administrative Agent shall be required to effectuate any Extension, other than the consent of each Lender agreeing to such Extension with respect to one or more of its Loans and/or Commitments of any Class (or a portion thereof). All Extended Term Loans and Extended Revolving Credit Commitments and all obligations in respect thereof shall constitute Secured Obligations under this Agreement and the other Loan Documents that are secured by the Collateral and guaranteed on a *pari passu* basis with all other applicable Secured Obligations under this Agreement and the other Loan Documents. The Lenders hereby irrevocably authorize the Administrative Agent to enter into any Extension Amendment and any amendments to any of the other Loan Documents with the Loan Parties as may be necessary in order to establish new Classes or sub-Classes in respect of Loans or Commitments so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Classes or sub-Classes, in each case on terms consistent with this Section 2.23.

(d) In connection with any Extension, the Borrower shall provide the Administrative Agent at least five Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.23.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

On the Closing Date and otherwise on the dates and to the extent required hereunder, as applicable, the Borrower hereby represents and warrants to the Lenders, the Issuing Banks and the Administrative Agent that:

Section 3.01. Organization; Powers. Holdings, the Borrower and each of its Restricted Subsidiaries (a) is (i) duly organized or incorporated (as applicable) and validly existing and (ii) in good standing (to the extent such concept exists in the relevant jurisdiction) under the Requirements of Law of its jurisdiction of organization, (b) has all requisite organizational power and authority to own its assets and to carry on its business as now conducted and (c) is qualified to do business in, and is in good standing (to the extent such concept exists in the relevant jurisdiction) in, every jurisdiction where the ownership, lease or operation of its properties or conduct of its business requires such qualification, except, in each case referred to in this Section 3.01 (other than clause (a)(i) and clause (b), in each case, with respect to the Loan Parties) where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.02. Authorization; Enforceability. The execution, delivery and performance by each Loan Party of each Loan Document to which it is a party are within such Loan Party's corporate or other organizational power and have been duly authorized by all necessary corporate or other organizational action of such Loan Party. Each Loan Document to which any Loan Party is a party has been duly executed and delivered by such Loan Party and is a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to the Legal Reservations.

Section 3.03. Governmental Approvals; No Conflicts. The execution and delivery of each Loan Document by each Loan Party thereto and the performance by such Loan Party thereof (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect, (ii) in connection with the Perfection Requirements and (iii) such consents, approvals, registrations, filings, or other actions the failure to obtain or make which could not be reasonably expected to have a Material Adverse Effect, (b) will not violate any (i) of such Loan Party's Organizational Documents or (ii) Requirement of Law applicable to such Loan Party which violation, in the case of this clause (b)(ii), could reasonably be expected to have a Material Adverse Effect and (c) will not violate or result in a default under any material Contractual Obligation to which such Loan Party is a party which violation, in the case of this clause (c), could reasonably be expected to result in a Material Adverse Effect.

Section 3.04. Financial Condition; No Material Adverse Effect.

(a) The financial statements most recently provided pursuant to Section 5.01(a) or (b), as applicable, present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower on a consolidated basis as of such dates and for such periods in accordance with GAAP, (x) except as otherwise expressly noted herein, and/or (y) subject, in the case of quarterly financial statements, to the absence of footnotes and normal year-end adjustments and (z) except as may be necessary to reflect any differing entities and/or organizational structure prior to giving effect to the Transactions.

(b) Since the Closing Date, there have been no events, developments or circumstances that have had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.05. Properties.

(a) As of the Closing Date, Schedule 3.05 sets forth the address of each Real Estate Asset (or each set of such assets that collectively comprise one operating property) that is owned in fee simple by any Loan Party.

(b) Holdings, the Borrower and each of its Restricted Subsidiaries have good and valid fee simple title to or rights to purchase, or valid leasehold interests in, or easements or other limited property interests in, all of their respective Real Estate Assets and have good and valid title to their personal property and assets, including the Collateral, in each case, except (i) for defects in title that do not materially interfere with their ability to conduct their business as currently conducted or to utilize such properties and assets for their intended purposes, (ii) for any Lien permitted under Section 6.02 hereof, or (iii) where the failure to have such title would not reasonably be expected to have a Material Adverse Effect.

(c) Holdings, the Borrower and its Restricted Subsidiaries own or otherwise have a license or right to use all rights in Patents, Trademarks, Copyrights and other rights in works of authorship (including all copyrights embodied in software) and all other intellectual property rights (“IP Rights”) used to conduct their respective businesses as presently conducted without, to the knowledge of the Borrower, any infringement or misappropriation of the IP Rights of third parties, except to the extent the failure to own or license or have rights to use would not, or where such infringement or misappropriation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.06. Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting Holdings, the Borrower or any of its Restricted Subsidiaries which would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) Except for any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (i) neither Holdings, the Borrower nor any of its Restricted Subsidiaries is subject to or has received notice of any Environmental Claim or Environmental Liability or knows of any basis for any Environmental Liability or Environmental Claim of Holdings, the Borrower or any of its Restricted Subsidiaries and (ii) neither Holdings, the Borrower nor any of its Restricted Subsidiaries has failed to comply with any Environmental Law or to obtain, maintain or comply with any Governmental Authorization, permit, license or other approval required under any Environmental Law.

(c) Neither Holdings, the Borrower nor any of its Restricted Subsidiaries has treated, stored, transported or Released any Hazardous Materials on, at, under or from any currently or formerly owned, leased or operated real estate or facility in a manner that would reasonably be expected to have a Material Adverse Effect.

Section 3.07. Compliance with Laws. Each of Holdings, the Borrower and each of its Restricted Subsidiaries is in compliance with all Requirements of Law applicable to it or its property, except, in each case where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect; it being understood and agreed that this Section 3.07 shall not apply to the Requirements of Law covered by Section 3.17 below.

Section 3.08. Investment Company Status. No Loan Party is an “investment company” as defined in, or is required to be registered under, the Investment Company Act of 1940.

Section 3.09. Taxes. Each of Holdings, the Borrower and each of its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it that are due and payable (including in its capacity as a withholding agent), except (a) Taxes that are not required to be paid in accordance with Section 5.03, (b) Taxes (or any requirement to file Tax returns with respect thereto) that are being contested in good faith by appropriate proceedings and for which Holdings, the Borrower or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (c) to the extent that the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.10. ERISA.

(a) Each Plan is in compliance in form and operation with its terms and with ERISA and the Code and all other applicable Requirements of Law, except where any failure to comply would not reasonably be expected to result in a Material Adverse Effect.

(b) In the five-year period prior to the date on which this representation is made or deemed made, no ERISA Event has occurred and is continuing or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect.

Section 3.11. Disclosure.

(a) As of the Closing Date, with respect to information relating to the Borrower and, to the Borrower’s knowledge with respect to information relating to the Target and its subsidiaries, all written information (other than the Projections, financial estimates, other forward-looking information and/or projected information and information of a general economic or industry-specific nature) concerning Holdings, the Borrower and its subsidiaries that was prepared by or on behalf of the Borrower or its representatives and made available to any Initial Lender or the Administrative Agent in connection with the Transactions on or before the Closing Date, when taken as a whole, did not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto from time to time).

(b) The Projections have been prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time furnished (it being recognized that such Projections are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond the Borrower’s control, that no assurance can be given that any particular financial projections will be realized, that actual results may differ from projected results and that such differences may be material).

(c) As of the Closing Date, to the extent applicable to the Borrower, the information included in the Beneficial Ownership Certification with respect to the Borrower provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all material respects.

Section 3.12. Solvency. As of the Closing Date and after giving effect to the Transactions and the incurrence of the Indebtedness and obligations being incurred in connection with this Agreement and the Transactions, (i) the sum of the debt (including contingent liabilities) of the Borrower and its subsidiaries, taken as a whole, does not exceed the fair value of the assets of the Borrower and its subsidiaries, taken as a whole; (ii) the capital of the Borrower and its subsidiaries, taken as a whole, is not unreasonably small in relation to the business of the Borrower and its subsidiaries, taken as a whole, contemplated as of the Closing Date; and (iii) the Borrower and its subsidiaries, taken as a whole, do not intend to incur, or believe that they will incur, debts (including current obligations and contingent liabilities) beyond their ability to pay such debt as they mature in accordance with their terms. For purposes hereof, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

Section 3.13. Subsidiaries. Schedule 3.13 sets forth, in each case as of the Closing Date, (a) a correct and complete list of the name of Holdings, each subsidiary of the Borrower and the ownership interest therein held by Holdings, the Borrower or its applicable subsidiary, and (b) the type of entity of Holdings, the Borrower and each of its subsidiaries.

Section 3.14. Security Interest in Collateral. The Perfection Requirements and this Agreement and/or any other Loan Document, the Collateral Documents create legal, valid and enforceable Liens on all of the Collateral in favor of the Administrative Agent, for the benefit of itself and the other Secured Parties, and upon the satisfaction of the applicable Perfection Requirements, such Liens constitute perfected Liens (with the priority that such Liens are expressed to have under the relevant Collateral Documents, unless otherwise permitted hereunder or under any Collateral Document) on the Collateral (to the extent such Liens are required to be perfected under the terms of the Loan Documents) securing the Secured Obligations, in each case as and to the extent set forth therein.

For the avoidance of doubt, notwithstanding anything herein or in any other Loan Document to the contrary, neither the Borrower nor any other Loan Party makes any representation or warranty as to (A) the effect of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest in the Capital Stock held by any Loan Party in any Person organized under the laws of any jurisdiction other than the jurisdiction in which such Loan Party is organized, or as to the rights and remedies of the Administrative Agent or any Lender with respect thereto, under the Requirements of Law of any jurisdiction other than the jurisdiction in which such Loan Party is organized, (B) the enforcement of any security interest, or right or remedy with respect to any Collateral that may be limited or restricted by, or require any consent, authorization approval or license under, any Requirement of Law or (C) on the Closing Date and until required pursuant to Section 5.12, the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or enforceability of any pledge or security interest to the extent the same is not required on the Closing Date.

Section 3.15. Labor Disputes. Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, (a) there are no strikes, lockouts or slowdowns against Holdings, the Borrower or any of its Restricted Subsidiaries pending or, to the knowledge of Holdings, the Borrower or any of its Restricted Subsidiaries, threatened and (b) the hours worked by and payments made to employees of Holdings, the Borrower and its Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters.

Section 3.16. Federal Reserve Regulations. No part of the proceeds of any Loan or any Letter of Credit have been used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that results in a violation of the provisions of Regulation U.

Section 3.17. OFAC; PATRIOT ACT and FCPA.

(a) (i) None of Holdings, the Borrower nor any of its Restricted Subsidiaries nor, to the knowledge of the Borrower, any director, officer or employee of any of the foregoing is subject to any US sanctions administered by the Office of Foreign Assets Control of the US Treasury Department (“OFAC”); and (ii) the Borrower will not directly or, to its knowledge, indirectly, use the proceeds of the Loans or Letters of Credit or otherwise make available such proceeds to any Person for the purpose of financing the activities of any Person that is subject to any US sanction administered by OFAC, except to the extent licensed or otherwise approved by OFAC or in compliance with applicable exemptions licenses or other approvals.

(b) To the extent applicable, each Loan Party is in compliance, in all material respects, with the USA PATRIOT Act.

(c) (i) Neither Holdings, the Borrower nor any of its Restricted Subsidiaries nor, to the knowledge of the Borrower, any director, officer, agent (solely to the extent acting in its capacity as agents for Holdings, the Borrower or any of its subsidiaries) or employee of Holdings, the Borrower or any Restricted Subsidiary, has taken any action, directly or indirectly, that would result in a material violation by any such Person of the US Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), or any applicable anti-corruption Requirement of Law of any applicable Governmental Authority, including, without limitation, making any offer, payment, promise to pay or authorization or approval of the payment of any money, or other property, gift, promise to give or authorization of the giving of anything of value, directly or indirectly, to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in each case in contravention of the FCPA and any applicable anti-corruption Requirement of Law of any Governmental Authority; and (ii) the Borrower has not directly or, to its knowledge, indirectly, used the proceeds of the applicable Loans or Letters of Credit or otherwise made available such proceeds to any governmental official or employee, political party, official of a political party, candidate for public office or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage in violation of the FCPA or any applicable anti-corruption Requirement of Law of any applicable Governmental Authority.

The representations and warranties set forth in Section 3.17 above made by or on behalf of any Foreign Subsidiary are subject to and limited by any Requirement of Law applicable to such Foreign Subsidiary; it being understood and agreed that to the extent that any Foreign Subsidiary is unable to make any representation or warranty set forth in Section 3.17 as a result of the application of this sentence, such Foreign Subsidiary shall be deemed to have represented and warranted that it is in compliance, in all material respects, with any equivalent Requirement of Law relating to anti-terrorism, anti-corruption or anti-money laundering that is applicable to such Foreign Subsidiary in its relevant local jurisdiction of organization.

ARTICLE 4

CONDITIONS

Section 4.01. Closing Date. The obligations of (i) each Lender to make Loans and (ii) any Issuing Bank to issue Letters of Credit, in each case, on the Closing Date, shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received from the Borrower and each Loan Party, to the extent party thereto, (i) a counterpart signed by the Borrower or such Loan Party (or written evidence reasonably satisfactory to the Administrative Agent (which may include a copy transmitted by facsimile or other electronic method) that such party has signed a counterpart) of (A) this Agreement and (B) each Promissory Note requested by a Lender at least three Business Days prior to the Closing Date, (ii) a Borrowing Request as required by Section 2.03 and (iii) except as otherwise agreed by the Administrative Agent and except with respect to Collateral on which a Lien cannot be perfected by (x) the filing of a UCC financing statement or (y) the delivery of possessory collateral, the requirements set forth in clause (a) of the definition of "Collateral and Guarantee Requirement" shall have been satisfied.

(b) Legal Opinions. The Administrative Agent (or its counsel) shall have received, on behalf of itself, the Lenders and each Issuing Bank on the Closing Date, a customary written opinion of Kirkland & Ellis LLP, in its capacity as special counsel for Holdings and the Loan Parties, dated the Closing Date and addressed to the Administrative Agent, the Lenders and the Issuing Bank .

(c) Financial Statements and Pro Forma Financial Statements. The Administrative Agent shall have received a pro forma consolidated balance sheet of Holdings (consisting solely of such information as is contained in the Quality of Earnings and giving effect to the Transactions) as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period prior to the Closing Date for which the Quality of Earnings has been delivered to the Arrangers (or, if the Closing Date occurs after February 15, 2020, for the twelve-month period ending on December 31, 2019), prepared after giving effect to the Transactions as if the Transactions had occurred as of such date and any other adjustments as agreed by the Sponsor and the Administrative Agent (which need not be prepared in compliance with Regulations S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting).

(d) Secretary's Certificate and Good Standing Certificates of Loan Parties. The Administrative Agent shall have received (i) a certificate of each Loan Party on the Closing Date, dated the Closing Date and executed by a Responsible Officer, which shall (A) certify that attached thereto is a true and complete copy of the resolutions, written consents or extracts of minutes of a meeting, as applicable, of its board of directors, board of managers, supervisory board, shareholders, members or other governing body (as the case may be and in each case, to the extent required) authorizing the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions or written consents have not been modified, rescinded or amended and are in full force and effect, (B) identify by name and title and bear the signatures of the Responsible Officer or authorized signatory of such Loan Party on the Closing Date that is authorized to sign the Loan Documents to which it is a party on the Closing Date, as applicable and (C) certify (I) that attached thereto is a true and complete copy of the certificate or articles of incorporation or organization (or memorandum of association, articles of association or other equivalent thereof) of each Loan Party on the Closing Date (certified by the relevant authority of the jurisdiction of organization of such Loan Party) and a true and correct copy of its by-laws or operating, management, partnership or similar agreement (to the extent applicable) and (II) that such documents or agreements have not been amended (except as otherwise

attached to such certificate and certified therein as being the only amendments thereto as of such date) and (iii) a good standing certificate, dated as of a recent date for each such Loan Party from its jurisdiction of organization (to the extent such concept exists in such jurisdiction).

(e) Representations and Warranties. (i) The Specified Acquisition Agreement Representations shall be true and correct solely to the extent required by the terms of the definition thereof and (ii) the Specified Representations shall be true and correct in all material respects on and as of the Closing Date; provided that (A) in the case of any Specified Representation which expressly relates to a given date or period, such representation and warranty shall be true and correct in all material respects as of the respective date or for the respective period, as the case may be and (B) if any Specified Representation is qualified by or subject to a “material adverse effect,” “material adverse change” or similar term or qualification, such Specified Representation shall be true and correct in all respects.

(f) Fees. Prior to or substantially concurrently with the funding of the Initial Term Loans hereunder on the Closing Date, the Administrative Agent shall have received (i) all fees required to be paid by the Borrower on the Closing Date pursuant to the Fee Letter and (ii) all expenses required to be paid by the Borrower for which invoices have been presented at least three Business Days prior to the Closing Date or such later date to which the Borrower may agree (including the reasonable fees and expenses of legal counsel required to be paid), in each case on or before the Closing Date, which amounts may be offset against the proceeds of the Loans.

(g) Equity Contribution. Prior to or substantially concurrently with the initial funding of the Loans hereunder, the Equity Contribution shall be consummated.

(h) Solvency. The Administrative Agent (or its counsel) shall have received a certificate in substantially the form of Exhibit P from a Responsible Officer of the Borrower dated as of the Closing Date and certifying as to the matters set forth therein.

(i) Perfection Certificate. The Administrative Agent (or its counsel) shall have received a completed Perfection Certificate dated the Closing Date and signed by a Responsible Officer of the Borrower, together with all attachments contemplated thereby.

(j) Filings Registrations and Recordings. Except as may otherwise be agreed by the Administrative Agent, each document (including any UCC (or similar) financing statement) required by any Collateral Document or under applicable Requirements of Law to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral required to be delivered pursuant to such Collateral Document, shall be in proper form for filing, registration or recordation.

(k) Acquisition. Substantially concurrently with the initial funding of the Loans hereunder, the Acquisition shall be consummated in accordance with the terms of the Acquisition Agreement, but without giving effect to any amendment, waiver or consent by the Borrower that is materially adverse to the interests of the Arrangers or the Initial Lenders in their respective capacities as such without the consent of the Arrangers, such consent not to be unreasonably withheld, delayed or conditioned.

(l) Closing Date Material Adverse Effect. Since November 17, 2019, there shall not have occurred and be continuing any Closing Date Material Adverse Effect.

(m) USA PATRIOT Act. No later than three Business Days in advance of the Closing Date, the Administrative Agent shall have received all documentation and other information reasonably requested with respect to any Loan Party in writing by any Initial Lender at least ten Business Days in advance of the Closing Date, which documentation or other information is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(n) Beneficial Ownership Certification. To the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, no later than three Business Days in advance of the Closing Date, the Administrative Agent shall have received a Beneficial Ownership Certification in relation to the Borrower to the extent reasonably requested by it at least 10 Business Days in advance of the Closing Date.

(o) Officer’s Certificate. The Administrative Agent shall have received a certificate from a Responsible Officer of the Borrower certifying satisfaction of the conditions precedent set forth in Sections 4.01(e), (g) and (l).

For purposes of determining whether the conditions specified in this Section 4.01 have been satisfied on the Closing Date, by funding the Loans hereunder, the Administrative Agent and each Lender shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to the Administrative Agent or such Lender, as the case may be.

Notwithstanding the foregoing, to the extent that the Lien on any Collateral is not or cannot be created or perfected on the Closing Date (other than, to the extent required herein or in the other Loan Documents, (a) the creation and perfection of a Lien on Collateral that is of the type that may be perfected by the filing of a UCC-1 financing statement under the UCC and (b) a pledge of the Capital Stock of the Borrower and any material Subsidiary Guarantor with respect to which a Lien may be perfected on the Closing Date by the delivery of a stock or equivalent certificate (together with a stock power or similar instrument endorsed in blank for the relevant certificate) (other than any subsidiary of the Target the certificate evidencing the Capital Stock of which has not been delivered to the Borrower at least three Business Days prior to the Closing Date, to the extent the Borrower has used commercially reasonable efforts to procure delivery thereof, which may instead be delivered within three Business Days after the Closing Date (or such later date as the Administrative Agent may reasonably agree))), in each case after the Borrower’s use of commercially reasonable efforts to do so without undue burden or expense, then the creation and/or perfection of such Lien shall not constitute a condition precedent to the availability or initial funding of the Credit Facilities on the Closing Date, but may instead be delivered or perfected within 90 days (or such longer period as the Administrative Agent may reasonably agree) after the Closing Date and each condition set forth in clauses (i) or (j) above shall be deemed satisfied with respect to any Collateral, document, certificate or Perfection Requirement to the extent the Borrower has used commercially reasonable efforts to provide any missing information etc. without undue burden or expense.

Section 4.02. Each Credit Extension. After the Closing Date, the obligation of each Revolving Lender and each Issuing Bank to make any Credit Extension is subject to the satisfaction of the following conditions:

(a) (i) In the case of any Borrowing, the Administrative Agent shall have received a Borrowing Request as required by Section 2.03, (ii) in the case of the issuance of any Letter of Credit, the applicable Issuing Bank and the Administrative Agent shall have received a notice requesting the issuance of such Letter of Credit as required by Section 2.05(a)(ii), or (iii) in the case of any Borrowing of Swingline Loans, the Swingline Lender and the Administrative Agent shall have received a request as required by Section 2.04(a).

(b) The representations and warranties of Holdings and the Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of any such Credit Extension with the same effect as though such representations and warranties had been made on and as of the date of such Credit Extension; provided that to the extent that any representation and warranty specifically refers to a given date or period, it shall be true and correct in all material respects as of such date or for such period; provided, however, that, any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(c) At the time of and immediately after giving effect to the applicable Credit Extension, no Event of Default or Default has occurred and is continuing.

Each Credit Extension after the Closing Date shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (b) and (c) of this Section.

Section 4.03. First Amendment Effective Date. The obligations of (x) the 2020 Incremental Term Loan Lenders to make the 2020 Incremental Term Loans and (y) the 2020 Incremental Revolving Facility Lenders to make available the 2020 Incremental Revolving Facility Commitment, in each case, shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Amendment Documents. The Administrative Agent (or its counsel) shall have received from each Loan Party, to the extent party thereto, (i) a counterpart signed by such Loan Party (or written evidence reasonably satisfactory to the Administrative Agent (which may include a copy transmitted by facsimile or other electronic method) that such party has signed a counterpart) of (i) a Promissory Note, if requested by the 2020 Incremental Term Loan Lender at least three (3) Business Days prior to the First Amendment Effective Date and (ii) a Borrowing Request as required by Section 2.03.

(b) Legal Opinions. The Administrative Agent (or its counsel) shall have received, a customary written opinion of Kirkland & Ellis LLP, in its capacity as special counsel for the Loan Parties, dated the First Amendment Effective Date and addressed to the Administrative Agent, the 2020 Incremental Term Loan Lenders and the 2020 Incremental Revolving Facility Lenders.

(c) Secretary’s Certificate and Good Standing Certificates. The Administrative Agent shall have received a certificate of each Loan Party, dated the First Amendment Effective Date and executed by a secretary, assistant secretary or other Responsible Officer, which shall (i) certify that attached thereto is a true and complete copy of the resolutions or written consent, as applicable, of its board of directors, board of managers, sole member or other applicable governing body authorizing the execution, delivery and performance of the First Amendment and, in the case of the Borrower, the borrowings thereunder, which resolutions or consent have not been modified, rescinded or amended (other than as attached thereto) and are in full force and effect and (ii) certify either (A) that attached thereto is a true and complete copy of the certificate or articles of incorporation, formation or organization of such Loan Party certified by the relevant authority of its jurisdiction of organization, which certificate or articles of incorporation, formation or organization of such Loan Party have not been amended (except as attached thereto) since the date reflected thereon or (B) that the applicable certificate or articles of incorporation, formation or organization have not been amended, repealed, modified or restated (except as attached thereto) since the date last delivered to the Administrative Agent and (iii) certify either (A) that attached thereto is a true and correct copy of the by-laws or operating, management, partnership or similar

agreement of such Loan Party together with all amendments thereto as of the First Amendment Effective Date and such by-laws or operating, management, partnership or similar agreement are in full force and effect or (B) that the applicable by-laws or operating, management, partnership or similar agreement have not been amended, repealed, modified or restated (except as attached thereto) since the date last delivered to the Administrative Agent.

(d) Representations and Warranties. The representations and warranties of Holdings and the other Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of the First Amendment Effective Date with the same effect as though such representations and warranties had been made on and as of the First Amendment Effective Date; provided that to the extent that any representation and warranty specifically refers to a given date or period, it shall be true and correct in all material respects as of such date or for such period; provided, however, that, any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(e) No Event of Default. At the time of and immediately after giving effect to the funding of the 2020 Incremental Term Loans, no Event of Default or Default has occurred and is continuing or would result therefrom.

(f) Fees. Prior to or substantially concurrently with the funding of the 2020 Incremental Term Loans hereunder, the First Amendment Arranger shall have received (i) for the account of each 2020 Incremental Term Loan Lender, a fee equal to 1.00% of such 2020 Incremental Term Loan Lender’s 2020 Incremental Term Loan Commitment and (ii) all expenses required to be paid by the Borrower for which invoices have been presented at least three Business Days prior to the First Amendment Effective Date or such later date to which the Borrower may agree (including the reasonable fees and expenses of legal counsel required to be paid), in each case on or before the First Amendment Effective Date, which amounts may be offset against the proceeds of the 2020 Incremental Term Loans.

(g) Solvency. The Administrative Agent (or its counsel) shall have received a certificate in substantially the form of Exhibit P from the chief financial officer (or other officer with reasonably equivalent responsibilities) of the Borrower dated as of the First Amendment Effective Date and certifying as to the matters set forth therein.

(h) “Know Your Customer” Information. No later than three Business Days in advance of the First Amendment Effective Date, the Administrative Agent shall have received all other documentation and other information reasonably requested with respect to the Loan Parties in writing by the 2020 Incremental Term Loan Lenders at least ten Business Days in advance of the First Amendment Effective Date, which documentation or other information is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act.

For purposes of determining whether the conditions specified in this Section 4.03 have been satisfied on the First Amendment Effective Date, by executing the First Amendment and, if applicable, funding its 2020 Incremental Term Loans hereunder, the Administrative Agent, the other Lenders party to the First Amendment, the 2020 Incremental Term Loan Lenders and the 2020 Incremental Revolving Facility Lenders shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to the Administrative Agent, the other Lenders party to the First Amendment, the 2020 Incremental Term Loan Lenders or the 2020 Incremental Revolving Facility Lenders, as the case may be.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the initial funding of the 2020 Incremental Term Loans shall be accomplished in a manner reasonably satisfactory to the Borrower and consented to by the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed).

ARTICLE 5

AFFIRMATIVE COVENANTS

From the Closing Date until the date on which all Revolving Credit Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document (other than (i) contingent indemnification obligations for which no claim or demand has been made and (ii) Banking Services Obligations or obligations under Secured Hedge Agreements as to which arrangements reasonably satisfactory to the applicable counterparty have been made) have been paid in full in the manner prescribed by Section 2.18 and all Letters of Credit have expired or have been terminated (or have been (x) collateralized or back-stopped by a letter of credit or otherwise in a manner reasonably satisfactory to the relevant Issuing Bank or (y) deemed reissued under another agreement in a manner reasonably acceptable to the applicable Issuing Bank and the Administrative Agent) and all LC Disbursements have been reimbursed (such date, the "Termination Date"), Holdings (solely to the extent applicable to it) and the Borrower hereby covenant and agree with the Lenders, the Issuing Banks and the Administrative Agent that:

Section 5.01. Financial Statements and Other Reports. The Borrower will deliver to the Administrative Agent for delivery by the Administrative Agent, subject to Section 9.05(f), to each Lender:

(a) Quarterly Financial Statements. As soon as available, and in any event within 60 days after the end of each Fiscal Quarter of each Fiscal Year, commencing with the Fiscal Quarter ending December 31, 2019 (or, in the case of the Fiscal Quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 1, 2020, 75 days after the end of each such Fiscal Quarter), the consolidated balance sheet of the Borrower as at the end of such Fiscal Quarter and the related consolidated statements of operations and cash flows of the Borrower for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, and setting forth, in reasonable detail, in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year (such comparisons only to be required with respect to periods ended after the Closing Date), all in reasonable detail, together with a Responsible Officer Certification (which may be included in the applicable Compliance Certificate) with respect thereto; provided, however, that any comparison against the corresponding figures from the corresponding period in any prior Fiscal Year may reflect the financial results of any applicable predecessor entity;

(b) Annual Financial Statements. As soon as available, and in any event within 120 days after the end of each Fiscal Year ending after the Closing Date (or in the case of the Fiscal Year ending December 31, 2020, 150 days after the end of such Fiscal Year), (i) the consolidated balance sheet of the Borrower as at the end of such Fiscal Year and the related consolidated statements of operations and cash flows of the Borrower for such Fiscal Year and, setting forth, in reasonable detail, in comparative form the corresponding figures for the previous Fiscal Year (such comparisons only to be required with respect to periods ended after the Closing Date) and (ii) with respect to such consolidated financial statements, a report thereon of an independent certified public accountant of recognized national standing (which report shall not be subject to (A) a "going concern" qualification (but not a "going concern" explanatory paragraph or like statement or any "emphasis of matter") (except (1) as resulting from the impending maturity of any Indebtedness prior to the expiry of the four full Fiscal Quarter period following the relevant audit date, (2) the breach or anticipated breach of any financial covenant and/or (3) the activities, operations, assets or

liabilities of any Unrestricted Subsidiary) or (B) a qualification as to the scope of the relevant audit), and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Borrower as at the dates indicated and its results of operations and cash flows for the periods indicated in conformity with GAAP;

(c) Compliance Certificate and Narrative Report. Together with each delivery of financial statements pursuant to Sections 5.01(a) and (b), (i) a duly executed and completed Compliance Certificate and (ii) (A) a summary of the pro forma adjustments (if any) necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such financial statements and (B) a list identifying each subsidiary of the Borrower as a Restricted Subsidiary or an Unrestricted Subsidiary as of the last day of the period covered by such Compliance Certificate and (iii) a customary narrative report describing the operations of the Borrower and its Restricted Subsidiaries for the relevant Fiscal Quarter or Fiscal Year, as applicable;

(d) Lender Calls. Upon written request by the Administrative Agent or any Lender, on a date to be mutually agreed upon by the Borrower and the Administrative Agent following the end of each fiscal year, commencing with the delivery of information with respect to the fiscal year ending December 31, 2020, the Borrower will hold a conference call (at a time mutually agreed upon by the Borrower and the Administrative Agent but, in any event, no earlier than the Business Day following the delivery of applicable financial information pursuant to Sections 5.01(b) above) with all Lenders who choose to attend such conference call and appropriate personnel with the relevant knowledge of the financial results of the Borrower, at which conference call shall be reviewed the financial results of the previous fiscal year and other material events and an opportunity for the Lenders to ask questions;

(e) Notice of Default. Promptly upon any Responsible Officer of the Borrower obtaining knowledge of (i) any Default or Event of Default or (ii) the occurrence of any event or change that has caused or evidences or would reasonably be expected to cause or evidence, either individually or in the aggregate, a Material Adverse Effect, a reasonably-detailed written notice specifying the nature and period of existence of such condition, event or change and what action the Borrower has taken, is taking and proposes to take with respect thereto;

(f) Notice of Litigation. Promptly upon any Responsible Officer of the Borrower obtaining knowledge of (i) the institution of, or threat of, any Adverse Proceeding not previously disclosed in writing by the Borrower to the Administrative Agent, or (ii) any material development in any Adverse Proceeding that, in the case of either of clauses (i) or (ii), could reasonably be expected to have a Material Adverse Effect, written notice thereof from the Borrower together with such other non-privileged information as may be reasonably available to the Loan Parties to enable the Lenders to evaluate such matters;

(g) ERISA. Promptly upon any Responsible Officer of the Borrower becoming aware of the occurrence of any ERISA Event that could reasonably be expected to have a Material Adverse Effect, a written notice specifying the nature thereof;

(h) Financial Plan. As soon as available and in any event no later than delivery of the financial statements delivered pursuant to clause (b) above, commencing with the Fiscal Year beginning January 1, 2021, an annual consolidated financial budget prepared by management of the Borrower for the Fiscal Year then started;

(i) Information Regarding Collateral. The Borrower will furnish to the Administrative Agent prompt (and, in any event, within 90 days of the relevant change) written notice with respect to the Borrower, Holdings or any other Loan Party that is a Domestic Subsidiary, of any change (A) in any Loan Party's legal name, (b) in any Loan Party's type of organization, (C) in any Loan Party's jurisdiction of organization or (D) in any Loan Party's organizational identification number, in each case to the extent such information

is necessary to enable the Administrative Agent to perfect or maintain the perfection and priority of its security interest in the Collateral of the relevant Loan Party, together with a certified copy of the applicable Organizational Document reflecting the relevant change;

(j) Certain Reports. Promptly upon their becoming available and without duplication of any obligations with respect to any such information that is otherwise required to be delivered under the provisions of any Loan Document, copies of (i) following a Qualifying IPO, all financial statements, reports, notices and proxy statements sent or made available generally by Holdings or its applicable Parent Company to all of its security holders acting in such capacity and (ii) all regular and periodic reports and all registration statements (other than on Form S-8 or a similar form) and prospectuses, if any, filed by Holdings or its applicable Parent Company with any securities exchange or with the SEC or any analogous Governmental Authority or private regulatory authority with jurisdiction over matters relating to securities, in each case, other than any prospectus relating to any equity plan; and

(k) Other Information. Such additional information (financial or otherwise) as the Administrative Agent may reasonably request from time to time regarding the financial condition or business of the Borrower and its Restricted Subsidiaries; provided, however, that neither Holdings nor any Restricted Subsidiary shall be required to disclose or provide any information (a) that constitutes non-financial trade secrets or non-financial proprietary information of any Person, (b) in respect of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives) is prohibited by applicable Requirements of Law, (c) that is subject to attorney-client or similar privilege or constitutes attorney work product or (d) in respect of which the Borrower or any Restricted Subsidiary owes confidentiality obligations to any third party (provided such confidentiality obligations were not entered into in contemplation of the requirements of this Section 5.01(l)).

Documents required to be delivered pursuant to this Section 5.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower (or a representative thereof) (x) posts such documents or (y) provides a link thereto at the website address listed on Schedule 9.01; provided that, other than with respect to items required to be delivered pursuant to Section 5.01(k) above, the Borrower shall promptly notify (which notice may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents at the website address listed on Schedule 9.01 and provide to the Administrative Agent by electronic mail electronic versions (*i.e.*, soft copies) of such documents; (ii) on which such documents are delivered by the Borrower to the Administrative Agent for posting on behalf of the Borrower on IntraLinks/SyndTrak or another relevant website (the "Platform"), if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); or (iii) in respect of the items required to be delivered pursuant to Section 5.01(j) above with respect to information filed by Holdings or its applicable Parent Company with any securities exchange or with the SEC or any analogous governmental or private regulatory authority with jurisdiction over matters relating to securities, on which such items have been made available on the SEC website or the website of the relevant analogous governmental or private regulatory authority or securities exchange (including, for the avoidance of doubt, by way of "EDGAR").

Notwithstanding the foregoing, the obligations in paragraphs (a), (b) and (h) of this Section 5.01 may instead be satisfied with respect to any financial statements of the Borrower by furnishing (A) the applicable financial statements of any Parent Company or (B) any Parent Company's Form 10-K or 10-Q, as applicable, filed with the SEC or any securities exchange, in each case, within the time periods specified in such paragraphs and without any requirement to provide notice of such filing to the Administrative Agent or any Lender; provided that, with respect to each of clauses (A) and (B), (i) to the extent (1) such financial statements relate to any Parent Company and (2) either (I) such Parent Company (or any other Parent Company that is a subsidiary of such Parent Company) has any material third party

Indebtedness and/or material operations (as determined by the Borrower in good faith and other than any operations that are attributable solely to such Parent Company's ownership of the Borrower and its Restricted Subsidiaries) or (II) there are material differences between the financial statements of such Parent Company and its consolidated subsidiaries, on the one hand, and the Borrower and its Restricted Subsidiaries, on the other hand, such financial statements or Form 10-K or Form 10-Q, as applicable, shall be accompanied by unaudited consolidating information that summarizes in reasonable detail the differences between the information relating to such Parent Company and its consolidated subsidiaries, on the one hand, and the information relating to the Borrower and its Restricted Subsidiaries on a stand-alone basis, on the other hand, which consolidating information shall be certified by a Responsible Officer of the Borrower as having been fairly presented in all material respects and (ii) to the extent such statements are in lieu of statements required to be provided under Section 5.01(b), such statements shall be accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing, which report and opinion shall satisfy the applicable requirements set forth in Section 5.01(b).

No financial statement required to be delivered pursuant to Section 5.01(a) or (b) shall be required to include acquisition accounting adjustments relating to the Transactions or any Permitted Acquisition to the extent it is not practicable to include any such adjustments in such financial statement.

Section 5.02. Existence. Except as otherwise permitted under Section 6.07 or Section 6.14, Holdings and the Borrower will, and the Borrower will cause each of its Restricted Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights, franchises, licenses and permits material to its business except, other than with respect to the preservation of the existence of the Borrower, to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that neither Holdings, the Borrower nor any of the Borrower's Restricted Subsidiaries shall be required to preserve any such existence (other than with respect to the preservation of existence of Holdings and the Borrower), right, franchise, license or permit if a Responsible Officer of such Person or such Person's board of directors (or similar governing body) determines that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof is not disadvantageous in any material respect to such Person or to the Lenders.

Section 5.03. Payment of Taxes. Holdings and the Borrower will, and the Borrower will cause each of its Restricted Subsidiaries to, pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income or businesses or franchises before any penalty or fine accrues thereon; provided, however, that no such Tax need be paid if (a) it is not more than 30 days overdue, (b) it is being contested in good faith by appropriate proceedings, so long as (i) adequate reserves or other appropriate provisions, as are required in conformity with GAAP, have been made therefor and (ii) in the case of a Tax which has resulted or may result in the creation of a Lien on any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax and/or (c) failure to pay or discharge the same could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 5.04. Maintenance of Properties. Holdings and the Borrower will, and will cause each of its Restricted Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and casualty and condemnation excepted, all property reasonably necessary to the normal conduct of business of the Borrower and its Restricted Subsidiaries and from time to time will make or cause to be made all needed and appropriate repairs, renewals and replacements thereof except as expressly permitted by this Agreement or where the failure to maintain such properties or make such repairs, renewals or replacements could not reasonably be expected to have a Material Adverse Effect.

Section 5.05. Insurance. (a) Except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, the Borrower will maintain or cause to be maintained, with financially sound and reputable insurers, such insurance coverage with respect to liability, loss or damage in respect of the assets, properties and businesses of the Borrower and its Restricted Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Each such policy of insurance shall, subject to Section 5.15 hereof, (i) name the Administrative Agent on behalf of the Secured Parties as an additional insured thereunder as its interests may appear and (ii) to the extent available from the relevant insurance carrier, in the case of each casualty insurance policy (excluding any business interruption insurance policy), contain a lender loss payable clause or endorsement that names the Administrative Agent, on behalf of the Secured Parties as the lender loss payee thereunder and, to the extent available from the relevant insurance carrier after submission of a request by the applicable Loan Party to obtain the same, provide for at least 30 days' prior written notice to the Administrative Agent of any modification or cancellation of such policy (or 10 days' prior written notice in the case of the failure to pay any premiums thereunder).

(b) If any Mortgaged Property is at any time a Flood Hazard Property and the community in which such Mortgaged Property is located participates in the Flood Program, then the Borrower shall, or shall cause each applicable Loan Party to, comply in all material respects with the Flood Insurance Requirements. In connection with any Flood Compliance Event, the Administrative Agent shall provide to the Secured Parties evidence of compliance with the Flood Insurance Requirements, to the extent received from the Borrower. The Borrower and each Loan Party shall, to the extent reasonably requested by the Administrative Agent, cooperate with the Administrative Agent in connection with compliance with the Flood Insurance Requirements.

(c) If a Flood Redesignation shall occur with respect to any Mortgaged Property located in the US, the Administrative Agent shall obtain a completed Flood Certificate with respect to the applicable Mortgaged Property, and the Borrower shall comply with the Flood Insurance Requirements with respect to such Mortgaged Property by not later than the date that is 60 days (or such later date to which the Administrative Agent may reasonably agree) after receipt of such Flood Certificates from the Administrative Agent.

Section 5.06. Inspections. Holdings and the Borrower will, and the Borrower will cause each of its Restricted Subsidiaries to, permit any authorized representative designated by the Administrative Agent to visit and inspect any of the properties of Holdings, the Borrower and any of its Restricted Subsidiaries at which the principal financial records and executive officers of the applicable Person are located, to inspect, copy and take extracts from its and their respective financial and accounting records, and to discuss its and their respective affairs, finances and accounts with its and their Responsible Officers and independent public accountants (provided that the Borrower (or any of its subsidiaries) may, if it so chooses, be present at or participate in any such discussion), all upon reasonable notice and at reasonable times during normal business hours; provided that (a) only the Administrative Agent on behalf of the Lenders may exercise the rights of the Administrative Agent and the Lenders under this Section 5.06, (b) except as expressly set forth in clause (c) below during the continuance of an Event of Default, the Administrative Agent shall not exercise such rights more often than one time during any calendar year, (c) when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice and (d) notwithstanding anything to the contrary herein, neither the Borrower nor any Restricted Subsidiary shall be required to disclose, permit the inspection, examination or making of copies of or taking abstracts from, or discuss any document, information, or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information of any Person, (ii) in respect

of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives or contractors) is prohibited by applicable Requirements of Law, (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) in respect of which the Borrower or any Restricted Subsidiary owes confidentiality obligations to any third party (provided that such confidentiality obligations were not entered into in contemplation of the requirements of this Section 5.06).

Section 5.07. Maintenance of Book and Records. Holdings and the Borrower will, and the Borrower will cause its Restricted Subsidiaries to, maintain proper books of record and account containing entries of all material financial transactions and matters involving the assets and business of Holdings, the Borrower and its Restricted Subsidiaries that are full, true and correct in all material respects and permit the preparation of consolidated financial statements in accordance with GAAP.

Section 5.08. Compliance with Laws. Holdings and the Borrower will comply, and the Borrower will cause each of its Restricted Subsidiaries to comply, with the requirements of all applicable Requirements of Law (including applicable ERISA and all Environmental Laws, any US sanctions administered by OFAC, the USA PATRIOT Act and the FCPA), except to the extent the failure of Holdings, the Borrower or the relevant Restricted Subsidiary to comply could not reasonably be expected to have a Material Adverse Effect; provided that the requirements set forth in this Section 5.08, as they pertain to compliance by any Foreign Subsidiary with any US sanctions administered by OFAC, the USA PATRIOT ACT and the FCPA are subject to and limited by any Requirement of Law applicable to such Foreign Subsidiary in its relevant local jurisdiction and shall not apply to such Foreign Subsidiary to the extent the same conflict with relevant local Requirements of Law applicable to such Foreign Subsidiary

Section 5.09. Environmental.

(a) Environmental Disclosure. The Borrower will deliver to the Administrative Agent as soon as practicable following the sending or receipt thereof the Borrower or any of its Restricted Subsidiaries, a copy of any and all written communications with respect to (A) any Environmental Claim that, individually or in the aggregate, has a reasonable possibility of giving rise to a Material Adverse Effect, (B) any Release required to be reported by Holdings, the Borrower or any of its Restricted Subsidiaries to any federal, state or local governmental or regulatory agency or other Governmental Authority that reasonably could be expected to have a Material Adverse Effect, (C) any request made to the Borrower or any of its Restricted Subsidiaries for information from any governmental agency that suggests such agency is investigating whether Holdings, the Borrower or any of its Restricted Subsidiaries may be potentially responsible for any Hazardous Materials Activity which is reasonably expected to have a Material Adverse Effect and (D) subject to the limitations set forth in the proviso to Section 5.01(l), such other documents and information as from time to time may be reasonably requested by the Administrative Agent in relation to any matters disclosed pursuant to this Section 5.09(a);

(b) Hazardous Materials Activities, Etc. Holdings and the Borrower shall promptly take, and the Borrower shall cause each of its Restricted Subsidiaries promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by Holdings, the Borrower or its Restricted Subsidiaries, and address with appropriate corrective or remedial action any Release or threatened Release of Hazardous Materials at or from any Facility, in each case, that could reasonably be expected to have a Material Adverse Effect and (ii) make an appropriate response to any Environmental Claim against Holdings, the Borrower or any of its Restricted Subsidiaries and discharge any obligations it may have to any Person thereunder, in each case, where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.10. Designation of Subsidiaries. The Borrower may at any time after the Closing Date designate (or redesignate) any subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a

Restricted Subsidiary; provided that (a) immediately after giving effect to such designation, no Event of Default exists (including after giving effect to the reclassification of Investments in, Indebtedness of and Liens on the assets of, the applicable Restricted Subsidiary or Unrestricted Subsidiary). (b) as of the date of the designation thereof, no Unrestricted Subsidiary shall own any Capital Stock in, or Indebtedness of, the Borrower or any Restricted Subsidiary of the Borrower or hold any Liens on Capital Stock in the Borrower or any of its Restricted Subsidiaries or any material assets of the Borrower or any of its Restricted Subsidiaries (unless such Restricted Subsidiary is also designated as an Unrestricted Subsidiary), (c) as of the date of the designation thereof, no Unrestricted Subsidiary shall own any intellectual property, governmental or regulatory consent, approval, license or authorization, in each case, that is material to the business of the Borrower and its Restricted Subsidiaries (in the Borrower's reasonable determination) and (d) designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall also be a designation of any Subsidiary of such Unrestricted Subsidiary as an Unrestricted Subsidiary. The designation of any subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Borrower (or its applicable Restricted Subsidiary) therein at the date of designation in an amount equal to the portion of the fair market value of the net assets of such subsidiary attributable to the Borrower's (or its applicable Restricted Subsidiary's) equity interest therein as reasonably estimated by the Borrower (and such designation shall only be permitted to the extent such Investment is permitted under Section 6.06). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the making, incurrence or granting, as applicable, at the time of designation of any then-existing Investment, Indebtedness or Lien of such subsidiary, as applicable; provided that upon any re-designation of any Unrestricted Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have an Investment in the resulting Restricted Subsidiary in an amount (if positive) equal to (a) the Borrower's "Investment" in such Restricted Subsidiary at the time of such re-designation, less (b) the portion of the fair market value of the net assets of such Restricted Subsidiary attributable to the Borrower's equity therein at the time of such re-designation.

Section 5.11. Use of Proceeds. The Borrower shall use the proceeds of the Revolving Loans (a) on the Closing Date (i) to finance all or a portion of the Transactions (including the payment of Transaction Costs and other costs and expenses and/or purchase price or working capital adjustments under the Acquisition Agreement (including with respect to the amount of any Cash, Cash Equivalents, marketable securities and working capital to be acquired)) in an aggregate principal amount of up to \$2,500,000, and (ii) for working capital needs and other general corporate purposes in an aggregate principal amount of up to \$5,000,000, and (b) after the Closing Date, to finance working capital needs and other general corporate purposes of the Borrower and its subsidiaries (including for capital expenditures, acquisitions, Investments, working capital and/or purchase price adjustments (including in connection with the Acquisition), Restricted Payments, Restricted Debt Payments and related fees and expenses (including Taxes) and any other purpose not prohibited by the terms of the Loan Documents, including to replenish balance sheet cash used to finance any acquisition or other Investment). The Borrower shall use the proceeds of the Initial Term Loans made on the Closing Date to finance all or a portion of the Transactions (including working capital and/or purchase price adjustments under the Acquisition Agreement (including with respect to the amount of any Cash, Cash Equivalents, marketable securities and working capital to be acquired) and the payment of Transaction Costs). The Borrower shall use the proceeds of the Swingline Loans made after the Closing Date to finance the working capital needs and for other general corporate purposes of the Borrower and its subsidiaries and for any other purpose not prohibited by the terms of the Loan Documents. Letters of Credit may be issued (i) on the Closing Date in the ordinary course of business and to replace or provide credit support for any letter of credit, bank guarantee and/or surety, customs, performance or similar bond of the Borrower and its subsidiaries or any of their Affiliates and/or to replace cash collateral posted by any of the foregoing Persons and (ii) after the Closing Date, for general corporate purposes of the Borrower and its subsidiaries and any other purpose not prohibited by the terms of the Loan Documents. The Borrower shall use the proceeds of the 2020 Incremental Term Loans made on the First Amendment Effective Date, together with the cash on hand, to finance the 2020 Dividend and the payment of First Amendment Transaction Costs.

Section 5.12. Covenant to Guarantee Obligations and Provide Security.

(a) Upon (i) the formation or acquisition after the Closing Date of any Restricted Subsidiary, (ii) the designation of any Unrestricted Subsidiary that is a Domestic Subsidiary as a Restricted Subsidiary, or (iii) any Restricted Subsidiary that is a Domestic Subsidiary that was an Excluded Subsidiary ceasing to be an Excluded Subsidiary, (x) if the event giving rise to the obligation under this Section 5.12(a) occurs during any Fiscal Quarter of any Fiscal Year, on or before the date on which financial statements are required to be delivered pursuant to Section 5.01(a) for the Fiscal Quarter in which the relevant formation, acquisition, designation or cessation occurred (or such longer period as the Administrative Agent may reasonably agree), the Borrower shall (A) cause such Restricted Subsidiary (other than any Excluded Subsidiary) to comply with the requirements set forth in clause (b) of the definition of "Collateral and Guarantee Requirement" and (B) upon the reasonable request of the Administrative Agent, cause the relevant Restricted Subsidiary (other than any Excluded Subsidiary) to deliver to the Administrative Agent a signed copy of a customary opinion of counsel for such Restricted Subsidiary, addressed to the Administrative Agent and the other relevant Secured Parties.

(b) Within 60 days (or such longer period as the Administrative Agent may reasonably agree) after the acquisition by the Borrower or any Loan Party that is a Domestic Subsidiary of the Borrower of any Material Real Estate Asset other than any Excluded Asset, the Borrower will give the Administrative Agent written notice of the acquisition of such Material Real Estate Asset. Promptly upon receipt of such written notice, the Administrative Agent shall request that each Lender confirm to the Administrative Agent that it has completed any flood insurance diligence that such Lender is required to complete according to its internal policies and procedures. Upon receipt by the Administrative Agent of such confirmation from each Lender, the Administrative Agent shall notify the same in writing to the Borrower and the Borrower shall, or shall cause such Loan Party, to comply with the requirements set forth in clause (c) of the definition of "Collateral and Guarantee Requirement" within 90 days of the receipt of such written notice (or such longer period as the Administrative Agent may reasonably agree); provided that the failure to satisfy the requirements set forth in clause (c) of the definition of "Collateral and Guarantee Requirement" with respect to any Material Real Estate Asset due to (x) any Lender not providing such confirmation to the Administrative Agent or (y) the Administrative Agent not providing any written notice contemplated by this clause (b) to the Borrower, in each case, shall not be a Default or give rise to an Event of Default. For purposes of this clause (b), any Material Real Estate Asset owned by any Restricted Subsidiary at the time such Restricted Subsidiary is required to become a Loan Party under Section 5.12(a) above shall be deemed to have been acquired by such Restricted Subsidiary on the first day of the time period within which such Restricted Subsidiary is required to become a Loan Party under Section 5.12(a).

(c) [Reserved].

(d) Notwithstanding anything to the contrary herein or in any other Loan Document, it is understood and agreed that:

(i) the Administrative Agent may grant extensions of time (including after the expiration of any relevant period, which may apply retroactively) for the creation and perfection of security interests in, or obtaining of title insurance, legal opinions, surveys or other deliverables with respect to, particular assets or the provision of any Loan Guaranty by any Restricted Subsidiary (in connection with assets acquired, or Restricted Subsidiaries formed or acquired, after the Closing Date), and each Lender hereby consents to any such extension of time,

(ii) any Lien required to be granted from time to time pursuant to the definition of “Collateral and Guarantee Requirement” shall be subject to the exceptions and limitations set forth in the Collateral Documents,

(iii) perfection by control shall not be required with respect to assets requiring perfection through control agreements or other control arrangements (other than possession of pledged first-tier Capital Stock of the Borrower or any Restricted Subsidiary and/or Material Debt Instruments, in each case to the extent the same otherwise constitute Collateral),

(iv) no Loan Party shall be required to seek any landlord lien waiver, bailee letter, estoppel, warehouseman waiver or other collateral access or similar letter or agreement;

(v) no Loan Party will be required to (A) take any action to grant or perfect a security interest in any asset located outside of the United States (other than reasonable filings of Intellectual Property Security Agreements required by the Perfection Requirements) or (B) other than reasonable filings of Intellectual Property Security Agreements required by the Perfection Requirements, execute any security agreement, pledge agreement, mortgage, deed, charge or other collateral document governed by the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia,

(vi) in no event will the Collateral include any Excluded Asset and in no event will the Borrower or any of its subsidiaries be required to cause any Excluded Subsidiary to become a Subsidiary Guarantor,

(vii) no action shall be required to perfect any Lien with respect to (1) any vehicle or other asset subject to a certificate of title, (2) [reserved], (3) the Capital Stock of any Immaterial Subsidiary and/or (4) the Capital Stock of any Person that is not a subsidiary, which Person, if a subsidiary, would constitute an Immaterial Subsidiary, in each case except to the extent that a security interest therein can be perfected by filing a Form UCC-1 (or similar) financing statement under the UCC (without the requirement to list an “VIN” or similar number),

(viii) no action shall be required to perfect a Lien in any asset in respect of which the perfection of a security interest therein would (1) be prohibited by enforceable anti-assignment provisions set forth in any contract that is permitted or otherwise not prohibited by the terms of this Agreement and is binding on such asset at the time of its acquisition and not incurred in contemplation thereof (other than in the case of capital leases, purchase money and similar financings), (2) violate the terms of any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement and is binding on such asset at the time of its acquisition and not incurred in contemplation thereof (other than in the case of capital leases, purchase money and similar financings), in each case, after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Requirement of Law or (3) trigger termination of any contract relating to such asset that is permitted or otherwise not prohibited by the terms of this Agreement and is binding on such asset at the time of its acquisition and not incurred in contemplation thereof (other than in the case of capital leases, purchase money and similar financings) pursuant to any “change of control” or similar provision; it being understood that the Collateral shall include any proceeds and/or receivables arising out of any contract described in this clause to the extent the assignment of such proceeds or receivables is expressly deemed effective under the UCC or other applicable Requirement of Law notwithstanding the relevant prohibition, violation or termination right,

(ix) no Loan Party shall be required to perfect a Lien in any asset to the extent the perfection of a security interest in such asset would be prohibited under any applicable Requirement of Law,

(x) any Joinder Agreement, any Collateral Document and/or any other Loan Document executed by any Restricted Subsidiary that is required to become (or otherwise becomes) a Loan Party pursuant to Section 5.12(a) above (including any Joinder Agreement) may, with the consent of the Administrative Agent (not to be unreasonably withheld or delayed), include such schedules (or updates to schedules) as may be necessary to qualify any representation or warranty set forth in any Loan Document to the extent necessary to ensure that such representation or warranty is true and correct to the extent required thereby or by the terms of any other Loan Document,

(xi) the Lenders and the Administrative Agent acknowledge and agree that the Collateral that may be provided by any Loan Party may be limited to minimize stamp duty, notarization, registration or other applicable fees, taxes and duties where the benefit to the Secured Parties of increasing the secured amount is disproportionate to the cost of such fees, taxes and duties, and

(xii) the Administrative Agent shall not require the taking of a Lien on, or require the perfection of any Lien granted in, those assets as to which the cost of obtaining or perfecting such Lien (including any mortgage, stamp, intangibles or other tax or expenses relating to such Lien) is excessive in relation to the benefit to the Lenders of the security afforded thereby as reasonably determined in writing by the Borrower and the Administrative Agent.

Section 5.13. [Reserved].

Section 5.14. Further Assurances. Promptly upon request of the Administrative Agent and subject to the limitations described in Section 5.12:

(a) The Borrower will, and will cause each other Loan Party to, execute any and all further documents, financing statements, agreements, instruments, certificates, notices and acknowledgments and take all such further actions (including the filing and recordation of financing statements, fixture filings, Mortgages and/or amendments thereto and other documents), that may be required under any applicable Requirements of Law and which the Administrative Agent may reasonably request to ensure the creation, perfection and priority of the Liens created or intended to be created under the Collateral Documents, all at the expense of the relevant Loan Parties.

(b) The Borrower will, and will cause each other Loan Party to, (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts (including notices to third parties), deeds, certificates, assurances and other instruments as the Administrative Agent may reasonably request from time to time in order to ensure the creation, perfection and priority of the Liens created or intended to be created under the Collateral Documents.

Section 5.15. Post-Closing Covenant. Take the actions required by Schedule 5.15 in each case within the time periods specified therein (or, in each case, such longer period to which the Administrative Agent may reasonably agree).

ARTICLE 6

NEGATIVE COVENANTS

From the Closing Date and until the Termination Date, the Borrower (and, solely in the case of Section 6.14, Holdings) covenants and agrees with the Lenders, the Issuing Banks and the Administrative Agent that:

Section 6.01. Indebtedness. The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to create, incur, assume or otherwise become or remain liable with respect to any Indebtedness, except:

(a) the Secured Obligations (including any Additional Term Loans and any Additional Revolving Loans);

(b) Indebtedness of (i) the Borrower to Holdings and/or any Restricted Subsidiary, (ii) of Holdings to the Borrower and/or any Restricted Subsidiary and/or (iii) of any Restricted Subsidiary to Holdings, the Borrower and/or any other Restricted Subsidiary; provided that in the case of any Indebtedness of any Restricted Subsidiary that is not a Loan Party owing to the Borrower or any Restricted Subsidiary that is a Loan Party, such Indebtedness shall be permitted as an Investment under Section 6.06; provided, further, that any Indebtedness of any Loan Party to any Restricted Subsidiary that is not a Loan Party incurred in reliance on this clause (b) must be unsecured and expressly subordinated to the Obligations of such Loan Party on terms that are reasonably acceptable to the Administrative Agent (including pursuant to an Intercompany Note);

(c) [Reserved];

(d) Indebtedness arising from any agreement providing for indemnification, adjustment of purchase price or similar obligations (including contingent earn-out obligations) incurred in connection with the Transactions, any Disposition permitted hereunder, any acquisition permitted hereunder or consummated prior to the Closing Date or any other purchase of assets or Capital Stock or other Investments, and Indebtedness arising from guaranties, letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments securing the performance of the Borrower or any such Restricted Subsidiary pursuant to any such agreement;

(e) Indebtedness of the Borrower and/or any Restricted Subsidiary incurred in the ordinary course of business (i) as a result of or pursuant to tenders, statutory obligations, bids, leases, governmental contracts, trade contracts, surety, stay, customs, appeal, performance and/or return of money bonds or other similar obligations incurred in the ordinary course of business and (ii) in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments to support any of the foregoing items;

(f) Indebtedness of the Borrower and/or any Restricted Subsidiary in respect of Banking Services and/or otherwise in connection with Cash management and Deposit Accounts, including Banking Services Obligations and incentive, supplier finance or similar programs;

(g) (i) guaranties by the Borrower and/or any Restricted Subsidiary of the obligations of suppliers, customers and licensees in the ordinary course of business, (ii) Indebtedness incurred in the ordinary course of business in respect of obligations of the Borrower and/or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services and (iii) Indebtedness in respect of letters of credit, bankers' acceptances, bank guaranties or similar instruments supporting trade payables, warehouse receipts or similar facilities entered into in the ordinary course of business;

(h) Guarantees by the Borrower and/or any Restricted Subsidiary of Indebtedness or other obligations of the Borrower, any Restricted Subsidiary and/or any joint venture with respect to Indebtedness otherwise permitted to be incurred pursuant to this [Section 6.01](#) or other obligations not prohibited by this Agreement; provided that in the case of any Guarantee by any Loan Party of the obligations of any non-Loan Party, the related Investment is permitted under [Section 6.06](#);

(i) Indebtedness of Holdings, the Borrower and/or any Restricted Subsidiary existing on the Closing Date; provided that any such Indebtedness or commitment having an outstanding principal amount in excess of \$2,500,000 shall be described on [Schedule 6.01](#);

(j) Indebtedness of Restricted Subsidiaries that are not Loan Parties; provided that the aggregate outstanding principal amount of such Indebtedness shall not exceed the greater of \$30,000,000 and 30% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with any Indebtedness of Restricted Subsidiaries that are not Loan Parties incurred under [Section 6.01\(q\)](#), [\(u\)](#) or [\(w\)](#);

(k) Indebtedness of the Borrower and/or any Restricted Subsidiary consisting of obligations owing under incentive, supply, license or similar agreements entered into in the ordinary course of business;

(l) Indebtedness of the Borrower and/or any Restricted Subsidiary consisting of (i) the financing of insurance premiums, (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business and/or (iii) obligations to reacquire assets or inventory in connection with customer financing arrangements in the ordinary course of business;

(m) Indebtedness of the Borrower and/or any Restricted Subsidiary with respect to Capital Leases and purchase money Indebtedness in an aggregate outstanding principal amount not to exceed the greater of \$25,000,000 and 25% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(n) Indebtedness of any Person that becomes a Restricted Subsidiary or Indebtedness assumed in connection with any acquisition or similar Investment; provided that:

(i) such Indebtedness (A) existed at the time such Person became a Restricted Subsidiary or the assets subject to such Indebtedness were acquired and (B) was not created or incurred in anticipation thereof, and

(ii) after giving effect to such Indebtedness on a Pro Forma Basis:

(A) no Event of Default exists and is continuing; and

(B) the Borrower is in compliance with [Section 6.15\(a\)](#), calculated on a Pro Forma Basis as of the last day of the most recently ended Test Period.

(o) Indebtedness issued by the Borrower or any Restricted Subsidiary to any stockholder of any Parent Company or any current or former director, officer, employee, member of management, manager or consultant of any Parent Company, the Borrower or any subsidiary (or their respective Immediate Family Members) to finance the purchase or redemption of Capital Stock of any Parent Company permitted by [Section 6.04\(a\)](#);

(p) Indebtedness refinancing, refunding or replacing any Indebtedness permitted under clauses (a), (i), (m), (n), (q), (w), and (z) of this Section 6.01 (in any case, including any refinancing Indebtedness incurred in respect thereof, “Refinancing Indebtedness”) and any subsequent Refinancing Indebtedness in respect thereof; provided that:

(i) the principal amount of such Indebtedness does not exceed the principal amount of the Indebtedness being refinanced, refunded or replaced, except by (A) an amount equal to unpaid accrued interest, penalties and premiums (including tender premiums) thereon plus underwriting discounts, other reasonable and customary fees, commissions and expenses (including upfront fees, original issue discount or initial yield payments) incurred in connection with the relevant refinancing, refunding or replacement and the related refinancing transaction, (B) an amount equal to any existing commitments unutilized thereunder and (C) additional amounts permitted to be incurred pursuant to this Section 6.01 (provided that (1) any additional Indebtedness referenced in this clause (C) satisfies the other applicable requirements of this definition (with additional amounts incurred in reliance on this clause (C) constituting a utilization of the relevant basket or exception pursuant to which such additional amount is permitted) and (2) if such additional Indebtedness is secured, the Lien securing such Indebtedness satisfies the applicable requirements of Section 6.02),

(ii) other than in the case of Refinancing Indebtedness with respect to clauses (i), (m) and/or (n) and other than Customary Bridge Loans, such Indebtedness has (A) a final maturity equal to or later than (and, in the case of revolving Indebtedness, does not require mandatory commitment reductions, if any, prior to) the final maturity of the Indebtedness being refinanced, refunded or replaced and (B) other than with respect to revolving Indebtedness, such Refinancing Indebtedness has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being refinanced, refunded or replaced (without giving effect to any prepayment thereof),

(iii) the terms of any Refinancing Indebtedness with an original principal amount in excess of the Threshold Amount (other than any Indebtedness of the type described in Section 6.01(m)) (excluding, to the extent applicable, pricing, fees, premiums, rate floors, optional prepayment, redemption terms or subordination terms and, with respect to Refinancing Indebtedness incurred in respect of Indebtedness permitted under clause (a) above, security), are not, taken as a whole (as reasonably determined by the Borrower), more favorable to the lenders providing such Indebtedness than those applicable to the Indebtedness being refinanced, refunded or replaced (other than (A) any covenants or any other provisions, taken as a whole, applicable only to periods after the applicable maturity date of the debt then-being refinanced as of such date, (B) any covenant or provision which constitutes a then current market term for the applicable type of Indebtedness or (C) any covenant or other provision which is conformed (or added) to the Loan Documents for the benefit of the Lenders or, as applicable, the Administrative Agent pursuant to an amendment to this Agreement effectuated in reliance on Section 9.02(d)(ii)),

(iv) in the case of Refinancing Indebtedness with respect to Indebtedness permitted under clauses, (m), (n), (q) (solely as it relates to (1) the Shared Incremental Amount or (2) the amount of such Indebtedness that may be incurred by Restricted Subsidiaries that are not Loan Parties incurred pursuant to (x) clause (i) therein and (y) the proviso to clause (ii) therein), (w) (solely as it relates to (1) the Shared Incremental Amount or (2) the amount of such Indebtedness that may be incurred by Restricted Subsidiaries that are not Loan Parties incurred pursuant to (x) clause (i) therein and (y) the proviso to clause (ii) therein), and (z) (solely as it relates to the Shared Incremental Amount) of this Section 6.01, the incurrence thereof shall be without duplication of any amount outstanding in reliance on the relevant clause such that the amount available under the relevant clause shall be reduced by the amount of the applicable Refinancing Indebtedness,

(v) except in the case of Refinancing Indebtedness incurred in respect of Indebtedness permitted under clause (a) of this Section 6.01, (A) such Indebtedness, if secured, is secured only by Permitted Liens at the time of such refinancing, refunding or replacement (it being understood that secured Indebtedness may be refinanced with unsecured Indebtedness), and if the Liens securing such Indebtedness were originally contractually subordinated to the Liens on the Collateral securing the Initial Term Loans, the Liens securing such Indebtedness are subordinated to the Liens on the Collateral securing the Initial Term Loans on terms not materially less favorable (as reasonably determined by the Borrower), taken as a whole, to the Lenders than those (1) applicable to the Liens securing the Indebtedness being refinanced, refunded or replaced, taken as a whole, or (2) set forth in any Acceptable Intercreditor Agreement, (B) such Indebtedness is incurred and guaranteed solely by the obligor or obligors in respect of the Indebtedness being refinanced, refunded or replaced, except to the extent otherwise permitted pursuant to Section 6.01 (it being understood that any entity that was a guarantor in respect of the relevant refinanced Indebtedness may be the primary obligor in respect of the refinancing Indebtedness, and any entity that was the primary obligor in respect of the relevant refinanced Indebtedness may be a guarantor in respect of the refinancing Indebtedness), (C) if the Indebtedness being refinanced, refunded or replaced was expressly contractually subordinated to the Obligations in right of payment, (1) such Indebtedness is contractually subordinated to the Obligations in right of payment, or (2) if not contractually subordinated to the Obligations in right of payment, the purchase, defeasance, redemption, repurchase, repayment, refinancing or other acquisition or retirement of such Indebtedness is permitted under Section 6.04(b) (other than Section 6.04(b)(i)), and (D) as of the date of the incurrence of such Indebtedness and after giving effect thereto, no Event of Default exists, and

(vi) in the case of Refinancing Indebtedness constituting Replacement Debt, (A) such Indebtedness is *pari passu* or junior in right of payment and secured by the Collateral on a *pari passu* or junior basis with respect to the remaining Obligations hereunder, or is unsecured; provided that any such Refinancing Indebtedness that is *pari passu* or junior with respect to the Collateral shall be subject to an Acceptable Intercreditor Agreement, (B) if the Indebtedness being refinanced, refunded or replaced is secured, it is not secured by any assets other than the Collateral, (C) if the Indebtedness being refinanced, refunded or replaced is Guaranteed, it shall not be Guaranteed by any Person other than one or more Loan Parties and (D) such Refinancing Indebtedness is incurred under (and pursuant to) documentation other than this Agreement; it being understood and agreed that any such Refinancing Indebtedness that is *pari passu* with the Initial Term Loans hereunder in right of payment and secured by the Collateral on a *pari passu* basis with respect to the Secured Obligations hereunder that are secured on a first lien basis may participate (x) in any voluntary prepayment of Term Loans as set forth in Section 2.11(a)(i) and (y) in any mandatory prepayment of Term Loans as set forth in Section 2.11(b)(vi);

(q) so long as no Default or Event of Default shall exist immediately prior to or after giving effect to the incurrence or implementation of such Indebtedness, Indebtedness incurred to finance any acquisition or similar Investment permitted hereunder after the Closing Date; provided that such Indebtedness incurred pursuant to this clause (q) shall not exceed the greater of (i) the Shared Incremental Amount (giving effect to the adjustments thereto as described in clause (a) of the definition of "Incremental Cap"), and (ii) an unlimited amount so long as, in the case of this clause (ii), after giving effect to such acquisition or similar Investment on a Pro Forma Basis (in each case, without "netting" the cash proceeds of the applicable Indebtedness being incurred and any other concurrently incurred Indebtedness and, in the case of any revolving credit facility then being incurred or established, assuming a full drawing of such

revolving credit facility): (1) if such Acquisition Ratio Debt constitutes First Lien Debt, the First Lien Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 4.50:1.00, (2) if such Acquisition Ratio Debt constitutes Junior Lien Debt, the Secured Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 5.50:1.00 or (3) if such Indebtedness is secured by a Lien on any asset that does not constitute Collateral or is unsecured, the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 6.00:1.00; provided, however, that (1) the aggregate outstanding principal amount of Acquisition Ratio Debt incurred in reliance on this Section 6.01(q) by Restricted Subsidiaries that are not Loan Parties shall not, at any time, exceed an amount equal to the greater of \$30,000,000 and 30% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with any Indebtedness of Restricted Subsidiaries that are not Loan Parties incurred under Section 6.01(j), (u) or (w), (2) (I) the final maturity date of such Indebtedness (other than any such Indebtedness in the form of Customary Bridge Loans) is no earlier than the Latest Term Loan Maturity Date on the date of the issuance or incurrence thereof, (II) the Weighted Average Life to Maturity applicable to such Indebtedness (other than any such Indebtedness in the form of Customary Bridge Loans) is no shorter than the Weighted Average Life to Maturity of the then-existing Term Loans, (III) other than with respect to Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party, if such Indebtedness is secured, it may not be secured by any asset other than the Collateral, (IV) other than with respect to Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party, if such Indebtedness is guaranteed, it may not be guaranteed by any Person which is not a Loan Party and (V) other than with respect to Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party, such Indebtedness shall be subject to an Acceptable Intercreditor Agreement and (3) if such Acquisition Ratio Debt is in the form of First Lien Debt (other than bona fide revolving credit facilities) that is *pari passu* with the Initial Term Loans in right of payment and with respect to security, the Initial Term Loans shall benefit from the MFN Provision (the Indebtedness incurred pursuant to this Section 6.01(q), "Acquisition Ratio Debt");

(r) [reserved];

(s) Indebtedness of the Borrower and/or any Restricted Subsidiary under any Derivative Transaction not entered into for speculative purposes;

(t) Indebtedness of the Borrower and/or any Restricted Subsidiary representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers, and consultants of any Parent Company, the Borrower and/or any Restricted Subsidiary in the ordinary course of business and (ii) deferred compensation or other similar arrangements in connection with the Transactions, any Permitted Acquisition or any other Investment permitted hereby;

(u) Indebtedness of the Borrower and/or any Restricted Subsidiary in an aggregate outstanding principal amount not to exceed the greater of \$25,000,000 and 25% of Consolidated Adjusted EBITDA for the most recently ended Test Period; provided, however, that the aggregate outstanding principal amount of Indebtedness incurred in reliance on this Section 6.01(u) by Restricted Subsidiaries that are not Loan Parties shall not, at any time, exceed an amount equal to the greater of \$30,000,000 and 30% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with any Indebtedness of Restricted Subsidiaries that are not Loan Parties incurred under Section 6.01(j), (q) or (w);

(v) to the extent constituting Indebtedness, obligations arising under the Acquisition Agreement;

(w) so long as no Default or Event of Default shall exist immediately prior to or after giving effect to the incurrence or implementation of such Indebtedness, Indebtedness of the Borrower and/or any Restricted Subsidiary so long as, after giving effect thereto, including the application of the proceeds thereof

(in each case, without “netting” the cash proceeds of the applicable Indebtedness being incurred or any other concurrently incurred Indebtedness and, in the case of any revolving credit facility then being incurred or established, assuming a full drawing of such revolving credit facility), an amount equal to the sum of (i) the Shared Incremental Amount (giving effect to the adjustments thereto as described in clause (a) of the definition of “Incremental Cap”) and (ii) an additional unlimited amount, so long as, in the case of this clause (ii) on a Pro Forma Basis (A) if such Ratio Debt constitutes First Lien Debt, the First Lien Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 4.50:1.00, (B) if such Ratio Debt constitutes Junior Lien Debt, the Secured Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 5.50:1.00 or (C) if such Indebtedness is secured by a Lien on any asset that does not constitute Collateral or is unsecured, the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 6.00:1.00; provided, however, that (1) the aggregate outstanding principal amount of Ratio Debt incurred in reliance on this Section 6.01(w) by Restricted Subsidiaries that are not Loan Parties shall not, at any time, exceed an amount equal to the greater of \$30,000,000 and 30% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with any Indebtedness of Restricted Subsidiaries that are not Loan Parties incurred under Section 6.01(j), (q) or (u), (2) (I) the final maturity date of such Indebtedness (other than any such Indebtedness in the form of Customary Bridge Loans) is no earlier than the Latest Term Loan Maturity Date on the date of the issuance or incurrence thereof, (II) the Weighted Average Life to Maturity applicable to such Indebtedness (other than any such Indebtedness in the form of Customary Bridge Loans or revolving loans) is no shorter than the Weighted Average Life to Maturity of any then-existing Term Loans, (III) other than with respect to Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party, if such Indebtedness is secured, it may not be secured by any asset other than the Collateral, (IV) other than with respect to Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party, if such Indebtedness is guaranteed, it may not be guaranteed by any Person which is not a Loan Party and (V) other than with respect to Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party, such Indebtedness shall be subject to an Acceptable Intercreditor Agreement and (3) if such Ratio Debt is in the form of First Lien Debt (other than bona fide revolving credit facilities) that is *pari passu* with the Initial Term Loans in right of payment and with respect to security, the Initial Term Loans shall benefit from the MFN Provision (the Indebtedness incurred pursuant to this Section 6.01(w), the “Ratio Debt”);

(x) [Reserved];

(y) Indebtedness of the Borrower and/or any Restricted Subsidiary incurred in connection with Sale and Lease-Back Transactions in an aggregate outstanding principal amount not to exceed equal to the greater of \$15,000,000 and 15% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(z) Incremental Equivalent Debt of the Borrower;

(aa) Indebtedness (including obligations in respect of letters of credit, bank guarantees, bankers’ acceptances, surety bonds, performance bonds or similar instruments with respect to such Indebtedness) incurred by the Borrower and/or any Restricted Subsidiary in respect of workers compensation claims, unemployment, property, casualty or liability insurance (including premiums related thereto) or self-insurance, other reimbursement-type obligations regarding workers’ compensation claims, other types of social security, pension obligations, vacation pay or health, disability or other employee benefits;

(bb) Indebtedness representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Company, the Borrower or any Subsidiary in the ordinary course of business and (ii) deferred compensation or other similar arrangements in connection with the Transactions, any acquisition or any other Investment permitted hereby;

(cc) Indebtedness of the Borrower and/or any Restricted Subsidiary in respect of any letter of credit or bank guarantee issued in favor of any Issuing Bank, or the Swingline Lender to support any Defaulting Lender's participation in Letters of Credit issued, or Swingline Loans made, hereunder;

(dd) Indebtedness of the Borrower or any Restricted Subsidiary supported by any Letter of Credit or any other letter of credit, bank guarantee or similar instrument permitted by this Section 6.01;

(ee) unfunded pension fund and other employee benefit plan obligations and liabilities incurred by the Borrower and/or any Restricted Subsidiary in the ordinary course of business to the extent that the unfunded amounts would not otherwise cause an Event of Default under Section 7.01(i);

(ff) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business; and

(gg) without duplication of any other Indebtedness, all premiums (if any), interest (including post-petition interest and payment in kind interest), accretion or amortization of original issue discount, fees, expenses and charges with respect to Indebtedness of the Borrower and/or any Restricted Subsidiary hereunder.

Section 6.02. Liens. The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, create, incur, assume or permit or suffer to exist any Lien on or with respect to any property of any kind owned by it, whether now owned or hereafter acquired, or any income or profits therefrom, except:

(a) Liens securing the Secured Obligations;

(b) Liens for Taxes which (i) are not then due, (ii) if due, are not at such time required to be paid pursuant to Section 5.03 or (iii) are being contested in accordance with Section 5.03;

(c) statutory Liens (and rights of set-off) of landlords, banks, carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by applicable Requirements of Law, in each case incurred in the ordinary course of business (i) for amounts not yet overdue by more than 30 days, (ii) for amounts that are overdue by more than 30 days and that are being contested in good faith by appropriate proceedings, so long as any reserves or other appropriate provisions required by GAAP have been made for any such contested amounts or (iii) with respect to which the failure to make payment could not reasonably be expected to have a Material Adverse Effect;

(d) Liens incurred (i) in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security laws and regulations, (ii) in the ordinary course of business to secure the performance of tenders, statutory obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money), (iii) pursuant to pledges and deposits of Cash or Cash Equivalents in the ordinary course of business securing (x) any liability for reimbursement or indemnification obligations of insurance carriers providing property, casualty, liability or other insurance to the Borrower and its subsidiaries or (y) leases or licenses of property otherwise permitted by this Agreement and (iv) to secure obligations in respect of letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments posted with respect to the items described in clauses (i) through (iii) above;

(e) Liens consisting of survey exceptions, easements, rights-of-way, restrictions, covenants, conditions, declarations, encroachments, zoning restrictions and other defects or irregularities in title or environmental deed restrictions, in each case, which do not, in the aggregate, materially interfere with the ordinary conduct of the business of the Borrower and/or its Restricted Subsidiaries, taken as a whole;

(f) Liens consisting of any (i) interest or title of a lessor or sub-lessor under any lease of real estate permitted hereunder, (ii) landlord lien permitted by the terms of any lease, (iii) restriction or encumbrance to which the interest or title of such lessor or sub-lessor may be subject or (iv) subordination of the interest of the lessee or sub-lessee under such lease to any restriction or encumbrance referred to in the preceding clause (iii);

(g) Liens (i) solely on any Cash earnest money deposits (including as part of any escrow arrangement) made by the Borrower and/or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement with respect to any Investment permitted hereunder and (ii) consisting of (A) an agreement to Dispose of any property in a Disposition permitted under Section 6.07 and/or (B) the pledge of Cash as part of an escrow arrangement required in any Disposition permitted under Section 6.07;

(h) purported Liens evidenced by the filing of UCC financing statements relating solely to operating leases or consignment or bailee arrangements entered into in the ordinary course of business, and Liens arising from precautionary UCC financing statements or similar filings;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) Liens in connection with any zoning, building, environmental or similar Requirements of Law or right reserved to or vested in any Governmental Authority to control or regulate the use or dimensions of any real property or the structures thereon, including Liens in connection with any condemnation or eminent domain proceeding or compulsory purchase order;

(k) Liens securing Indebtedness permitted pursuant to Section 6.01(p) (solely with respect to the permitted refinancing of (1) Indebtedness permitted pursuant to Sections 6.01(a), (i), (m), (n), (q), (w) and (z), and (2) Indebtedness that is secured in reliance on Section 6.02(u) (provided that the granting of the relevant Lien shall be without duplication of any Lien outstanding under Section 6.02(u) such that the amount available under Section 6.02(u) shall be reduced by the amount of the applicable Lien granted in reliance on this clause (2))); provided that (i) no such Lien extends to any asset not covered by the Lien securing the Indebtedness that is being refinanced (it being understood that individual financings of the type permitted under Section 6.01(m) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its affiliates), (ii) if the Lien securing the Indebtedness being refinanced was subject to intercreditor arrangements, then (A) the Lien securing any refinancing Indebtedness in respect thereof shall be subject to intercreditor arrangements that are not materially less favorable to the Secured Parties, taken as a whole, than the intercreditor arrangements governing the Lien securing the Indebtedness that is refinanced or (B) the intercreditor arrangements governing the Lien securing the relevant refinancing Indebtedness shall be set forth in an Acceptable Intercreditor Agreement and (iii) no such Lien shall be senior in priority as compared to the Lien securing the Indebtedness being refinanced;

(l) Liens in existence on the Closing Date and any modification, replacement, refinancing, renewal or extension thereof; provided that any such Lien securing Indebtedness having an aggregate principal amount outstanding on the Closing Date in excess of \$2,500,000 shall be described on Schedule 6.02; provided, further that (i) no such Lien extends to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness

permitted under Section 6.01 and (B) proceeds and products thereof, replacements, accessions or additions thereto and improvements thereon (it being understood that individual financings of the type permitted under Section 6.01(m) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its affiliates) and (ii) any such modification, replacement, refinancing, renewal or extension of the obligations secured or benefited by such Liens, if constituting Indebtedness, is permitted by Section 6.01;

(m) Liens arising out of Sale and Lease-Back Transactions in an aggregate outstanding principal amount not to exceed equal to the greater of \$15,000,000 and 15% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(n) Liens securing Indebtedness permitted pursuant to Section 6.01(m); provided that any such Lien shall encumber only the asset acquired with the proceeds of such Indebtedness and proceeds and products thereof, replacements, accessions or additions thereto and improvements thereon (it being understood that individual financings of the type permitted under Section 6.01(m) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its affiliates);

(o) Liens securing Indebtedness permitted pursuant to Section 6.01(n) on the relevant acquired assets or on the Capital Stock and assets of the relevant newly acquired Restricted Subsidiary; provided that no such Lien (x) extends to or covers any other assets (other than the proceeds or products thereof, replacements, accessions or additions thereto and improvements thereon) or (y) was created in contemplation of the applicable acquisition of assets or Capital Stock;

(p) (i) Liens that are contractual rights of setoff or netting relating to (A) the establishment of depositary relations with banks not granted in connection with the issuance of Indebtedness, (B) pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower or any Restricted Subsidiary, (C) purchase orders and other agreements entered into with customers of the Borrower or any Restricted Subsidiary in the ordinary course of business and (D) commodity trading or other brokerage accounts incurred in the ordinary course of business, (ii) Liens encumbering reasonable customary initial deposits and margin deposits, (iii) bankers Liens and rights and remedies as to Deposit Accounts, (iv) Liens of a collection bank arising under Section 4-208 of the UCC on items in the ordinary course of business, (v) Liens in favor of banking or other financial institutions arising as a matter of Law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution and that are within the general parameters customary in the banking industry or arising pursuant to such banking institution's general terms and conditions, (vi) Liens on the proceeds of any Indebtedness incurred in connection with any transaction permitted hereunder, which proceeds have been deposited into an escrow account on customary terms to secure such Indebtedness pending the application of such proceeds to finance such transaction and (vii) any general banking Lien over any bank account arising in the ordinary course of business;

(q) Liens on assets owned by Restricted Subsidiaries that are not Loan Parties (including Capital Stock owned by such Persons) securing Indebtedness of Restricted Subsidiaries that are not Loan Parties permitted pursuant to Section 6.01;

(r) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business of the Borrower and/or its Restricted Subsidiaries;

(s) Liens securing Indebtedness incurred in reliance on, and subject to the provisions set forth in Sections 6.01(q)(i), (q)(ii)(1), (q)(ii)(2), (w)(i), (w)(ii)(A), (w)(ii)(B) and/or (z); provided, that any Lien that is granted in reliance on this clause (s) on the Collateral shall be subject to an Acceptable Intercreditor Agreement;

(t) [Reserved];

(u) Liens on assets securing Indebtedness or other obligations in an aggregate principal amount at any time outstanding not to exceed the greater of \$25,000,000 and 25% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(v) (i) Liens on assets securing judgments, awards, attachments and/or decrees and notices *oflis pendens* and associated rights relating to litigation being contested in good faith not constituting an Event of Default under Section 7.01(h) and (ii) any pledge and/or deposit securing any settlement of litigation;

(w) leases, licenses, subleases or sublicenses in the ordinary course of business which do not secure any Indebtedness;

(x) Liens on Securities that are the subject of repurchase agreements constituting Investments permitted under Section 6.06 arising out of such repurchase transaction;

(y) Liens on Cash and/or Cash Equivalents securing obligations in respect letters of credit, bank guaranties, surety bonds, performance bonds or similar instruments permitted under Sections 6.01(d), (e), (g), (aa) and (cc);

(z) Liens arising (i) out of conditional sale, title retention, consignment or similar arrangements for the sale of any asset in the ordinary course of business and permitted by this Agreement or (ii) by operation of law under Article 2 of the UCC (or similar Requirement of Law under any jurisdiction);

(aa) Liens (i) in favor of any Loan Party and/or (ii) granted by any non-Loan Party in favor of any Restricted Subsidiary that is not a Loan Party, in the case of clauses (i) and (ii), securing intercompany Indebtedness permitted (or not restricted) under Section 6.01 or Section 6.09;

(bb) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(cc) (i) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof and (ii) Liens on specific items of inventory or other goods and the proceeds thereof securing such Person's obligations in respect of documentary letters of credit or banker's acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or goods;

(dd) Liens securing (i) obligations of the type described in Section 6.01(f) and/or (ii) obligations of the type described in Section 6.01(s);

(ee) (i) Liens on Capital Stock of joint ventures or Unrestricted Subsidiaries securing capital contributions to, or obligations of, such Persons and (ii) customary rights of first refusal and tag, drag and similar rights in joint venture agreements and agreements with respect to non-Wholly-Owned Subsidiaries;

(ff) Liens on cash or Cash Equivalents arising in connection with the defeasance, discharge or redemption of Indebtedness;

(gg) Liens consisting of the prior rights of consignees and their lenders under consignment arrangements entered into in the ordinary course of business;

(hh) Liens disclosed in any Mortgage Policy (or commitment) or survey delivered pursuant to Section 5.12 with respect to any Material Real Estate Asset and any replacement, extension or renewal thereof; provided that no such replacement, extension or renewal Lien shall cover any property other than the property that was subject to such Lien prior to such replacement, extension or renewal (and additions thereto, improvements thereon and the proceeds thereof); and

(ii) ground leases in respect of real property on which facilities owned or leased by the Borrower or any of its Subsidiaries are located.

Section 6.03. Transfers of Intellectual Property. The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to transfer, in any transaction or series of transactions after the Closing Date, to any Person that is not a Loan Party (x) any intellectual property or exclusive rights thereto, governmental or regulatory consent, approval, license or authorization, in each case, that is material to the business of the Loan Parties (as determined by the Borrower in its reasonable good faith business judgment in consultation with (but without the consent of) the Administrative Agent) or (y) any Capital Stock of any Restricted Subsidiary of the Borrower that owns intellectual property or exclusive rights thereto, governmental or regulatory consents, approvals, licenses or authorizations, in each case, that is material to the business of the Loan Parties (in the Borrower's reasonable good faith business judgment in consultation with (but without the consent of) the Administrative Agent), in each case, other than granting non-exclusive licenses, non-exclusive rights or similar agreements; provided that substantially contemporaneously with any such transfer, the Borrower shall deliver a certificate to the Administrative Agent (for delivery to each Lender) from the chief financial officer of the Borrower describing the intellectual property subject to such transfer and certifying that such transfer is made in compliance with this Section 6.03.

Section 6.04. Restricted Payments; Restricted Debt Payments.

(a) The Borrower shall not pay or make, directly or indirectly, any Restricted Payment, except that:

(i) The Borrower may make Restricted Payments in cash to the extent necessary to permit any Parent Company:

(A) to pay general administrative costs and expenses (including corporate overhead, legal or similar expenses and customary salary, bonus and other benefits payable to directors, officers, employees, members of management, managers and/or consultants of any Parent Company) and franchise Taxes, and similar fees and expenses, required to maintain the organizational existence or qualification to do business of such Parent Company, in each case, which are reasonable and customary and incurred in the ordinary course of business, plus any reasonable and customary indemnification claims made by directors, officers, members of management, managers, employees or consultants of any Parent Company, in each case, to the extent attributable to the ownership or operations of any Parent Company (but excluding, for the avoidance of doubt, the portion of any such amount, if any, that is attributable to the ownership or operations of any subsidiary of any Parent Company other than the Borrower and/or its subsidiaries), and/or its subsidiaries;

(B) (x) for any taxable period for which the Borrower is a member of a consolidated, combined, unitary or similar tax group for US federal and/or applicable state or local tax purposes of which such Parent Company is the common parent, to discharge

the consolidated, combined, unitary or similar Tax liabilities of such Parent Company and its subsidiaries when and as due, to the extent such liabilities are attributable to the income of the Borrower and/or any subsidiary; provided that the amount of such payments in respect of any taxable year do not exceed the amount of such Tax liabilities that the Borrower and/or its applicable subsidiaries would have paid had such Tax liabilities been paid as standalone companies or as a standalone group and (y) for any taxable period for which the Borrower is a partnership or disregarded entity for US federal income tax purposes that is wholly-owned (directly or indirectly) by a C corporation for US federal and/or applicable state or local tax purposes, distributions to discharge any Tax liabilities of any direct or indirect parent of the Borrower in an amount not to exceed the amount of any Tax that the Borrower and/or its applicable subsidiaries would have paid had such Tax been paid as standalone companies or as a standalone group (and assuming for purposes of such calculation that the Borrower is classified as a domestic corporation for US federal income tax purposes); provided, further, that any tax distribution pursuant to this clause relating to any Unrestricted Subsidiaries shall be allowed only to the extent of any cash distribution from such Unrestricted Subsidiaries made to the Borrower or any of its Restricted Subsidiaries for such purpose;

(C) to pay audit and other accounting and reporting expenses of any Parent Company to the extent such expenses are attributable to such Parent Company (but excluding, for the avoidance of doubt, the portion of any such expenses, if any, attributable to the ownership or operations of any subsidiary of any Parent Company other than the Borrower and/or its subsidiaries), the Borrower and its subsidiaries;

(D) for the payment of any insurance premiums that is payable by or attributable to any Parent Company (but excluding, for the avoidance of doubt, the portion of any such premiums, if any, attributable to the ownership or operations of any subsidiary of any Parent Company other than the Borrower and/or its subsidiaries), the Borrower and its subsidiaries;

(E) to pay (x) any fee and/or expense related to any debt or equity offering, investment or acquisition (whether or not consummated) and/or any expenses of, or indemnification obligations in favor of any trustee, agent, arranger, underwriter or similar role, and (y) after the consummation of an initial public offering or the issuance of public debt Securities, Public Company Costs;

(F) to finance any Investment permitted under Section 6.06 (provided that (x) any Restricted Payment under this clause (a)(i)(F) shall be made substantially concurrently with the closing of such Investment and (y) the relevant Parent Company shall, promptly following the closing thereof, cause (I) all property acquired to be contributed to the Borrower or one or more of its Restricted Subsidiaries, or (II) the merger, consolidation or amalgamation of the Person formed or acquired into the Borrower or one or more of its Restricted Subsidiaries, in order to consummate such Investment in compliance with the applicable requirements of Section 6.06 as if undertaken as a direct Investment by the Borrower or the relevant Restricted Subsidiary); and

(G) to pay customary salary, bonus, severance and other benefits payable to current or former directors, officers, members of management, managers, employees or consultants of any Parent Company (or any Immediate Family Member of any of the foregoing) to the extent such salary, bonuses and other benefits are attributable and reasonably allocated to the operations of the Borrower and/or its subsidiaries, in each case, so long as such Parent Company applies the amount of any such Restricted Payment for such purpose;

(ii) The Borrower may pay (or make Restricted Payments to allow any Parent Company) to repurchase, redeem, retire or otherwise acquire or retire for value the Capital Stock of any Parent Company or any subsidiary held by any future, present or former employee, director, member of management, officer, manager or consultant (or any Affiliate or Immediate Family Member thereof) of any Parent Company, the Borrower or any subsidiary:

(A) with Cash and Cash Equivalents (and including, to the extent constituting a Restricted Payment, amounts paid in respect of promissory notes issued to evidence any obligation to repurchase, redeem, retire or otherwise acquire or retire for value the Capital Stock of any Parent Company, the Borrower or any subsidiary held by any future, present or former employee, director, member of management, officer, manager or consultant (or any Affiliate or Immediate Family Member thereof) of any Parent Company, the Borrower or any subsidiary) in an amount not to exceed, in any Fiscal Year, the greater of \$10,000,000 and 10% of Consolidated Adjusted EBITDA for the most recently ended Test Period, which, if not used in such Fiscal Year, shall be carried forward to succeeding Fiscal Years;

(B) with the proceeds of any sale or issuance of, or any capital contribution in respect of, the Capital Stock of the Borrower or any Parent Company (to the extent such proceeds are contributed in respect of Qualified Capital Stock to the Borrower or any Restricted Subsidiary) (such proceeds, "RP Equity Proceeds"); or

(C) with the net proceeds of any key-man life insurance policies;

(iii) the Borrower may make Restricted Payments in an amount not to exceed (A) the portion, if any, of the Available Amount on such date that the Borrower elects to apply to this clause (iii)(A); provided that no Event of Default exists and is continuing at the time of such Restricted Payment and/or (B) the portion, if any, of the Available Excluded Contribution Amount on such date that the Borrower elects to apply to this clause (iii)(B);

(iv) the Borrower may make Restricted Payments (i) to any Parent Company to enable such Parent Company to make Cash payments in lieu of the issuance of fractional shares in connection with any dividend, split or combination thereof in connection with any Investment permitted hereunder or the exercise or vesting of warrants, options, restricted stock units or similar incentive interests or other securities convertible into or exchangeable for Capital Stock of such Parent Company or otherwise to honor a conversion requested by a holder thereof or (ii) consisting of (A) payments made or expected to be made in respect of withholding or similar Taxes payable by any future, present or former officers, directors, employees, members of management, managers or consultants of the Borrower, any subsidiary of the Borrower or Parent Company or any of their respective Immediate Family Members, (B) payments or other adjustments to outstanding Capital Stock in accordance with any management equity plan, stock option plan or any other similar employee benefit or incentive plan, agreement or arrangement in connection with any Restricted Payment and/or (C) repurchases of Capital Stock in consideration of the payments described in clauses (A) and/or (B) above, including demand repurchases, in connection with the exercise or vesting of stock options, restricted stock units or similar incentive interests;

(v) the Borrower may repurchase (or make Restricted Payments to any Parent Company to enable it to repurchase) Capital Stock upon the exercise of warrants, options or other

securities convertible into or exchangeable for Capital Stock if such Capital Stock represents all or a portion of the exercise price of, or tax withholdings with respect to, such warrants, options or other securities convertible into or exchangeable for Capital Stock;

(vi) the Borrower may make Restricted Payments, the proceeds of which are applied (i) to effect the consummation of the Transactions, (ii) to satisfy any payment obligations owing under the Acquisition Agreement (including payment of working capital and/or purchase price adjustments) and to pay Transaction Costs, in each case, with respect to the Transactions and (iii) to direct or indirect holders of Capital Stock of the Borrower in connection with, or as a result of any working capital and purchase price adjustments, in each case, with respect to the Transactions;

(vii) so long as no Event of Default exists at the time of declaration of such Restricted Payment, following the consummation of the first Qualifying IPO, the Borrower may (or may make Restricted Payments to any Parent Company to enable it to) make Restricted Payments in Cash with respect to any Capital Stock in an annual amount not to exceed an amount equal to 6.00% of the net Cash proceeds received by or contributed to the Borrower from any Qualifying IPO;

(viii) the Borrower may make Restricted Payments to (i) redeem, repurchase, retire or otherwise acquire any (A) Capital Stock ("Treasury Capital Stock") of the Borrower and/or any Restricted Subsidiary or (B) Capital Stock of any Parent Company, in the case of each of subclauses (A) and (B), in exchange for, or out of the proceeds of the substantially concurrent sale (other than to the Borrower and/or any Restricted Subsidiary) of, Qualified Capital Stock of the Borrower or any Parent Company to the extent any such proceeds are contributed to the capital of the Borrower and/or any Restricted Subsidiary in respect of Qualified Capital Stock ("Refunding Capital Stock") and (ii) declare and pay dividends on any Treasury Capital Stock out of the proceeds of the substantially concurrent sale (other than to the Borrower or a Restricted Subsidiary) of any Refunding Capital Stock;

(ix) to the extent constituting a Restricted Payment, the Borrower may consummate any transaction permitted by Section 6.06 (other than Sections 6.06(i) and (t)), Section 6.07 (other than Section 6.07(g)) and Section 6.09 (other than Sections 6.09(d) and (j));

(x) so long as no Event of Default exists at the time of the declaration of such Restricted Payment, the Borrower may make Restricted Payments in an aggregate amount after the Closing Date not to exceed the greater of \$25,000,000 and 25% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(xi) the Borrower may make unlimited Restricted Payments so long as (i) no Event of Default exists at the time of such Restricted Payment and (ii) the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, would not exceed 3.00:1.00;

(xii) the Borrower may declare and make dividend payments or other Restricted Payments payable solely in the Capital Stock of the Borrower or of any Parent Company;

(xiii) the Borrower may make Restricted Payments (other than in the form of intellectual property, Cash and Cash Equivalents) in connection with and/or relating to any internal reorganization or restructuring activities (including related to tax planning activities or in connection with, or in preparation for, a Qualifying IPO); provided that such activities (x) do not result in any Capital Stock of the Borrower or any Guarantor not constituting Collateral and (y) do not adversely affect in any material respect the value of the Loan Guaranty or the value, perfection or priority of the Collateral, in each case, taken as a whole;

(xiv) payments or distributions to satisfy dissenters' or appraisal rights, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of assets that complies with Section 6.07; and

(xv) the Borrower may make (and Holdings may thereafter distribute to any other Parent Company) the 2020 Dividend.

(b) the Borrower shall not, nor shall it permit any Restricted Subsidiary to, make any payment in Cash in respect of principal outstanding under any Restricted Debt, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Restricted Debt prior to the scheduled maturity date thereof (collectively, "Restricted Debt Payments"), except:

(i) with respect to any purchase, defeasance, redemption, repurchase, repayment or other acquisition or retirement thereof made by exchange for, or out of the proceeds of, Indebtedness permitted by Section 6.01;

(ii) as part of an applicable high yield discount obligation catch-up payment;

(iii) payments of regularly scheduled principal or regularly scheduled interest (including any penalty interest, if applicable) and payments of fees, expenses and indemnification obligations as and when due (other than payments that are prohibited by the subordination provisions thereof) and any payments with respect to Disqualified Capital Stock;

(iv) so long as no Event of Default under Section 7.01(a), (f) or (g) exists, Restricted Debt Payments in an aggregate amount not to exceed (A) the greater of \$25,000,000 and 25% of Consolidated Adjusted EBITDA for the most recently ended Test Period, plus (B) at the election of the Borrower, the amount of Restricted Payments then permitted to be made by the Borrower in reliance on Section 6.04(a)(x) (it being understood that any amount utilized under this clause (B) to make a Restricted Debt Payment shall result in a reduction in availability under Section 6.04(a)(x));

(v) (A) Restricted Debt Payments in exchange for, or with proceeds of any issuance of, Capital Stock of any Parent Company or Qualified Capital Stock of the Borrower and/or any capital contribution in respect of Qualified Capital Stock of the Borrower (such proceeds, "RDP Equity Proceeds"), (B) Restricted Debt Payments as a result of the conversion of all or any portion of any Restricted Debt into Qualified Capital Stock of any Parent Company or the Borrower and (C) to the extent constituting a Restricted Debt Payment, payment-in-kind interest with respect to any Restricted Debt that is permitted under Section 6.01;

(vi) Restricted Debt Payments in an aggregate amount not to exceed (A) the portion, if any, of the Available Amount on such date that the Borrower elects to apply to this clause (vi)(A); provided that no Event of Default exists and is continuing at the time of such Restricted Debt Payment and/or (B) the portion, if any, of the Available Excluded Contribution Amount on such date that the Borrower elects to apply to this clause (vi)(B);

(vii) Restricted Debt Payments in an unlimited amount; provided that (A) no Event of Default exists and (B) the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, would not exceed 3.00:1.00; and

(viii) mandatory prepayments of Restricted Debt (and related payments of interest) made with Declined Proceeds (it being understood that any Declined Proceeds applied to make Restricted Debt Payments in reliance on this Section 6.04(b)(viii) shall not increase the amount available under clause (a)(viii) of the definition of "Available Amount" to the extent so applied).

Section 6.05. Burdensome Agreements. Except as provided herein or in any other Loan Document and/or in any agreements with respect to any refinancings, renewals or replacement of such Indebtedness that is permitted by Section 6.01, the Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into or cause to exist any agreement restricting the ability of (x) any Restricted Subsidiary of the Borrower that is not a Loan Party to pay dividends or other distributions to the Borrower or any Loan Party, (y) any Restricted Subsidiary that is not a Loan Party to make cash loans or advances to the Borrower or any Loan Party or (z) any Loan Party to create, permit or grant a Lien on any of its properties or assets to secure the Secured Obligations, except restrictions:

(a) set forth in any agreement evidencing (i) Indebtedness of a Restricted Subsidiary that is not a Loan Party permitted by Section 6.01, (ii) Indebtedness permitted by Section 6.01 that is secured by a Permitted Lien if the relevant restriction applies only to the Person obligated under such Indebtedness and its Restricted Subsidiaries or the assets intended to secure such Indebtedness and (iii) Indebtedness permitted pursuant to clauses (j), (m), (p) (as it relates to Indebtedness in respect of clauses (a), (m), (q), and/or (w) of Section 6.01), (q), (u), (w) and/or (v) of Section 6.01;

(b) arising under customary provisions restricting assignments, subletting or other transfers (including the granting of any Lien) contained in leases, subleases, licenses, sublicenses, joint venture agreements and other agreements entered into in the ordinary course of business;

(c) that are or were created by virtue of any Lien granted upon, transfer of, agreement to transfer or grant of, any option or right with respect to any assets or Capital Stock not otherwise prohibited under this Agreement;

(d) that are assumed in connection with any acquisition of property or the Capital Stock of any Person, so long as the relevant encumbrance or restriction relates solely to the Person and its subsidiaries (including the Capital Stock of the relevant Person or Persons) and/or property so acquired and was not created in connection with or in anticipation of such acquisition;

(e) set forth in any agreement for any Disposition of any Restricted Subsidiary (or all or substantially all of the assets thereof) that restricts the payment of dividends or other distributions or the making of cash loans or advances by such Restricted Subsidiary pending such Disposition;

(f) set forth in provisions in agreements or instruments which prohibit the payment of dividends or the making of other distributions with respect to any class of Capital Stock of a Person other than on a pro rata basis;

(g) imposed by customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements and other similar agreements;

(h) on Cash, other deposits or net worth or similar restrictions imposed by any Person under any contract entered into in the ordinary course of business or for whose benefit such Cash, other deposits or net worth or similar restrictions exist;

(i) set forth in documents which exist on the Closing Date;

(j) arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred after the Closing Date if the relevant restrictions, taken as a whole, are not materially less favorable to the Lenders than the restrictions contained in this Agreement, taken as a whole (as determined in good faith by the Borrower);

(k) arising under or as a result of applicable Requirements of Law or the terms of any license, authorization, concession or permit;

(l) arising in any Hedge Agreement and/or any agreement or arrangement relating to any Banking Services;

(m) relating to any asset (or all of the assets) of and/or the Capital Stock of the Borrower and/or any Restricted Subsidiary which is imposed pursuant to an agreement entered into in connection with any Disposition of such asset (or assets) and/or all or a portion of the Capital Stock of the relevant Person that is permitted or not restricted by this Agreement;

(n) set forth in any agreement relating to any Permitted Lien that limit the right of the Borrower or any Restricted Subsidiary to Dispose of or encumber the assets subject thereto;

(o) customary subordination and/or subrogation provisions set forth in guaranty or similar documentation (not relating to Indebtedness for borrowed money) that are entered into in the ordinary course of business;

(p) any restriction created in connection with any factoring program implemented in the ordinary course of business, so long as in the case of prohibitions on Liens, the relevant restriction relates solely to assets subject to such factoring program and the Capital Stock of entities participatory in such factoring program; and/or

(q) imposed by any amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing of any contract, instrument or obligation referred to in clauses (a) through (p) above; provided that no such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing is, in the good faith judgment of the Borrower, more restrictive with respect to such restrictions, taken as a whole, than those in existence prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 6.06. Investments. The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, make or own any Investment in any other Person except:

(a) Cash or Investments that were Cash Equivalents at the time made;

(b) (i) Investments existing on the Closing Date in the Borrower or in any Restricted Subsidiary and (ii) Investments made after the Closing Date among the Borrower and/or one or more Restricted Subsidiaries; provided that in the case of any Investment by any Loan Party in any Restricted Subsidiary that is not a Loan Party in reliance on this clause (ii), the aggregate outstanding amount of any

such Investment shall not exceed the greater of \$50,000,000 and 50% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with Investments in non-Loan Parties under Section 6.06(d) and (e);

(c) Investments (i) constituting deposits, prepayments, trade credit and/or other credits to suppliers, (ii) made in connection with obtaining, maintaining or renewing client and customer contracts and/or (iii) in the form of advances made to distributors, suppliers, licensors and licensees, in each case, in the ordinary course of business or, in the case of clause (iii), to the extent necessary to maintain the ordinary course of supplies to the Borrower or any Restricted Subsidiary;

(d) Investments in any Unrestricted Subsidiary, any joint venture and/or any Similar Business in an aggregate outstanding amount not to exceed the greater of \$50,000,000 and 50% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with Investments by Loan Parties in non-Loan Parties under Section 6.06(b)(ii) and (e);

(e) (i) Permitted Acquisitions and (ii) any Investment in any Restricted Subsidiary that is not a Loan Party in an amount required to permit such Restricted Subsidiary to consummate directly, or indirectly through one or more other Restricted Subsidiaries, a Permitted Acquisition, which amount is applied, by such Restricted Subsidiary directly or indirectly through one or more other Restricted Subsidiaries to consummate such Permitted Acquisition in an aggregate outstanding amount, with respect to clause (ii), not to exceed the greater of \$50,000,000 and 50% of Consolidated Adjusted EBITDA for the most recently ended Test Period when aggregated with Investments in non-Loan Parties under Section 6.06(b)(ii), (d) and pursuant to clause (a) of the definition of "Permitted Acquisition";

(f) Investments (i) existing on, or contractually committed to or contemplated as of, the Closing Date; provided that, such Investment is described on Schedule 6.06 and (ii) any modification, replacement, renewal or extension of any Investment described in clause (i) above so long as no such modification, renewal or extension increases the amount of such Investment except by the terms thereof or as otherwise permitted by this Section 6.06;

(g) Investments received in lieu of Cash in connection with any Disposition permitted by Section 6.07 or any other disposition of assets not constituting a Disposition;

(h) loans or advances to present or former employees, directors, members of management, officers, managers or consultants or independent contractors (or their respective Immediate Family Members) of any Parent Company, the Borrower, its subsidiaries and/or any joint venture to the extent permitted by Requirements of Law, in connection with such Person's purchase of Capital Stock of any Parent Company, either (i) in an aggregate principal amount not to exceed \$1,000,000 at any one time outstanding or (ii) so long as the proceeds of such loan or advance are substantially contemporaneously contributed to the Borrower for the purchase of such Capital Stock;

(i) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business;

(j) Investments consisting of (or resulting from) Indebtedness permitted under Section 6.01 (other than Indebtedness permitted under Sections 6.01(b) and (h)), Permitted Liens, Restricted Payments permitted under Section 6.04 (other than Section 6.04(a)(ix)), Restricted Debt Payments permitted by Section 6.04 and mergers, consolidations, amalgamations, liquidations, windings up, dissolutions or Dispositions permitted by Section 6.07 (other than Section 6.07(a) (if made in reliance on subclause (ii)(v) of the proviso thereto), Section 6.07(b) (if made in reliance on clause (ii) therein), Section 6.07(c) (ii) (if made in reliance on clause (B) therein) and Section 6.07(g));

(k) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers;

(l) Investments (including debt obligations and Capital Stock) received (i) in connection with the bankruptcy or reorganization of any Person, (ii) in settlement of delinquent obligations of, or other disputes with, customers, suppliers and other account debtors arising in the ordinary course of business, (iii) upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment and/or (iv) as a result of the settlement, compromise, resolution of litigation, arbitration or other disputes;

(m) loans and advances of payroll payments or other compensation (including deferred compensation) to present or former employees, directors, members of management, officers, managers or consultants of any Parent Company (to the extent such payments or other compensation relate to services provided to such Parent Company (but excluding, for the avoidance of doubt, the portion of any such amount, if any, attributable to the ownership or operations of any subsidiary of any Parent Company other than the Borrower and/or its subsidiaries)), the Borrower and/or any subsidiary in the ordinary course of business;

(n) Investments to the extent that payment therefor is made solely with Capital Stock of any Parent Company or Qualified Capital Stock of the Borrower, in each case, to the extent not resulting in a Change of Control;

(o) (i) Investments of any Restricted Subsidiary acquired after the Closing Date, or of any Person acquired by, or merged into or consolidated or amalgamated with, the Borrower or any Restricted Subsidiary after the Closing Date, in each case as part of an Investment otherwise permitted by this Section 6.06 to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of the relevant acquisition, merger, amalgamation or consolidation and (ii) any modification, replacement, renewal or extension of any Investment permitted under clause (i) of this Section 6.06(o) so long as no such modification, replacement, renewal or extension thereof increases the original amount of such Investment (unless the Investments constituting any such additional amounts are made pursuant to another clause under this Section 6.06 (which, for the avoidance of doubt, shall result in usage of capacity under such other clause);

(p) Investments made in connection with the Transactions;

(q) Investments made after the Closing Date by the Borrower and/or any of its Restricted Subsidiaries in an aggregate amount at any time outstanding not to exceed:

(i) (A) the greater of \$25,000,000 and 25% of Consolidated Adjusted EBITDA for the most recently ended Test Period, plus (B) at the election of the Borrower, the amount of Restricted Payments then permitted to be made by the Borrower in reliance on Section 6.04(a)(x) (it being understood that any amount utilized under this clause (B) to make an Investment shall result in a reduction in availability under Section 6.04(a)(x)), plus (C) at the election of the Borrower, the amount of Restricted Debt Payments then permitted to be made by the Borrower or any Restricted Subsidiary in reliance on Section 6.04(b)(iv)(A) (it being understood that any amount utilized under this clause (C) to make an Investment shall result in a reduction in availability under Section 6.04(b)(iv)(A)), plus

(ii) in the event that (A) the Borrower or any of its Restricted Subsidiaries makes any Investment after the Closing Date in any Person that is not a Restricted Subsidiary and (B) such Person subsequently becomes a Restricted Subsidiary, an amount equal to 100.0% of the fair market value of such Investment as of the date on which such Person becomes a Restricted Subsidiary;

(r) Investments made after the Closing Date by the Borrower and/or any of its Restricted Subsidiaries in an aggregate outstanding amount not to exceed (i) subject to no existing Event of Default under Section 7.01(a), (f) or (g), the portion, if any, of the Available Amount on such date that the Borrower elects to apply to this clause (r)(i) and/or (ii) the portion, if any, of the Available Excluded Contribution Amount on such date that the Borrower elects to apply to this clause (r)(ii);

(s) (i) Guarantees of leases (other than Capital Leases) or of other obligations of Restricted Subsidiaries not constituting Indebtedness and (ii) Guarantees of the lease obligations of suppliers, customers, franchisees and licensees of the Borrower and/or its Restricted Subsidiaries, in each case, in the ordinary course of business;

(t) Investments in any Parent Company in amounts and for purposes for which Restricted Payments to such Parent Company are permitted under Section 6.04(a); provided that any Investment made as provided above in lieu of any such Restricted Payment shall reduce availability under the applicable Restricted Payment basket under Section 6.04(a);

(u) [Reserved];

(v) Investments in the Borrower and/or any subsidiary in connection with internal reorganizations and/or restructurings and/or activities related to tax planning (including in each case in connection with, or in preparation for, a Qualifying IPO); provided that such activities (x) do not result in any Capital Stock of the Borrower or any Guarantor not constituting Collateral and (y) do not adversely affect in any material respect the value of the Loan Guaranty or the value, perfection or priority of the Collateral, in each case, taken as a whole;

(w) Investments under any Derivative Transaction of the type permitted under Section 6.01(s);

(x) [Reserved];

(y) Investments made in joint ventures as required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding arrangements entered into in the ordinary course of business;

(z) Investments made in in the ordinary course of business connection with any nonqualified deferred compensation plan or arrangement for any present or former employee, director, member of management, officer, manager or consultant or independent contractor (or any Immediate Family Member thereof) of any Parent Company, the Borrower, its subsidiaries and/or any joint venture;

(aa) Investments in the Borrower, any Restricted Subsidiary and/or joint venture in connection with intercompany cash management arrangements and related activities in the ordinary course of business in an amount, at any time outstanding under this clause (aa), not to exceed the greater of \$5,000,000 and 5% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(bb) Investments so long as, (1) no Event of Default under Section 7.01(a), (f) or (g) exists and (2) the Total Leverage Ratio, calculated on a Pro Forma Basis, as of the last day of the then most recently ended Test Period, does not exceed 3.50:1.00;

(cc) any Investment made by any Unrestricted Subsidiary prior to the date on which such Unrestricted Subsidiary is designated as a Restricted Subsidiary so long as the relevant Investment was not made in contemplation of the designation of such Unrestricted Subsidiary as a Restricted Subsidiary;

(dd) Investments consisting of the licensing, sublicensing or contribution of IP Rights, including pursuant to joint marketing or joint development arrangements with other Persons in the ordinary course of business; and

(ee) loans and advances to any Parent Company not in excess of the amount of (after giving effect to any other loan, advance or Restricted Payment in respect thereof) Restricted Payments that are permitted to be made to such Parent Company in accordance with Section 6.04(a)(i), such Investment being treated for purposes of the applicable provision of Section 6.04(a), including any limitation, as a Restricted Payment made pursuant to such clause.

Section 6.07. Fundamental Changes; Disposition of Assets. Other than the Transactions, the Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any transaction of merger, consolidation or amalgamation, or liquidate, wind up or dissolve themselves (or suffer any liquidation or dissolution), or make any Disposition of any assets having a fair market value in excess of \$7,500,000 in a single transaction or a series of related transactions or in excess of \$15,000,000 in the aggregate for such transactions in any Fiscal Year (including, in each case, pursuant to a Delaware LLC Division), except:

(a) the Borrower or any Restricted Subsidiary may be merged, consolidated or amalgamated with or into the Borrower or any Restricted Subsidiary or, if applicable, effect a Delaware LLC Division; provided that (i) in the case of any such merger, consolidation or amalgamation with or into the Borrower or Delaware LLC Division relating to the Borrower, (A) the Borrower shall be the continuing or surviving Person or (B) if the Person formed by or surviving any such merger, consolidation, amalgamation or Delaware LLC Division is not the Borrower (any such Person, the "Successor Borrower"), (x) the Successor Borrower shall be an entity organized or existing under the law of the US, any state thereof or the District of Columbia, (y) the Successor Borrower shall expressly assume the Obligations of the Borrower in a manner reasonably satisfactory to the Administrative Agent and (z) except as the Administrative Agent may otherwise agree, each Guarantor, unless it is the other party to such merger, consolidation or amalgamation, shall have executed and delivered a reaffirmation agreement with respect to its obligations under the Loan Guaranty and the other Loan Documents; it being understood and agreed that if the foregoing conditions under clauses (x) through (z) are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement and the other Loan Documents, and (ii) in the case of any such merger, consolidation, amalgamation or Delaware LLC Division with or into any Subsidiary Guarantor, either (A) the Subsidiary Guarantor shall be the continuing or surviving Person or the continuing or surviving Person (or, in the case of an amalgamation, the Person formed as a result thereof) shall expressly assume the obligations of the Borrower or such Subsidiary Guarantor in a manner reasonably satisfactory to the Administrative Agent or (B) the relevant transaction shall be treated as an Investment and shall comply with Section 6.06;

(b) Dispositions (including of Capital Stock) among the Borrower and/or any Restricted Subsidiary (upon voluntary liquidation or otherwise); provided that any such Disposition made by any Loan Party to any Person that is not a Loan Party shall be (i) for fair market value (as reasonably determined by such Person) with at least 75% of the consideration for such Disposition consisting of Cash or Cash Equivalents at the time of such Disposition or (ii) treated as an Investment and otherwise made in compliance with Section 6.06 (other than in reliance on clause (j) thereof);

(c) (i) the liquidation, dissolution or Delaware LLC Division of any Restricted Subsidiary if the Borrower determines in good faith that such liquidation, dissolution or Delaware LLC Division is in the best interests of the Borrower, is not materially disadvantageous to the Lenders (taken as a whole) and the Borrower or any Restricted Subsidiary receives the assets (if any) of the relevant liquidated, dissolved or divided Restricted Subsidiary; provided that in the case of any liquidation, dissolution or Delaware LLC Division of any Loan Party that results in a distribution of assets to any Restricted Subsidiary that is not a Loan Party, such distribution shall be treated as an Investment and shall comply with Section 6.06 (other than in reliance on clause (i) thereof); (ii) any merger, amalgamation, dissolution, liquidation, consolidation or Delaware LLC Division, the purpose of which is to effect (A) any Disposition otherwise permitted under this Section 6.07 (other than clause (a), clause (b) or this clause (c)) or (B) any Investment permitted under Section 6.06 (other than Section 6.06(i)); and (iii) the conversion of the Borrower or any Restricted Subsidiary into another form of entity, so long as such conversion does not adversely affect the value of the Loan Guaranty or Collateral, if any;

(d) (i) Dispositions of inventory or equipment or immaterial assets in the ordinary course of business (including on an intercompany basis) and (ii) the leasing or subleasing of real property in the ordinary course of business;

(e) Dispositions of surplus, obsolete, used or worn out property or other property that, in the reasonable judgment of the Borrower, is (A) no longer useful in its business (or in the business of any Restricted Subsidiary of the Borrower) or (B) otherwise economically impracticable to maintain;

(f) Dispositions of Cash and/or Cash Equivalents and/or other assets that were Cash Equivalents when the relevant original Investment was made;

(g) Dispositions, mergers, amalgamations, consolidations or conveyances that constitute (w) Investments permitted pursuant to Section 6.06 (other than Section 6.06(i)), (x) Permitted Liens, (y) Restricted Payments permitted by Section 6.04(a) (other than Section 6.04(a)(ix)) and (z) Sale and Leaseback Transactions in an amount not to exceed equal to the greater of \$15,000,000 and 15% of Consolidated Adjusted EBITDA for the most recently ended Test Period;

(h) Dispositions for fair market value (other than any intellectual property that is material to the business of the Loan Parties) provided that with respect to any such Disposition with a purchase price in excess of the greater of \$15,000,000 and 15% of Consolidated Adjusted EBITDA for the most recently ended Test Period (other than any Permitted Asset Swap), at least 75% of the consideration for such Disposition (other than the portion of any such Disposition consisting of a Permitted Asset Swap) shall consist of Cash or Cash Equivalents; provided, further, that for purposes of the 75% Cash consideration requirement at:

(i) the amount of any Indebtedness or other liabilities (other than Indebtedness or other liabilities that are subordinated to the Obligations or that are owed to the Borrower or any Restricted Subsidiary) of the Borrower or any Restricted Subsidiary (as shown on such Person's most recent balance sheet or statement of financial position (or in the notes thereto)) that are assumed by the transferee of any such assets (or that are otherwise terminated or cancelled in connection with the transaction with such transferee) and for which the Borrower and/or its applicable Restricted Subsidiary have been validly released by all relevant creditors in writing,

(ii) the amount of any trade-in value applied to the purchase price of any replacement assets acquired in connection with such Disposition,

(iii) any Security received by the Borrower or any Restricted Subsidiary from such transferee that is converted by such Person into Cash or Cash Equivalents (to the extent of the Cash or Cash Equivalents received) within 180 days following the closing of the applicable Disposition, and

(iv) any Designated Non-Cash Consideration received in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iv) that is at that time outstanding, not in excess of the greater of \$20,000,000 and 20% of Consolidated Adjusted EBITDA for the most recently ended Test Period, in each case, shall be deemed to be Cash; and

provided, further, that (A) immediately prior to and after giving effect to such Disposition, no Event of Default under Sections 7.01(a), 7.01(f) or 7.01(g) then exists and (B) the Net Proceeds of such Disposition shall be applied and/or reinvested as (and to the extent) required by Section 2.11(b)(ii);

(i) to the extent that (i) the relevant property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of the relevant Disposition are promptly applied to the purchase price of such replacement property;

(j) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to, buy/sell arrangements between joint venture or similar parties set forth in the relevant joint venture arrangements and/or similar binding arrangements;

(k) Dispositions, discounting or forgiveness of notes receivable or accounts receivable in the ordinary course of business (including to insurers which have provided insurance as to the collection thereof) or in connection with the collection or compromise thereof (including sales to factors);

(l) Dispositions and/or terminations of leases, subleases, licenses or sublicenses (including the provision of software under any open source license), (i) the Disposition or termination of which will not materially interfere with the business of the Borrower and its Restricted Subsidiaries (taken as a whole) or (ii) which relate to closed facilities or the discontinuation of any product line;

(m) (i) any termination of any lease in the ordinary course of business, (ii) any expiration of any option agreement in respect of real or personal property and (iii) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or litigation claims (including in tort) in the ordinary course of business;

(n) Dispositions of property subject to foreclosure, casualty, eminent domain or condemnation proceedings (including in lieu thereof or any similar proceeding);

(o) Dispositions or consignments of equipment, inventory or other assets (including leasehold interests in real property) with respect to facilities that are temporarily not in use, held for sale or closed;

(p) to the extent constituting a Disposition, the consummation of the Transactions;

(q) Dispositions of non-core assets acquired in connection with any acquisition or other Investment permitted hereunder and sales of Real Estate Assets acquired in any acquisition or other Investment permitted hereunder which, within 90 days of the date of such acquisition or other Investment, are designated in writing to the Administrative Agent as being held for sale and not for the continued operation of the Borrower or any of its Restricted Subsidiaries or any of their respective businesses; provided that no Event of Default exists on the date on which the definitive agreement governing the relevant Disposition is executed and no Event of Default under Sections 7.01(a), (f) or (g) exists at the time of such Disposition;

(r) exchanges or swaps, including transactions covered by Section 1031 of the Code (or any comparable provision of any foreign jurisdiction), of assets so long as any such exchange or swap is made for fair value (as reasonably determined by the Borrower) for like assets; provided that upon the consummation of any such exchange or swap by any Loan Party, to the extent the assets received do not constitute an Excluded Asset, the Administrative Agent has a perfected Lien with the same priority as the Lien held on the Real Estate Assets so exchanged or swapped;

(s) so long as no Event of Default exists on the date on which the definitive agreement governing the relevant Disposition is executed and no Event of Default under Sections 7.01(a), (f) or (g) exists at the time of such Disposition, Dispositions of assets that do not constitute Collateral (including Capital Stock of, or sales of Indebtedness or other Securities of, Unrestricted Subsidiaries) for fair market value;

(t) (i) Dispositions, licensing, sublicensing and cross-licensing arrangements involving any technology, intellectual property or IP Rights of the Borrower or any Subsidiary in the ordinary course of business, and (ii) the Disposition, abandonment, cancellation or lapse of IP Rights, or any issuances or registrations, or applications for issuances or registrations, of any IP Rights, which, in the reasonable good faith determination of the Borrower are not material to the conduct of the business of the Borrower and/or its Subsidiaries, or are no longer economical to maintain in light of its use;

(u) Dispositions in connection with the termination or unwind of Derivative Transactions or Banking Services Obligations;

(v) [reserved];

(w) Dispositions of Real Estate Assets and related assets in the ordinary course of business in connection with relocation activities for directors, officers, employees, members of management, managers or consultants of any Parent Company, the Borrower and/or any Restricted Subsidiary;

(x) Dispositions made to comply with any order of any Governmental Authority or any applicable Requirement of Law (including as a condition to, or in connection with, the consummation of the Transactions);

(y) any merger, consolidation, Disposition or conveyance the purpose of which is to reincorporate or reorganize (i) any Restricted Subsidiary in another jurisdiction in the US and/or (ii) any Foreign Subsidiary in the US or any other jurisdiction;

(z) any sale of motor vehicles and information technology equipment purchased at the end of an operating lease and resold thereafter;

(aa) Dispositions for fair market value involving assets having a fair market value (as reasonably determined by the Borrower at the time of the relevant Disposition) in any Fiscal Year of not more than the greater of \$10,000,000 and 10% of Consolidated Adjusted EBITDA for the most recently ended Fiscal Year;

(bb) Dispositions in connection with reorganizations and/or restructurings and/or activities related to tax planning (including in each case in connection with, or in preparation for, a Qualifying IPO); provided that such activities (x) do not result in any Capital Stock of the Borrower or any Guarantor not constituting Collateral and (y) do not adversely affect in any material respect the value of the Loan Guaranty or the value, perfection or priority of the Collateral, in each case, taken as a whole; and

(cc) Dispositions of assets in connection with the closing or sale of an office in the ordinary course of business of the Borrower and the Restricted Subsidiaries, which consist of leasehold interests in the premises of such office, the equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such office; provided, that as to each and all such sales and closings, (i) on the date on which such Disposition is consummated, no Event of Default shall result and (ii) such sale shall be on commercially reasonable prices and terms in a bona fide arm's-length transaction;

To the extent that any Collateral is Disposed of as expressly permitted by this Section 6.07, such Collateral shall be Disposed of free and clear of the Liens created by the Loan Documents, which Liens shall be automatically released upon the consummation of such Disposition; it being understood and agreed that the Administrative Agent shall be authorized to take, and shall take, any actions reasonably requested by the Borrower in order to effect the foregoing; provided, that in the case of a Disposition to a Loan Party, the transferee Loan Party shall cause the relevant assets Disposed to it to become part of its Collateral.

Section 6.08. [Reserved].

Section 6.09. Transactions with Affiliates. The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) involving payment in excess of the greater of \$10,000,000 and 10% of Consolidated Adjusted EBITDA for the most recently ended Test Period with any of their respective Affiliates on terms that are less favorable to the Borrower or such Restricted Subsidiary, as the case may be (as reasonably determined by the Borrower), than those that might be obtained at the time in a comparable arm's-length transaction from a Person who is not an Affiliate; provided that the foregoing restriction shall not apply to:

(a) any transaction between or among Holdings, the Borrower and/or one or more Restricted Subsidiaries (or any entity that becomes a Restricted Subsidiary as a result of such transaction) to the extent permitted or not restricted by this Agreement; provided that with respect to any transaction between a Loan Party and a non-Loan Party where the non-Loan Party is the beneficiary of any economic non-arm's-length terms at the quantifiable expense or cost of the Loan Parties, such transaction shall constitute an Investment pursuant to Section 6.06 in the amount of the expense or cost to the Loan Parties and shall only be permitted hereby if it would be a permitted Investment (whether or not it is an Investment) and shall reduce capacity under the applicable Investment basket for other Investments pursuant to such clause(s) of Section 6.06 in the amount of the applicable expense or cost to the Loan Parties;

(b) any issuance, sale or grant of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of employment arrangements, stock options and stock ownership plans approved by the board of directors (or equivalent governing body) of any Parent Company or of the Borrower or any Restricted Subsidiary;

(c) (i) any collective bargaining, employment or severance agreement or compensatory (including profit sharing) arrangement (including salary or guaranteed payment and bonuses) entered into by the Borrower or any of its Restricted Subsidiaries with their respective current or former officers, directors, members of management, managers, employees, consultants or independent contractors or those of any Parent Company, (ii) any subscription agreement or similar agreement pertaining to the repurchase of Capital Stock pursuant to put/call rights or similar rights with current or former officers, directors,

members of management, managers, employees, consultants or independent contractors and (iii) transactions pursuant to any employee compensation, benefit plan, stock option plan or arrangement, any health, disability or similar insurance plan which covers current or former officers, directors, members of management, managers, employees, consultants or independent contractors or any employment contract or arrangement;

(d) (i) transactions permitted by Sections 6.01(b), (d), (h), (i), (o), (bb) and (ee) (in each case plus any related Liens permitted under Section 6.02), 6.04 and 6.06(b), (d), (e), (h), (m), (o), (p), (r) (t), (v), (y), (z), and (cc) and (ii) issuances of Capital Stock of Holdings not restricted by this Agreement;

(e) transactions in existence on the Closing Date; provided, that, such transactions are described on Schedule 6.09 and any amendment, modification or extension thereof to the extent such amendment, modification or extension, taken as a whole, is not (i) materially adverse to the Lenders or (ii) more disadvantageous in any material respect to the Lenders than the relevant transaction in existence on the Closing Date;

(f) (i) so long as no Event of Default under Sections 7.01(a), 7.01(f) or 7.01(g) then exists or would result therefrom, the payment of management, monitoring, consulting, transaction, oversight, advisory and similar fees to any Investor in an amount not to exceed, in the aggregate, the greater of \$2,000,000 and 2% of Consolidated Adjusted EBITDA per Fiscal Year; provided, that such fees may continue to accrue during the pendency of any such Event of Default and shall become payable upon the waiver, termination or cure of the relevant Event of Default and (ii) the payment or reimbursement of all indemnification obligations and expenses owed to any Investor and any of their respective directors, officers, members of management, managers, employees and consultants, in each case of clauses (i) and (ii) whether currently due or paid in respect of accruals from prior periods;

(g) the Transactions, the First Amendment Transactions, the payment of Transaction Costs, the payment of the First Amendment Transaction Costs and any payment required under the Acquisition Agreement;

(h) customary compensation to Affiliates in connection with financial advisory, financing, underwriting or placement services or in respect of other investment banking activities and other transaction fees, which payments are approved by the majority of the members of the board of directors (or similar governing body) or a majority of the disinterested members of the board of directors (or similar governing body) of the Borrower in good faith;

(i) Guarantees permitted by Section 6.01 or Section 6.06;

(j) [reserved];

(k) the payment of customary fees and reasonable out-of-pocket costs and expenses to, and indemnities provided on behalf of, members of the board of directors (or similar governing body), officers, employees, members of management, managers, members, shareholders consultants and independent contractors of the Borrower and/or any of its Restricted Subsidiaries in the ordinary course of business and, in the case of payments to such Person in such capacity on behalf of any Parent Company, to the extent attributable to the operations of the Borrower or its subsidiaries;

(l) transactions with customers, clients, suppliers, joint ventures, purchasers or sellers of goods or services or providers of employees or other labor entered into in the ordinary course of business, which are (i) fair to the Borrower and/or its applicable Restricted Subsidiary in the good faith determination of the Borrower (or its board of directors (or similar governing body) or senior management) or (ii) on terms at least as favorable as might reasonably be obtained from a Person other than an Affiliate;

(m) the payment of reasonable out-of-pocket costs and expenses related to registration rights and customary indemnities provided to shareholders under any shareholder agreement;

(n) (i) any purchase by Holdings of the Capital Stock of (or contribution to the equity capital of) the Borrower and (ii) any intercompany loans made by the Borrower to Holdings or any Restricted Subsidiary;

(o) any transaction (or series of related transactions) in respect of which the Borrower delivers to the Administrative Agent a letter addressed to the board of directors (or equivalent governing body) of the Borrower from an accounting, appraisal or investment banking firm of nationally recognized standing stating that such transaction or transactions, as applicable, is or are on terms that are no less favorable to the Borrower or the applicable Restricted Subsidiary than might be obtained at the time in a comparable arm's length transaction from a Person who is not an Affiliate; and/or

(p) any issuance, sale or grant of securities or other payments, awards or grants in Cash, securities or otherwise pursuant to, or the funding of employment arrangements, stock options and stock ownership or incentive plans approved by a majority of the members of the board of directors (or similar governing body) or a majority of the disinterested members of the board of directors (or similar governing body) of the Borrower in good faith.

Section 6.10. Conduct of Business. From and after the Closing Date, the Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, engage in any material line of business other than (a) the businesses engaged in by the Target, the Borrower or any Restricted Subsidiary on the Closing Date and similar, incidental, complementary, ancillary or related businesses and (b) such other lines of business to which the Administrative Agent may consent.

Section 6.11. [Reserved].

Section 6.12. Amendments of or Waivers with Respect to Restricted Debt. The Borrower shall not, nor shall it permit any of its Restricted Subsidiaries to, amend or otherwise modify the subordination terms of any Restricted Debt (or the documentation governing any Restricted Debt) if the effect of such amendment or modification, together with all other amendments or modifications made, is materially adverse to the interests of the Lenders (in their capacities as such); provided that, for purposes of clarity, it is understood and agreed that the foregoing limitation shall not otherwise prohibit any Refinancing Indebtedness or any other replacement, refinancing, amendment, supplement, modification, extension, renewal, restatement or refunding of any Restricted Debt, in each case, that is otherwise permitted to be incurred under this Agreement in respect thereof.

Section 6.13. Fiscal Year. The Borrower shall not change its Fiscal Year-end to a date other than as described in the definition of Fiscal Year; provided that the Borrower may, upon written notice to the Administrative Agent, change its Fiscal Year-end to another date, in which case the Borrower and the Administrative Agent will, and are hereby authorized to, make any adjustments to this Agreement that are necessary or advisable to reflect such change in Fiscal Year.

Section 6.14. Holdings. Holdings shall not:

(a) incur any third party Indebtedness for borrowed money other than (i) the Indebtedness permitted to be incurred by Holdings under the Loan Documents or otherwise in connection with the

Transactions, (ii) Guarantees of Indebtedness or other obligations of the Borrower and/or any Restricted Subsidiary that are otherwise permitted hereunder, (iii) any Indebtedness (other than Indebtedness for borrowed money (including notes, bonds, debentures and similar instruments)) arising in connection with any Permitted Acquisition or other Investment permitted under this Agreement or any Disposition permitted by this Agreement, (v) any Indebtedness (other than Indebtedness for borrowed money (including notes, bonds, debentures and similar instruments)) arising in connection with the repurchase of the Capital Stock of any Parent Company or in connection with any other Restricted Payment, (vi) any Indebtedness owing to the Borrower or any Subsidiary to the extent resulting from an Investment permitted by Section 6.06 and (vii) any Indebtedness (other than Indebtedness for borrowed money (including notes, bonds, debentures and similar instruments)) of the type permitted by Section 6.01(d), (e), (f), (g), (l), (o), (s), (aa), (bb) or (ee);

(b) create or suffer to exist any Lien on any asset now owned or hereafter acquired by it other than (i) the Liens created under the Collateral Documents to which it is a party, (ii) any other Lien created in connection with the Transactions, (iii) Permitted Liens on the Collateral that are secured on a *pari passu* or junior basis with the Secured Obligations, so long as such Permitted Liens solely secure Guarantees permitted under clause (a)(ii) above and the underlying Indebtedness subject to such Guarantee is permitted to be secured on the same basis pursuant to Section 6.02 and (iv) Liens of the type permitted under Section 6.02 (other than in respect of Indebtedness for borrowed money); or

(c) consolidate or amalgamate with, or merge with or into, or convey, sell or otherwise Dispose of all or substantially all of its assets to, any Person; provided that, so long as no Default or Event of Default exists or would result therefrom, (A) Holdings may consolidate or amalgamate with, or merge with or into, any other Person (other than the Borrower and any of its Subsidiaries) so long as (x) Holdings is the continuing or surviving Person or (y) if the Person formed by or surviving any such consolidation, amalgamation or merger is not Holdings (any such successor Person or acquirer referred to in clause (B) below, "Successor Holdings"), (i) Successor Holdings shall be an entity organized or existing under the law of the US, any state thereof or the District of Columbia and (ii) Successor Holdings shall expressly assume all Obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto and/or thereto in a form reasonably satisfactory to the Administrative Agent and (B) Holdings may otherwise convey, sell or otherwise transfer all or substantially all of its assets to any other Person (other than the Borrower and any of its Subsidiaries) so long as (x) no Change of Control results therefrom, (y) Successor Holdings shall be an entity organized or existing under the law of the US, any state thereof or the District of Columbia and (z) Successor Holdings shall expressly assume all of the Obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto and/or thereto in a form reasonably satisfactory to the Administrative Agent; provided, further, that (1) if the conditions set forth in the preceding proviso are satisfied, Successor Holdings will succeed to, and be substituted for, Holdings under this Agreement and (2) it is understood and agreed that Holdings may convert into another form of entity organized or existing under the law of the US, any state thereof or the District of Columbia so long as such conversion does not adversely affect the value of its Loan Guaranty or the Collateral.

Section 6.15. Financial Covenant.

(a) Secured Leverage Ratio. Commencing with the Fiscal Quarter ending June 30, 2020, the Borrower shall not permit the Secured Leverage Ratio for the applicable Test Period ending on the last day of each Fiscal Quarter set forth below to be greater than the applicable ratio set opposite such Test Period below:

Test Period Ending	Maximum Secured Leverage Ratio
June 30, 2020	6.90 to 1.00
September 30, 2020	6.90 to 1.00
December 31, 2020	6.90 to 1.00
March 31, 2021	6.90 to 1.00
June 30, 2021	6.90 to 1.00
September 30, 2021	6.90 to 1.00
December 31, 2021	5.90 to 1.00
March 31, 2022	5.90 to 1.00
June 30, 2022	5.90 to 1.00
September 30, 2022	5.90 to 1.00
December 31, 2022 and the last day of each Fiscal Quarter thereafter	5.50 to 1.00

(b) Financial Cure. Notwithstanding anything to the contrary in this Agreement (including Article 7), upon the occurrence of an Event of Default as a result of the Borrower's failure to comply with Section 6.15(a) above for any Fiscal Quarter, the Borrower shall have the right (the "Cure Right") (at any time during such Fiscal Quarter or thereafter until the date that is 15 Business Days after the date on which financial statements for such Fiscal Quarter are required to be delivered pursuant to Section 5.01(a) or (b), as applicable) to issue Qualified Capital Stock or other equity (such other equity to be on terms reasonably acceptable to the Administrative Agent) for Cash or otherwise receive Cash contributions in respect of its Qualified Capital Stock (the "Cure Amount"), and thereupon the Borrower's compliance with Section 6.15(a) shall be recalculated giving effect to a pro forma increase in the amount of Consolidated Adjusted EBITDA by an amount equal to the Cure Amount (notwithstanding the absence of a related addback in the definition of "Consolidated Adjusted EBITDA") solely for the purpose of determining compliance with Section 6.15(a) as of the end of such Fiscal Quarter and for applicable subsequent periods that include such Fiscal Quarter. If, after giving effect to the foregoing recalculation (but not, for the avoidance of doubt, taking into account any immediate repayment of Indebtedness in connection therewith), the requirements of Section 6.15(a) would be satisfied, then the requirements of Section 6.15(a) shall be deemed satisfied as of the end of the relevant Fiscal Quarter with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of Section 6.15(a) that had occurred (or would have occurred) shall be deemed cured for the purposes of this Agreement. Notwithstanding anything herein to the contrary, (i) in each four consecutive Fiscal Quarter period there shall be at least two Fiscal Quarters (which may, but are not required to be, consecutive) in which the Cure Right is not exercised, (ii) during the term of this Agreement, the Cure Right shall not be exercised more than six times, (iii) the Cure Amount shall be no greater than the amount required for the purpose of complying with Section 6.15(a), (iv) upon the Administrative Agent's receipt of a written notice from the Borrower that the Borrower intends to exercise the Cure Right (a "Notice of Intent to Cure") until the 15th Business Day following the date on which financial statements for the Fiscal Quarter to which such Notice of Intent to Cure relates are required to be delivered pursuant to Section 5.01(a) or (b), as applicable, neither the Administrative Agent (nor any sub-agent therefor) nor any Lender shall exercise any right to accelerate the Loans or terminate the Revolving Credit Commitments, and none of the Administrative Agent (nor any sub-agent therefor) nor any Lender or Secured Party shall exercise any right to foreclose on or take possession of the Collateral or any other right or remedy under the Loan Documents solely on the basis of the relevant Event of Default under Section 6.15(a), (v) there shall be no pro forma reduction of the amount of Indebtedness by the amount of any Cure Amount for purposes of determining compliance with Section 6.15(a) for the Fiscal Quarter in respect of which the Cure Right was exercised (other than, with respect to any future period, to the extent of any portion of such Cure Amount that is actually applied to repay Indebtedness), (vi) any pro forma adjustment to Consolidated Adjusted EBITDA resulting from any Cure Amount shall be disregarded for purposes of determining (x) whether any financial ratio-based condition to the availability of any carve-out set forth in Article 6 of this Agreement has been satisfied or (y) the Applicable Rate during each Fiscal Quarter in which the pro forma adjustment applies and (vii) in the case of any Fiscal Quarter with respect

to which the Borrower shall have failed to comply with Section 6.15(a) above, no Revolving Lender or Issuing Bank shall be required to make any Revolving Loan or issue, amend or increase the face amount of any Letter of Credit from and after such time as the Administrative Agent has received the Notice of Intent to Cure, unless and until the Cure Amount is actually received.

ARTICLE 7

EVENTS OF DEFAULT

Section 7.01. Events of Default. If any of the following events (each, an “Event of Default”) shall occur:

(a) Failure To Make Payments When Due. Failure by the Borrower to pay (i) any principal of any Loan when due, whether at stated maturity, by acceleration, by notice of voluntary prepayment, by mandatory prepayment or otherwise; or (ii) any interest on any Loan or any fee or any other amount due hereunder within five Business Days after the date due; or

(b) Default in Other Agreements. (i) Failure by Holdings, the Borrower or any of its Restricted Subsidiaries to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than (x) Indebtedness referred to in clause (a) above and (y) intercompany Indebtedness) with an aggregate outstanding principal amount exceeding the Threshold Amount, in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by Holdings, the Borrower or any of its Restricted Subsidiaries with respect to any other term of (A) one or more items of Indebtedness (other than (x) Indebtedness referred to in clause (a) above and (y) intercompany Indebtedness) with an aggregate outstanding principal amount exceeding the Threshold Amount or (B) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness (other than, for the avoidance of doubt, with respect to Indebtedness consisting of Hedging Obligations, termination events or equivalent events pursuant to the terms of the relevant Hedge Agreement which are not the result of any default thereunder by any Loan Party or any Restricted Subsidiary), in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Indebtedness to become or be declared due and payable (or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; provided that (I) clause (ii) of this paragraph (b) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property securing such Indebtedness if such sale or transfer is permitted hereunder and (II) any failure described under clauses (i) or (ii) above is unremedied and is not waived by the holders of such Indebtedness prior to any termination of the Commitments or acceleration of the Loans pursuant to Article 7; or

(c) Breach of Certain Covenants. Failure of any Loan Party, as required by the relevant provision, to perform or comply with any term or condition contained in Section 5.01(e)(i) (provided that any Default or Event of Default arising from the failure to timely deliver such notice of Default or Event of Default shall automatically be deemed cured and to be no longer continuing immediately upon either (i) the delivery of such notice of Default or Event of Default or (ii) the cessation of the existence of the underlying Default or Event of Default (unless, in the case of this clause (ii), the Borrower had knowledge of the underlying Default or Event of Default prior to such cessation), Section 5.02 (as it applies to the preservation of the existence of the Borrower), or Article 6; it being understood and agreed that any breach of Section 6.15(a) is subject to cure as provided in Section 6.15(b), and no Event of Default may arise under Section 6.15(a) until the 15th Business Day after the day on which financial statements are required to be delivered for the relevant Fiscal Quarter under Sections 5.01(a) or (b), as applicable (unless Cure Rights have been exercised for an aggregate of six times over the life of this Agreement and/or Cure Rights have been exercised twice in the applicable four consecutive Fiscal Quarter period), and then only to the extent the Cure Amount has not been received on or prior to such date; or

(d) Breach of Representations, Etc. Any representation, warranty or certification made or deemed made by any Loan Party in any Loan Document or in any certificate required to be delivered in connection herewith or therewith (including, for the avoidance of doubt, any Perfection Certificate) being untrue in any material respect as of the date made or deemed made; it being understood and agreed that any breach of any representation, warranty or certification resulting from the failure of the Administrative Agent to file any Uniform Commercial Code financing statement, amendment or continuation statement or the failure of the Administrative Agent to maintain possession of any Collateral actually delivered to it shall not result in an Event of Default under this Section 7.01(d) or any other provision of any Loan Document; or

(e) Other Defaults Under Loan Documents. Default by any Loan Party in the performance of or compliance with any term contained herein or any of the other Loan Documents, other than any such term referred to in any other Section of this Article 7, which default has not been remedied or waived within 30 days after receipt by the Borrower of written notice thereof from the Administrative Agent; or

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc. (i) The entry by a court of competent jurisdiction of a decree or order for relief in respect of Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) in an involuntary case under any Debtor Relief Law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal, state or local Requirements of Law, which relief is not stayed; or (ii) the commencement of an involuntary case against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) under any Debtor Relief Law; the entry by a court having jurisdiction in the premises of a decree or order for the appointment of a receiver, receiver and manager, (preliminary) insolvency receiver, liquidator, sequestrator, trustee, administrator, custodian or other officer having similar powers over Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary), or over all or a material part of its property; or the involuntary appointment of an interim receiver, trustee or other custodian of Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) for all or a material part of its property, which remains, in any case under this clause (f), undismissed, unvacated, unbounded or unstayed pending appeal for 60 consecutive days; or

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. (i) The entry against Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) of an order for relief, the commencement by Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) of a voluntary case under any Debtor Relief Law, or the consent by Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case, under any Debtor Relief Law, or the consent by Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) to the appointment of or taking possession by a receiver, receiver and manager, insolvency receiver, liquidator, sequestrator, trustee, administrator, custodian or other like official for or in respect of itself or for all or a material part of its property; (ii) the making by Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) of a general assignment for the benefit of creditors; or (iii) the admission by Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) in writing of their inability to pay their respective debts as such debts become due; or

(h) Judgments and Attachments. The entry or filing of one or more final money judgments, writs or warrants of attachment or similar process against Holdings, the Borrower or any of its Restricted

Subsidiaries or any of their respective assets involving in the aggregate at any time an amount in excess of the Threshold Amount (in either case to the extent not adequately covered by indemnity from a third party, by self-insurance (if applicable) or by insurance as to which the relevant third party insurance company has been notified and not denied coverage), which judgment, writ, warrant or similar process remains unpaid, undischarged, unvacated, unbonded or unstayed pending appeal for a period of 60 consecutive days; or

(i) Employee Benefit Plans. The occurrence of one or more ERISA Events, which individually or in the aggregate result in liability of Holdings, the Borrower or any of its Restricted Subsidiaries in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect; or

(j) Change of Control. The occurrence of a Change of Control; or

(k) Guaranties, Collateral Documents and Other Loan Documents. At any time after the execution and delivery thereof, (i) any material Loan Guaranty for any reason, other than the occurrence of the Termination Date, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared, by a court of competent jurisdiction, to be null and void or any Loan Guarantor shall repudiate in writing its obligations thereunder (in each case, other than as a result of the discharge of such Loan Guarantor in accordance with the terms thereof and other than as a result of any act or omission by the Administrative Agent or any Lender), (ii) this Agreement or any material Collateral Document ceases to be in full force and effect or shall be declared, by a court of competent jurisdiction, to be null and void or any Lien on Collateral created under any Collateral Document ceases to be perfected with respect to a material portion of the Collateral (other than (A) Collateral consisting of Material Real Estate Assets to the extent that the relevant losses are covered by a lender's title insurance policy and such insurer has not denied coverage or (B) solely by reason of (w) such perfection not being required pursuant to the Collateral and Guarantee Requirement, the Collateral Documents, this Agreement or otherwise, (x) the failure of the Administrative Agent to maintain possession of any Collateral actually delivered to it or the failure of the Administrative Agent to file Uniform Commercial Code financing statements, amendments or continuation statements, (y) a release of Collateral in accordance with the terms hereof or thereof or (z) the occurrence of the Termination Date or any other termination of such Collateral Document in accordance with the terms thereof) or (iii) other than in any bona fide, good faith dispute as to the scope of Collateral or whether any Lien has been, or is required to be released, any Loan Party shall contest in writing, the validity or enforceability of any material provision of any Loan Document (or any Lien purported to be created by the Collateral Documents on any material portion of the Collateral or any Loan Guaranty) or deny in writing that it has any further liability (other than by reason of the occurrence of the Termination Date or any other termination of any other Loan Document in accordance with the terms thereof), including with respect to future advances by the Lenders, under any Loan Document to which it is a party; it being understood and agreed that the failure of the Administrative Agent to file any Uniform Commercial Code financing statement, amendment or continuation statement and/or maintain possession of any physical Collateral shall not result in an Event of Default under this Section 7.01(k) or any other provision of any Loan Document; or

(l) Subordination. The Obligations ceasing or the assertion in writing by any Loan Party that the Obligations cease to constitute senior indebtedness under the subordination provisions of any document or instrument evidencing any Restricted Debt or any such subordination provision being invalidated by a court of competent jurisdiction in a final non-appealable order, or otherwise ceasing, for any reason, to be valid, binding and enforceable obligations of the parties thereto;

then, and in every such event (other than an event with respect to the Borrower described in clause (f) or (g) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, subject, in the case of any Event of Default arising under Section 6.15(a), to the Cure Right under Section 6.15(b), by notice to the Borrower, take any of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon such Commitments shall terminate immediately,

(ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and (iii) require that the Borrower deposit in the LC Collateral Account an additional amount in Cash as reasonably requested by the Issuing Banks (not to exceed 103% of the relevant face amount) of the then outstanding LC Exposure (minus the amount then on deposit in the LC Collateral Account); provided that upon the occurrence of an event with respect to the Borrower described in clauses (f) or (g) of this Article, any such Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and the obligation of the Borrower to Cash collateralize the outstanding Letters of Credit as aforesaid shall automatically become effective, in each case without further action of the Administrative Agent or any Lender. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE 8

THE ADMINISTRATIVE AGENT

Section 8.01. Appointment and Authorization of Administrative Agent. Each of the Lenders and the Issuing Banks, on behalf of itself and its applicable Affiliates in their respective capacities as such and as Hedge Banks and/or Cash Management Banks, as applicable, hereby irrevocably appoint MidCap (or any successor appointed pursuant hereto) as Administrative Agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Section 8.02. Rights as a Lender. Any Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, unless the context otherwise requires or unless such Person is in fact not a Lender, include each Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any subsidiary of any Loan Party or other Affiliate thereof as if it were not the Administrative Agent hereunder. The Lenders acknowledge that, pursuant to such activities, the Administrative Agent or its Affiliates may receive information regarding any Loan Party or any of its Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that the Administrative Agent shall not be under any obligation to provide such information to them.

Section 8.03. Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing:

(a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default exists, and the use of the term "agent" herein and in the other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Requirements of Law; it being understood that such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties;

(b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary power, except discretionary rights and powers that are expressly contemplated by the Loan Documents and which the Administrative Agent is required to exercise in writing as directed by the Required Lenders or Required Revolving Lenders (or such other number or percentage of the Lenders

as shall be necessary under the relevant circumstances as provided in Section 9.02); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Requirements of Law;

(c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of its Restricted Subsidiaries that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable to the Lenders or any other Secured Party for any action taken or not taken by it with the consent or at the request of the Required Lenders or Required Revolving Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith shall be necessary, under the relevant circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein; and

(d) the Administrative Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or any Lender and such written notice is clearly identified as a "notice of default", and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any covenant, agreement or other term or condition set forth in any Loan Document or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of any Lien on the Collateral or the existence, value or sufficiency of the Collateral or to assure that the Liens granted to the Administrative Agent pursuant to any Loan Document have been or will continue to be properly or sufficiently or lawfully created, perfected or enforced or are entitled to any particular priority, (vi) the satisfaction of any condition set forth in Article 4 or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or (vii) any property, book or record of any Loan Party or any Affiliate thereof.

Section 8.04. Exclusive Right to Enforce Rights and Remedies. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, the Borrower, the Administrative Agent and each Secured Party agree that:

(a) (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Loan Guaranty; it being understood that any right to realize upon the Collateral or enforce any Loan Guaranty against any Loan Party pursuant hereto or pursuant to any other Loan Document may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms hereof or thereof and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or in the event of any other Disposition (including pursuant to Section 363 of the Bankruptcy Code), (A) the Administrative Agent, as agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale, to use and apply all or any portion of the Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent at such sale or other Disposition and (B) the Administrative Agent or any Lender may be the purchaser or licensor of all or any portion of such Collateral at any such Disposition;

(b) No holder of any Secured Hedging Obligation or Banking Services Obligation in its respective capacity as such shall have any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under this Agreement; and

(c) Each Secured Party agrees that the Administrative Agent may in its sole discretion, but is under no obligation to credit bid any part of the Secured Obligations or to purchase or retain or acquire any portion of the Collateral.

Section 8.05. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) that it believes to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the applicable Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent has received notice to the contrary from such Lender or Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.06. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. The Administrative Agent and any such sub-agent may perform any and all of their respective duties and exercise their respective rights and powers through their respective Related Parties. Pursuant to the foregoing, MidCap Financial Trust, in its capacity as Administrative Agent, hereby appoints MidCap Financial Services, LLC as its sub-agent for purposes of receiving amounts payable to the Administrative Agent under any Loan Document (including amounts payable to the Administrative Agent for the account of any Lender) and performance of any U.S. federal income Tax withholding and/or information reporting obligations associated with receipt of such amounts in accordance with Requirements of Law. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

Section 8.07. Successor Administrative Agent. The Administrative Agent may resign at any time by giving 10 days' prior written notice to the Lenders, the Issuing Banks and the Borrower; provided that if no successor agent is appointed in accordance with the terms set forth below within such 10-day period, the Administrative Agent's resignation shall not be effective until the earlier to occur of (x) the date of the appointment of the successor agent or (y) the date that is specified in such notice (which shall be no earlier than 30 days after the date thereof) (or such later date as the resigning Administrative Agent may agree). If the Administrative Agent is a Defaulting Lender or an Affiliate of a Defaulting Lender, either the Required Lenders or the Borrower may, upon ten days' notice, remove the Administrative Agent; provided that if no successor agent is appointed in accordance with the terms set forth below within such 10-day period, the Administrative Agent's removal shall, at the option of the Borrower, not be effective until the earlier to occur of (x) the date of the appointment of the successor agent or (y) the date that is 30 days after the last day of such 30-day period (or such later date as the Borrower may agree). Upon receipt of any such notice of resignation or delivery of any such notice of removal, the Required Lenders shall have the right, with the consent of the Borrower (not to be unreasonably withheld or delayed), to appoint a

successor Administrative Agent which shall be a commercial bank, trust company or other Person acceptable to the Borrower, in each case, with offices in the US having combined capital and surplus in excess of \$1,000,000,000; provided that during the existence and continuation of an Event of Default under Section 7.01(a) or, with respect to the Borrower, Sections 7.01(f) or (g), no consent of the Borrower shall be required. If no successor has been appointed as provided above and accepted such appointment within thirty days after the resigning Administrative Agent gives notice of its resignation or the Administrative Agent receives notice of removal, then (a) in the case of a retirement, the resigning Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent meeting the qualifications set forth above (including, for the avoidance of doubt, the consent of the Borrower) or (b) in the case of a removal, the Borrower may, after consulting with the Required Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that (x) in the case of a retirement, if the Administrative Agent notifies the Borrower, the Lenders and the Issuing Banks that no qualifying Person has accepted such appointment or (y) in the case of a removal, the Borrower notifies the Required Lenders that no qualifying Person has accepted such appointment, then, in each case, such resignation or removal shall nonetheless become effective in accordance with the provisos to the first two sentences in this paragraph (unless the retiring Administrative Agent shall have agreed in its sole discretion to extend the effectiveness of its resignation) and (i) the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent in its capacity as collateral agent for the Secured Parties for purposes of maintaining the perfection of the Lien on the Collateral securing the Secured Obligations, the resigning Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) all payments, communications and determinations required to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each Issuing Bank directly (and each Lender and each Issuing Bank will cooperate with the Borrower to enable the Borrower to take such actions), until such time as the Required Lenders or the Borrower, as applicable, appoint a successor Administrative Agent, as provided above in this Article 8. Upon the acceptance of its appointment as Administrative Agent hereunder as a successor Administrative Agent, the successor Administrative Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent (other than any rights to indemnity payments owed to the resigning Administrative Agent), and the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder (if not already discharged therefrom as expressly provided above in this Section 8.07) (other than its obligations under Section 9.13 hereof). The fees payable by the Borrower to any successor Administrative Agent shall not be greater than those payable to its predecessor unless otherwise expressly agreed in writing between the Borrower and such successor Administrative Agent. After the Administrative Agent's resignation or removal hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such resigning or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any action taken or omitted to be taken by any of them while the relevant Person was acting as Administrative Agent (including for this purpose holding any collateral security following the resignation or removal of the Administrative Agent). Notwithstanding anything to the contrary herein, no Disqualified Institution (nor any Affiliate thereof) may be appointed as a successor Administrative Agent.

Section 8.08. Non-Reliance on Administrative Agent. Each of each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their respective Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or

related agreement or any document furnished hereunder or thereunder. Except for notices, reports and other documents expressly required to be furnished to the Lenders and the Issuing Banks by the Administrative Agent herein, the Administrative Agent shall not have any duty or responsibility to provide any Lender or any Issuing Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their respective Affiliates which may come into the possession of the Administrative Agent or any of its Related Parties.

Notwithstanding anything to the contrary herein, the Arrangers shall not have any right, power, obligation, liability, responsibility or duty under this Agreement, except in their respective capacities as the Administrative Agent, an Issuing Bank or a Lender hereunder, as applicable.

Section 8.09. Collateral and Guarantee Matters. Each Lender and each other Secured Party irrevocably authorizes and instructs the Administrative Agent to, and the Administrative Agent shall:

(a) release any Lien on any property granted to or held by Administrative Agent under any Loan Document (i) upon the occurrence of the Termination Date, (ii) that is sold or otherwise Disposed of (or to be sold or otherwise Disposed of) as part of or in connection with any Disposition permitted under (or not restricted by) the Loan Documents (subject to the proviso to the last paragraph of Section 6.07), (iii) that does not constitute (or ceases to constitute) Collateral (and/or otherwise becomes an Excluded Asset), (iv) if the property subject to such Lien is owned by a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its Loan Guaranty as permitted by the Loan Documents, (v) as required under clause (d) below, (vi) pursuant to the provisions of any applicable Loan Document or (vii) if approved, authorized or ratified in writing by the required number of Lenders in accordance with Section 9.02;

(b) subject to Section 9.22, release any Subsidiary Guarantor from its obligations under the Loan Guaranty if such Person ceases to be a Restricted Subsidiary as permitted by the Loan Documents (or is or becomes an Excluded Subsidiary as a result of a single transaction or series of related transactions not prohibited hereunder), upon notice from the Borrower to the Administrative Agent at any time;

(c) subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Sections 6.02(d), 6.02(e), 6.02(g)(i), 6.02(l), 6.02(m), 6.02(n), 6.02(o) (other than any Lien on the Capital Stock of any Subsidiary Guarantor), 6.02(r), 6.02(s) (to the extent the relevant Lien is of the type to which the Lien of the Administrative Agent is otherwise required to be subordinated under this clause (c) pursuant to any of the other exceptions to Section 6.02 that are expressly included in this clause (c)), 6.02(u) (to the extent the relevant Lien is of the type to which the Lien of the Administrative Agent is otherwise required to be subordinated under this clause (c) pursuant to any of the other exceptions to Section 6.02 that are expressly included in this clause (c)), 6.02(x), 6.02(y), 6.02(z)(i), 6.02(bb), 6.02(cc), 6.02(dd) (in the case of clause (ii), to the extent the relevant Lien covers cash collateral posted to secure the relevant obligation), 6.02(ee), 6.02(ff), 6.02(gg), 6.02(hh) and/or 6.02(ii), (and any Refinancing Indebtedness in respect of any thereof to the extent such Refinancing Indebtedness is permitted to be secured under Section 6.02(k)); and

(d) enter into subordination, intercreditor, collateral trust and/or similar agreements with respect to Indebtedness (including any Acceptable Intercreditor Agreement and/or any amendment to any Acceptable Intercreditor Agreement) that is (i) required or permitted to be subordinated hereunder and/or (ii) secured by Liens, and with respect to which Indebtedness, this Agreement contemplates an intercreditor, subordination, collateral trust or similar agreement, with each of the Lenders and the other Secured Parties irrevocably agreeing to the treatment of the Lien on the Collateral securing the Secured Obligations as set forth in any such agreement and that it will be bound by and will take no actions contrary to the provisions of any such agreement.

Upon the request of the Administrative Agent at any time, the required number of Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Loan Party from its obligations under the Loan Guaranty or its Lien on any Collateral pursuant to this Article 8. In each case as specified in this Article 8, the Administrative Agent will (and each Lender, and each Issuing Bank hereby authorizes the Administrative Agent to), at the Borrower's expense, execute and deliver to the Borrower or the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents, to subordinate its interest therein, or to release such Loan Party from its obligations under the Loan Guaranty, in each case in accordance with the terms of the Loan Documents and this Article 8; provided, that upon the request of the Administrative Agent, the Borrower shall deliver a certificate of a Responsible Officer certifying that the relevant transaction has been consummated in compliance with the terms of this Agreement.

Section 8.10. Intercreditor Agreements. The Administrative Agent is authorized by the Lenders and each other Secured Party to enter into any Acceptable Intercreditor Agreement and any other intercreditor, subordination, collateral trust or similar agreement contemplated hereby with respect to any (a) Indebtedness (i) that is (A) required or permitted hereunder to be subordinated in right of payment or with respect to security and/or (B) secured by any Lien and (ii) which contemplates an intercreditor, subordination, collateral trust or similar agreement and/or (b) Secured Hedging Obligations and/or Banking Services Obligations, whether or not constituting Indebtedness (any such other intercreditor, subordination, collateral trust and/or similar agreement an "Additional Agreement"), and the Secured Parties party hereto acknowledge that any Acceptable Intercreditor Agreement and any other Additional Agreement is binding upon them. Each Lender and each other Secured Party hereto hereby (a) agrees that they will be bound by, and will not take any action contrary to, the provisions of any Acceptable Intercreditor Agreement or any other Additional Agreement and (b) authorizes and instructs the Administrative Agent to enter into any Acceptable Intercreditor Agreement and/or any other Additional Agreement and to subject the Liens on the Collateral securing the Secured Obligations to the provisions thereof. The foregoing provisions are intended as an inducement to the Lenders and the other Secured Parties to extend credit to the Borrower, and the Lenders and the other Secured Parties are intended third-party beneficiaries of such provisions and the provisions of any Acceptable Intercreditor Agreement and/or any other Additional Agreement.

Section 8.11. Indemnification of Administrative Agent. To the extent that the Administrative Agent (or any Affiliate thereof) is not reimbursed and indemnified by the Borrower in accordance with and to the extent required by Section 9.03(b) hereof, the Lenders will severally and not jointly reimburse and indemnify the Administrative Agent (and any Affiliate thereof) in proportion to their respective Applicable Percentages (determined as if there were no Defaulting Lenders) for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by the Administrative Agent (or any Affiliate thereof) in performing its duties hereunder or under any other Loan Document or in any way relating to or arising out of this Agreement or any other Loan Document; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's (or such affiliate's) gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

Section 8.12. Withholding Taxes. To the extent required by any applicable Requirements of Law (as determined in good faith by the Administrative Agent (or the applicable Person acting as sub-agent)), the Administrative Agent (or the applicable Person acting as sub-agent) may withhold from any payment to any Lender under any Loan Document an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 2.17, each Lender shall indemnify and hold

harmless the Administrative Agent (or the applicable Person acting as sub-agent) against, and shall make payable in respect thereof within ten days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent (or the applicable Person acting as sub-agent)) incurred by or asserted against the Administrative Agent (or the applicable Person acting as sub-agent) by the IRS or any other Governmental Authority as a result of the failure of the Administrative Agent (or the applicable Person acting as sub-agent) to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent (or the applicable Person acting as sub-agent) of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent (or the applicable Person acting as sub-agent) shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent (or the applicable Person acting as sub-agent) under this paragraph. The agreements in this paragraph shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document. For the avoidance of doubt, the term "Lender" shall, for all purposes of this paragraph, include any Issuing Bank.

Section 8.13. Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loans shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Loan Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Secured Parties and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Secured Parties and the Administrative Agent and their respective agents and counsel and all other amounts due the Secured Parties and the Administrative Agent under Sections 2.12 and 9.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Secured Parties, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.12 and 9.03.

ARTICLE 9

MISCELLANEOUS

Section 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email, as follows:

(i) if to any Loan Party, to such Loan Party in the care of the Borrower at:

Olaplex, Inc.
c/o Advent International Corporation
Prudential Tower
800 Boylston Street
Boston, MA 02199
Attention: Tricia Glynn and James Westra
Email: TGlynn@AdventInternational.com;
jwestra@AdventInternational.com

with copies to (which shall not constitute notice to any Loan Party):

Advent International Corporation
Prudential Tower
800 Boylston Street
Boston, MA 02199-8069
Attention: Ken Prince
Email: KPrince@AdventInternational.com

and

Kirkland & Ellis LLP
601 Lexington Ave,
New York, New York 10022
Attention: Jay Ptashek
Email: jay.ptashek@kirkland.com

(ii) if to the Administrative Agent, at:

MidCap Financial Trust
c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Avenue, Suite 200
Bethesda, MD 20814
Attention: Account Manager for Olaplex transaction
Facsimile: 301-941-1450
Email: notices@midcapfinancial.com

with a copy to (which shall not constitute notice):

MidCap Financial Trust
c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Ave, Suite 200
Bethesda, MD 20814
Attn: Legal
Facsimile: 301-941-1450
Email: legalnotices@midcapfinancial.com

(iii) if to any Issuing Bank, at:

MidCap Financial Trust
c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Avenue, Suite 200
Bethesda, MD 20814
Attention: Account Manager for Olaplex transaction
Facsimile: 301-941-1450
Email: notices@midcapfinancial.com

with a copy to (which shall not constitute notice):

MidCap Financial Trust
c/o MidCap Financial Services, LLC, as servicer
7255 Woodmont Ave, Suite 200
Bethesda, MD 20814
Attn: Legal
Facsimile: 301-941-1450
Email: legalnotices@midcapfinancial.com

(iv) if to any other Issuing Bank, such address as may be specified in the documentation pursuant to which such Issuing Bank is appointed in its capacity as such.

(v) if to any Lender, to it at its physical address or email address set forth in its Administrative Questionnaire.

All such notices and other communications (A) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof or three Business Days after dispatch if sent by certified or registered mail, in each case, delivered, sent or mailed (properly addressed) to the relevant party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01 or (B) sent by facsimile shall be deemed to have been given when sent and when receipt has been confirmed by telephone; provided that notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, such notices or other communications shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in clause (b) below shall be effective as provided in such clause (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and Internet or intranet websites) pursuant to procedures set forth herein or otherwise approved by the Administrative Agent. The Administrative Agent or the Borrower (on behalf of any Loan Party) may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures set forth herein or otherwise approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that any such notice or communication not given during the normal business hours of the recipient shall be deemed to have been given at the opening of business on the next Business Day for the recipient or (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or facsimile number or other notice information hereunder by notice to the other parties hereto; it being understood and agreed that the Borrower may provide any such notice to the Administrative Agent as recipient on behalf of itself, each Issuing Bank, the Swingline Lender and each Lender.

(d) The Borrower hereby acknowledges that (a) the Administrative Agent will make available to the Lenders and the Issuing Bank materials and/or information provided by, or on behalf of, Holdings or

the Borrower hereunder (collectively, the "Borrower Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (*i.e.*, Lenders that do not wish to receive material nonpublic information within the meaning of the United States federal securities laws with respect to Holdings, the Borrower or their respective securities) (each, a "Public Lender"). At the reasonable request of the Administrative Agent, the Borrower hereby agrees that (i) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC", (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as information of a type that would (A) customarily be made publicly available (or could be derived from publicly available information), as determined by the Borrower, if the Borrower were to become public reporting companies or (B) would not be material with respect to Holdings, the Borrower, their respective subsidiaries, any of their respective securities or the Transactions as determined in good faith by the Borrower for purposes of the United States federal securities laws and (iii) the Administrative Agent shall be required to treat Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not marked as "Public Investor." Notwithstanding the foregoing, the Loan Documents shall be deemed to be marked "PUBLIC," unless the Borrower notifies the Administrative Agent promptly that any such document contains material nonpublic information (it being understood that the Borrower shall have a reasonable opportunity to review the same prior to distribution and comply with SEC or other applicable disclosure obligations).

Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to communications that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS RELATED PARTIES WARRANTS THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS ON, OR THE ADEQUACY OF, THE PLATFORM, AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN ANY SUCH COMMUNICATION. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL ANY PARTY HERETO OR ANY OF ITS RELATED PARTIES HAVE ANY LIABILITY TO ANY OTHER PARTY HERETO OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY SUCH PERSON IS FOUND IN A FINAL RULING BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR MATERIAL BREACH OF THIS AGREEMENT.

Section 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof except as provided herein or in any Loan Document, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any party hereto therefrom shall in any event be effective unless the same is permitted by this Section 9.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which it is given. Without limiting the generality of the foregoing, to the extent permitted by applicable Requirements of Law, neither the making of any Loan nor the issuance of any Letter of Credit shall be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) Except as expressly provided in this Section 9.02 (or otherwise in this Agreement or the applicable Loan Document), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified, except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders (or the Administrative Agent with the consent of the Required Lenders) or (ii) in the case of any other Loan Document (other than any waiver, amendment or modification to effectuate any modification thereto expressly contemplated by the terms of such other Loan Document), pursuant to an agreement or agreements in writing entered into by the Administrative Agent and each Loan Party that is party thereto, with the consent of the Required Lenders; provided that, notwithstanding the foregoing:

(A) the consent of each Lender directly and adversely affected thereby (but not the consent of the Required Lenders) shall be required for any waiver, amendment or modification that:

(1) increases the Commitment of such Lender (other than with respect to any Incremental Facility pursuant to Section 2.22 in respect of which such Lender has agreed to be an Incremental Lender (and only to the extent of such Commitment with respect to such Incremental Facility); it being understood that no amendment, modification or waiver of, or consent to departure from, any condition precedent, representation, warranty, covenant, Default, Event of Default, mandatory prepayment or mandatory reduction of the Commitments shall constitute an increase of any Commitment of such Lender;

(2) reduces the principal amount of any Loan owed to such Lender or any amount due to such Lender on any Loan Installment Date;

(3) (x) extends the scheduled final maturity of any Loan or (y) postpones any Loan Installment Date or any Interest Payment Date with respect to any Loan held by such Lender or the date of any scheduled payment of any fee or premium payable to such Lender hereunder;

(4) reduces the rate of interest (other than to waive any Default or Event of Default or obligation of the Borrower to pay interest to such Lender at the default rate of interest under Section 2.13(d), which shall only require the consent

of the Required Lenders) or the amount of any fee or premium owed to such Lender; it being understood that no change in the definition of "First Lien Leverage Ratio" or any other ratio used in the calculation of the Applicable Rate, or in the calculation of any other interest, fee or premium due hereunder (including any component definition thereof) shall constitute a reduction in any rate of interest or fee hereunder;

(5) extends the expiry date of such Lender's Commitment; it being understood that no amendment, modification or waiver of, or consent to departure from, any condition precedent, representation, warranty, covenant of any Loan Party, Default, Event of Default, or mandatory prepayment shall constitute an extension of any Commitment of any Lender; and

(6) waives, amends or modifies the "waterfall" (including but not limited to Section 2.18(b) and (c) of this Agreement) or the pro rata sharing of payments (including voluntary and mandatory prepayments), Liens or proceeds of Collateral provisions of the Loan Documents (except in connection with any transaction permitted under Sections 2.22, 2.23, 9.02(c) and/or 9.05(g) or as otherwise provided in this Section 9.02 or otherwise provided in this Agreement);

(B) no such agreement shall:

(1) change (x) any of the provisions of Section 9.02(a) or Section 9.02(b) or the definition of "Required Lenders" to reduce any voting percentage required to waive, amend or modify any right hereunder or under any other Loan Document or make any determination or grant any consent hereunder or thereunder, without the prior written consent of each Lender or (y) the definition of "Required Revolving Lenders" without the prior written consent of each Revolving Lender (it being understood that neither the consent of the Required Lenders nor the consent of any other Lender shall be required in connection with any change to the definition of "Required Revolving Lenders");

(2) release or subordinate all or substantially all of the Collateral from the Lien granted pursuant to the Collateral Documents or the Obligations to any other Indebtedness (in each case, except as otherwise permitted herein or in the other Loan Documents, including pursuant to Article 8 or Section 9.22 hereof), without the prior written consent of each Lender; or

(3) release all or substantially all of the value of the Guarantees under the Loan Guaranty (except as otherwise permitted herein or in the other Loan Documents, including pursuant to Article 8 or Section 9.22 hereof), without the prior written consent of each Lender;

(C) solely with the consent of the Required Revolving Lenders (but without the consent of the Required Lenders or any other Lender), any such agreement may (x) waive, amend or modify any condition precedent set forth in Section 4.02 hereof as it pertains to any Revolving Loan and/or Additional Revolving Loan (including waiving any Event of Default resulting from the material inaccuracy of any representation and/or warranty made as a condition precedent for any Borrowing of any Revolving Loan and/or Additional Revolving Loan)

(D) solely with the consent of each Issuing Bank, any such agreement may (w) increase or decrease the Letter of Credit Sublimit, (x) waive, amend or modify any condition precedent set forth in Section 4.02 hereof as it pertains to the issuance of any Letter of Credit (including waiving any Event of Default resulting from the material inaccuracy of any representation and/or warranty made as a condition precedent for any Credit Extension relating to a Letter of Credit), (y) amend or modify the provisions of Section 2.05 or any letter of credit application and any bilateral agreement between the Borrower and any Issuing Bank regarding such Issuing Bank's LC Exposure or the respective rights and obligations between the Borrower and such Issuing Bank in connection with the issuance of Letters of Credit or (z) modify the rights or duties of such Issuing Bank;

(E) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline Lender, as the case may be.

(c) Notwithstanding the foregoing, this Agreement may be amended, so long as no Event of Default has occurred and is continuing:

(i) with the written consent of the Borrower and the Lenders providing the relevant Replacement Term Loans to permit the refinancing or replacement of all or any portion of the outstanding Term Loans under the applicable Class (any such loans being refinanced or replaced, the "Replaced Term Loans") with one or more replacement term loans hereunder ("Replacement Term Loans") pursuant to a Refinancing Amendment; provided that

(A) the aggregate principal amount of any Class of Replacement Term Loans shall not exceed the aggregate principal amount of the relevant Replaced Term Loans (plus (1) any additional amount permitted to be incurred under Section 6.01 and, to the extent any such additional amount is secured, the related Lien is permitted under Section 6.02 and plus (2) the amount of any accrued interest, penalty and/or premium (including any tender premium) thereon, any committed but undrawn amount, and/or any underwriting discount, fees (including any upfront fee and/or original issue discount), commission and/or expense associated therewith),

(B) any Class of Replacement Term Loans (other than Customary Bridge Loans) must have a final maturity date that is equal to or later than the final maturity date of, and have a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the applicable Replaced Term Loans at the time of the relevant refinancing (without giving effect to any prepayment thereof),

(C) any Class of Replacement Term Loans may be pari passu with or junior to any then-existing Class of Term Loans in right of payment and may be pari passu with or junior to such Class of Term Loans with respect to the Collateral or unsecured; provided that any Class of Replacement Term Loans that are not pari passu in right of payment and security with the Initial Term Loans shall be documented pursuant to separate documentation from the Loan Documents and shall be subject to an Acceptable Intercreditor Agreement,

(D) any Class of Replacement Term Loans that is secured may not be secured by any asset other than the Collateral,

(E) any Class of Replacement Term Loans that is guaranteed may not be guaranteed by any Person other than one or more Loan Parties,

(F) any Class of Replacement Term Loans that is pari passu with the Initial Term Loans in right of payment and security may participate (A) in any voluntary prepayment of Term Loans as set forth in Section 2.11(a)(i) and (B) in any mandatory prepayment of Term Loans as set forth in Section 2.11(b)(vi).

(G) any Class of Replacement Term Loans shall have pricing (including “MFN” or other pricing terms), interest, fees, rate margins, rate floors, premiums (including prepayment premiums), funding discounts, and, subject to preceding clause (F), optional prepayment and redemption terms as may be agreed to by the Borrower and the lenders providing such Class of Replacement Term Loans,

(H) the other terms and conditions of any Class of Replacement Term Loans (excluding as set forth above) shall be deemed satisfactory to the Administration Agent so long as any such terms and conditions (1) that are not substantially consistent with those applicable to the relevant Replaced Loans are applicable only to periods after the latest Maturity Date of such Class of Replaced Term Loans (in each case, as of the date of incurrence of such Class of Replacement Term Loans), (2) are substantially identical to, or (taken as a whole) no more favorable (as reasonably determined by the Borrower) to the lenders providing such Class of Replacement Term Loans than those applicable to the relevant Replaced Term Loans (other than such terms to which clause (1) is applicable), (3) reflect then current market terms and conditions (as reasonably determined by the Borrower) for the applicable type of Indebtedness or (4) are reasonably acceptable to the Administrative Agent (it being agreed that terms and conditions of any Replacement Term Loans that are more favorable to the lenders or the agent of such Replacement Term Loans than those contained in the Loan Documents and are then conformed (or added) to the Loan Documents pursuant to the applicable Refinancing Amendment shall be deemed satisfactory to the Administrative Agent),

(I) Replacement Term Loans may be provided by any existing Lender or by any other Eligible Assignee; provided that the Administrative Agent shall have a right to consent (such consent not to be unreasonably withheld, conditioned or delayed) to the relevant Person’s provision of Replacement Term Loans if such consent would be required under Section 9.05(b) for an assignment of Loans to such Person, and

(J) the relevant outstanding Replaced Term Loans and all accrued but unpaid interest and fees then due and payable in connection therewith shall be paid in full, in each case on the date the applicable Replacement Term Loan is implemented, and

(ii) with the written consent of the Borrower and the Lenders providing the relevant Revolver Replacement Facility to permit the refinancing or replacement of all or any portion of any Revolving Commitment of any Class (any such Revolving Commitment being refinanced or replaced, a “Replaced Revolving Facility”) with a replacement revolving facility and/or replacement term loans hereunder (a “Revolver Replacement Facility”) pursuant to a Refinancing Amendment; provided that:

(A) the aggregate maximum amount of any Revolver Replacement Facility shall not exceed the aggregate maximum amount of the relevant Replaced Revolving Facility (plus (x) any additional amount permitted to be incurred under Section 6.01 and,

to the extent any such additional amount is secured, the related Lien is permitted under Section 6.02 and plus (y) the amount of accrued interest and premium thereon, any committed but undrawn amounts and underwriting discounts, fees (including upfront fees), commissions and expenses associated therewith),

(B) no Revolver Replacement Facility may have a final maturity date (or require commitment reductions) prior to the final maturity date of the relevant Replaced Revolving Facility at the time of such refinancing,

(C) any Revolver Replacement Facility may be *pari passu* with or junior to any then-existing Revolving Commitment in right of payment and *pari passu* with or junior to any then-existing Revolving Commitment with respect to the Collateral or may be unsecured; provided that any Revolver Replacement Facility that is not *pari passu* with or the Revolving Credit Commitment in right of payment and security shall be documented pursuant to separate documentation from the Loan Documents and shall be subject to an Acceptable Intercreditor Agreement,

(D) any Revolver Replacement Facility that is secured may not be secured by any assets other than the Collateral,

(E) any Revolver Replacement Facility that is guaranteed may not be guaranteed by any Person other than one or more Loan Parties,

(F) (1) if the relevant Revolver Replacement Facility is a revolving facility, any Revolver Replacement Facility may provide for the borrowing and repayment (except for (x) payments of interest and fees at different rates on the Revolving Facilities (and related outstandings), (y) repayments required on the Maturity Date of any Revolving Facility and (z) repayments made in connection with a permanent repayment and termination of the Revolving Credit Commitments under any Revolving Facility (subject to clause (3) below)) of Revolving Loans with respect to any Revolving Facility after the effective date of such Revolver Replacement Facility shall be made on a pro rata basis or less than pro rata basis with all other Revolving Facilities, (2) if the relevant Revolver Replacement Facility is a revolving facility, all Swingline Loans and Letters of Credit shall be participated on a pro rata basis by all Revolving Lenders, (3) if the relevant Revolver Replacement Facility is a revolving facility, any permanent repayment of Revolving Loans with respect to, and reduction and termination of Revolving Credit Commitments under, any Revolving Facility after the effective date of such Revolver Replacement Facility shall be made on a pro rata basis or less than pro rata basis with all other Revolving Facilities, or, to the extent such Revolver Replacement Facility is terminated in full and refinanced or replaced with another Revolver Replacement Facility or Replacement Debt a greater than pro rata basis and (4) if the relevant Revolver Replacement Facility is a term loan, shall be subject to the "ratability" provisions applicable to Replacement Term Loans, consistent with clause (F) of Section 9.02(c)(i).

(G) any Revolver Replacement Facility may have pricing (including "MFN" or other pricing terms), interest, fees, rate margins, rate floors, premiums (including prepayment premiums), funding discounts, and, subject to preceding clause (F), optional prepayment and redemption terms as may be agreed to by the Borrower and the lenders providing such Revolver Replacement Facility may agree,

(H) the other terms and conditions of any Revolver Replacement Facility (excluding as set forth above) shall be deemed satisfactory to the Administrative Agent so long as any such terms and conditions (i) (1) that are not substantially consistent with those applicable to the relevant Replaced Loans are applicable only to periods after the latest Maturity Date of such Replaced Revolving Facility (in each case, as of the date of incurrence of such Revolver Replacement Facility), (2) are substantially identical to, or (taken as a whole) no more favorable (as reasonably determined by the Borrower) to the lenders providing such Revolver Replacement Facility than those applicable to the relevant Replaced Revolving Facility (other than such terms to which clause (1) is applicable), (3) reflect then current market terms and conditions (as reasonably determined by the Borrower) for the applicable type of Indebtedness or (4) are reasonably acceptable to the Administrative Agent (it being agreed that terms and conditions of any Revolver Replacement Facility that are more favorable to the lenders or the agent of such Revolver Replacement Facility than those contained in the Loan Documents and are then conformed (or added) to the Loan Documents pursuant to the applicable Refinancing Amendment shall be deemed satisfactory to the Administrative Agent) and (ii) in the case of a Revolver Replacement Facility that consists of replacement term loans, consistent with the provisions of Section 9.02(c)(i)(H).

(I) the commitments in respect of the relevant Replaced Revolving Facility shall be terminated, and all loans outstanding thereunder and all accrued but unpaid interest and fees then due and payable in connection therewith shall be paid in full, in each case on the date any Revolver Replacement Facility is implemented, and

(J) Revolver Replacement Commitments may be provided by any existing Lender or by any other Eligible Assignee; provided that the Administrative Agent (and, in the case of any Revolver Replacement Facility that constitutes a revolving facility, the Swingline Lender and any Issuing Bank) shall have a right to consent (such consent not to be unreasonably withheld, conditioned or delayed) to the relevant Person's provision of a Revolver Replacement Facility if such consent would be required under Section 9.05(b) for an assignment of Loans to such Person;

provided, further, that, in respect of each of sub-clauses (i) and (ii) of this clause (c), any Non-Debt Fund Affiliate and Debt Fund Affiliate shall (x) be permitted without the consent of the Administrative Agent to provide any Class of Replacement Term Loans, it being understood that in connection therewith, the relevant Non-Debt Fund Affiliate or Debt Fund Affiliate, as applicable, shall be subject to the restrictions applicable to such Person under Section 9.05 and (y) any Debt Fund Affiliate (but not any Non-Debt Fund Affiliate) may provide any Revolver Replacement Facility.

Each party hereto hereby agrees that this Agreement may be amended by the Borrower, the Administrative Agent and the lenders providing the relevant Class of Replacement Term Loans or the relevant Revolver Replacement Facility, as applicable, to the extent (but only to the extent) necessary to reflect the existence and terms of such Class of Replacement Term Loans or Revolver Replacement Facility, incurred or implemented pursuant thereto (including any amendment necessary to treat the loans and commitments subject thereto as a separate "tranche" and "Class" of Loans and/or commitments hereunder). It is understood that any Lender approached to provide all or a portion of any Class of Replacement Term Loans or any Revolver Replacement Facility, may elect or decline, in its sole discretion, to provide such Class of Replacement Term Loans or Revolver Replacement Facility.

(d) Notwithstanding anything to the contrary contained in this Section 9.02 or any other provision of this Agreement or any provision of any other Loan Document:

(i) the Borrower and the Administrative Agent may, without the input or consent of any Lender, amend, supplement and/or waive this Agreement, any guaranty, collateral security

agreement, pledge agreement and/or related document (if any) executed in connection with this Agreement to (A) comply with any Requirement of Law or the advice of counsel or (B) cause any such guaranty, collateral security agreement, pledge agreement or other document to be consistent with this Agreement and/or the relevant other Loan Documents,

(ii) the Borrower and the Administrative Agent may, without the input or consent of any other Lender (other than the relevant Lenders providing Loans under such Sections), effect amendments to this Agreement and the other Loan Documents as may be necessary or advisable in the reasonable opinion of the Borrower and the Administrative Agent to (A) effect the provisions of Sections 2.22, 2.23, 5.12, Section 6.10, Section 6.13 and/or 9.02(c), or any other provision of this Agreement or any other Loan Documents specifying that any waiver, amendment or modification may be made with the consent or approval of the Administrative Agent and/or (B) add terms (including representations and warranties, conditions, prepayments, covenants or events of default) including, without limitation, in connection with the addition or any Loan or Commitment hereunder, any Incremental Equivalent Debt, any Replacement Debt and/or any Refinancing Indebtedness incurred in reliance on Section 6.01(p) with respect to Indebtedness originally incurred in reliance on Section 6.01(z), that are favorable to the then-existing Lenders (as reasonably determined by the Administrative Agent) (it being understood that, where applicable, any such amendment may be effectuated as part of an Incremental Amendment),

(iii) if the Administrative Agent and the Borrower have jointly identified any ambiguity, mistake, defect, inconsistency, obvious error or any error or omission of a technical nature or any necessary or desirable technical change, in each case, in any provision of any Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision solely to address such matter as reasonably determined by them,

(iv) the Administrative Agent and the Borrower may amend, restate, amend and restate or otherwise modify any Acceptable Intercreditor Agreement and/or any other Additional Agreement as provided therein,

(v) the Administrative Agent may amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.05, Commitment reductions or terminations pursuant to Section 2.09, implementations of Additional Commitments or incurrences of Additional Loans pursuant to Sections 2.22, 2.23 or 9.02(c) and reductions or terminations of any such Additional Commitments or Additional Loans,

(vi) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except as permitted pursuant to Section 2.21(b),

(vii) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement and to permit any extension of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the relevant benefits of this Agreement and the other Loan Documents and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders on substantially the same basis as the Lenders prior to such inclusion,

(viii) any amendment, waiver or modification of any term or provision that solely affects Lenders under one or more Classes and does not directly and adversely affect Lenders under one or more other Classes may be effected with the consent of Lenders owning more than 50% of the aggregate commitments or Loans of such directly affected Class in lieu of the consent of the Required Lenders, and

(ix) the definition of “Published LIBO Rate” may be amended in the manner prescribed in clause (b) thereof.

Section 9.03. Expenses; Indemnity.

(a) Subject to Section 9.05(f), the Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by each Arranger, the Administrative Agent and their respective Affiliates (but limited, in the case of legal fees and expenses, to the actual reasonable and documented out-of-pocket fees, disbursements and other charges of one firm of outside counsel to all such Persons taken as a whole and, if necessary, of one local counsel in any relevant jurisdiction to all such Persons, taken as a whole in connection with the arrangement and distribution (including via the Internet or through a service such as Intralinks) of the Credit Facilities, the preparation, execution, delivery and administration of the Loan Documents and any related documentation, including in connection with any amendment, modification or waiver of any provision of any Loan Document (whether or not the transactions contemplated thereby are consummated, but only to the extent the preparation of any such amendment, modification or waiver was requested by the Borrower and except as otherwise provided in a separate writing between the Borrower, the relevant Arranger and/or the Administrative Agent) and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, the Issuing Banks, the Swingline Lender or the Lenders or any of their respective Affiliates (but limited, in the case of legal fees and expenses, to the actual reasonable and documented out-of-pocket fees, disbursements and other charges of one firm of outside counsel to all such Persons taken as a whole, if necessary, of one local counsel in any relevant jurisdiction to all such Persons, taken as a whole and solely in the case of an actual or perceived conflict of interest, (x) one additional counsel to all affected Persons, taken as a whole, and, if necessary, (y) one additional local counsel to all affected Persons, taken as a whole), in connection with the enforcement, collection or protection of their respective rights in connection with the Loan Documents, including their respective rights under this Section, or in connection with the Loans made and/or Letters of Credit issued hereunder. Except to the extent required to be paid on the Closing Date, all amounts due under this paragraph (a) shall be payable by the Borrower within 30 days of receipt by the Borrower of an invoice setting forth such expenses in reasonable detail, together with backup documentation supporting the relevant reimbursement request.

(b) The Borrower shall indemnify each Arranger, the Administrative Agent, each Issuing Bank, the Swingline Lender and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages and liabilities (but limited, in the case of legal fees and expenses, to the actual reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, one local counsel in any relevant jurisdiction to all Indemnitees, taken as a whole, and solely in the case of an actual or perceived conflict of interest, (x) one additional counsel to all affected Indemnitees, taken as a whole, and (y) one additional local counsel to all affected Indemnitees, taken as a whole), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby and/or the enforcement of the Loan Documents, (ii) the use of the proceeds of the Loans or any Letter of Credit, (iii) any actual or alleged Release or presence of Hazardous Materials on, at, under or from any property currently or formerly owned, leased or operated by the Borrower, any of its Restricted Subsidiaries or any other Loan Party or any Environmental Liability related to the Borrower, any of its Restricted Subsidiaries or any other Loan Party and/or (iv) any actual or prospective claim, litigation,

investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower, any other Loan Party or any of their respective Affiliates); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that any such loss, claim, damage, or liability (i) is determined by a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or, to the extent such judgment finds that any such loss, claim, damage, or liability has resulted from such Person's material breach of the Loan Documents or (ii) arises out of any claim, litigation, investigation or proceeding brought by such Indemnitee against another Indemnitee (other than any claim, litigation, investigation or proceeding that is brought by or against the Administrative Agent or any Arranger, acting in its capacity as the Administrative Agent or as an Arranger) that does not involve any act or omission of Holdings, the Borrower or any of its subsidiaries. Each Indemnitee shall be obligated to refund or return any and all amounts paid by the Borrower pursuant to this Section 9.03(b) to such Indemnitee for any fees, expenses, or damages to the extent such Indemnitee is not entitled to payment thereof in accordance with the terms hereof. All amounts due under this paragraph (b) shall be payable by the Borrower within 30 days (x) after receipt by the Borrower of a written demand therefor, in the case of any indemnification obligations and (y) in the case of reimbursement of costs and expenses, after receipt by the Borrower of an invoice setting forth such costs and expenses in reasonable detail, together with backup documentation supporting the relevant reimbursement request. This Section 9.03(b) shall not apply to Taxes other than any Taxes that represent losses, claims, damages or liabilities in respect of a non-Tax claim.

(c) The Borrower shall not be liable for any settlement of any proceeding effected without the written consent of the Borrower (which consent shall not be unreasonably withheld, delayed or conditioned) or any other losses, claims, damages, liabilities and/or expenses incurred in connection therewith, but if any proceeding is settled with the written consent of the Borrower, or if there is a final judgment against any Indemnitee in any such proceeding, the Borrower agrees to indemnify and hold harmless each Indemnitee to the extent and in the manner set forth above. The Borrower shall not, without the prior written consent of the affected Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed), effect any settlement of any pending or threatened proceeding in respect of which indemnity could have been sought hereunder by such Indemnitee unless (i) such settlement includes an unconditional release of such Indemnitee from all liability or claims that are the subject matter of such proceeding and (ii) such settlement does not include any statement as to any admission of fault or culpability.

Section 9.04. Waiver of Claim. To the extent permitted by applicable Requirements of Law, no party to this Agreement nor any Secured Party shall assert, and each hereby waives on behalf of itself and its Related Parties, any claim against any other party hereto, any Loan Party and/or any Related Party of any thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or any Letter of Credit or the use of the proceeds thereof, except, in the case of any claim by any Indemnitee against the Borrower, to the extent such damages would otherwise be subject to indemnification pursuant to, and in accordance with, the terms of Section 9.03.

Section 9.05. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that (i) except as provided under Section 6.07, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with the terms of this Section (any

attempted assignment or transfer not complying with the terms of this Section shall be null and void and, with respect to attempted assignments or transfers to Disqualified Institutions, subject to Section 9.05(f)). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and permitted assigns, to the extent provided in paragraph (e) of this Section, Participants and, to the extent expressly contemplated hereby, the Related Parties of each of the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of any Loan or Additional Commitment added pursuant to Sections 2.22, 2.23 or 9.02(c) at the time owing to it) with the prior written consent of:

(A) the Borrower; provided, that (x) the Borrower shall be deemed to have consented to any assignment (other than any assignment to any Disqualified Institution or any natural Person) unless it has objected thereto by written notice to the Administrative Agent within 10 Business Days after receipt of written notice thereof and (y) the consent of the Borrower shall not be required for any assignment of Term Loans or Term Commitments (1) to any Revolving Lender or any Affiliate of any Revolving Lender or an Approved Fund of a Revolving Lender or (2) at any time when an Event of Default under Section 7.01(a) or Sections 7.01(f) or (g) (with respect to the Borrower) exists; it being understood and agreed that (i) the consent of the Borrower shall always be required for any assignment of Revolving Commitments and/or Revolving Loans and (ii) the Borrower may withhold its consent to any assignment to any Person that is known by it to be an Affiliate of a Disqualified Lending Institution and/or an Affiliate of a Competitor, regardless of whether any such Person is reasonably identifiable as an Affiliate of a Disqualified Lending Institution or a Competitor, as applicable, on the basis of such Affiliate's name;

(B) the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed); provided, that no consent of the Administrative Agent shall be required for any assignment to another Lender, any Affiliate of a Lender or any Approved Fund; and

(C) in the case of any Revolving Facility, each Issuing Bank and the Swingline Lender (such consent not to be unreasonably withheld, conditioned or delayed); provided, that no consent of the Swingline Lender or any Issuing Bank shall be required for any assignment to a Revolving Lender or an affiliate of a Revolving Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of any assignment to another Lender, any Affiliate of any Lender or any Approved Fund or any assignment of the entire remaining amount of the relevant assigning Lender's Loans or Commitments of any Class, the principal amount of Loans or Commitments of the assigning Lender subject to the relevant assignment (determined as of the date on which the Assignment Agreement with respect to such assignment is delivered to the Administrative Agent and determined on an aggregate basis in the event of concurrent assignments to Related Funds or by Related Funds) shall not be less than (x) \$1,000,000 in the case of Term Loans or (y) \$5,000,000 in the case of Revolving Loans and Revolving Credit Commitments, in each case unless the Borrower and the Administrative Agent otherwise consent;

(B) any partial assignment may be made as an assignment of a proportionate part or disproportionate part of all the relevant assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment Agreement via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent); and

(D) the relevant Eligible Assignee, if it is not a Lender, shall deliver on or prior to the effective date of such assignment, to the Administrative Agent (1) an Administrative Questionnaire and (2) any Internal Revenue Service form required under Section 2.17.

(iii) Subject to the acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in any Assignment Agreement, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned pursuant to such Assignment Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be (A) entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03 with respect to facts and circumstances occurring on or prior to the effective date of such assignment and (B) subject to its obligations thereunder and under Section 9.13). If any assignment by any Lender holding any Promissory Note is made after the issuance of such Promissory Note, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender such Promissory Note to the Administrative Agent for cancellation, and, following such cancellation, if requested by either the assignee or the assigning Lender, the Borrower shall issue and deliver a new Promissory Note to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new commitments and/or outstanding Loans of the assignee and/or the assigning Lender.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in the United States a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders and their respective successors and assigns, and the commitment of, and principal amount of and interest on the Loans and LC Disbursements owing to, each Lender or Issuing Bank pursuant to the terms hereof from time to time (the "Register"). Failure to make any such recordation, or any error in such recordation, shall not affect the Borrower's obligations in respect of such Loans and LC Disbursements. The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, each Issuing Bank and each Lender (but only as to its own holdings), at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment Agreement executed by an assigning Lender and an Eligible Assignee, the Eligible Assignee's completed Administrative Questionnaire and any tax certification required by Section 9.05(b)(i)(D)(2) (unless the assignee is already a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of

this Section, if applicable, and any written consent to the relevant assignment required by paragraph (b) of this Section, the Administrative Agent shall promptly accept such Assignment Agreement and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) By executing and delivering an Assignment Agreement, the assigning Lender and the Eligible Assignee thereunder shall be deemed to confirm and agree with each other and the other parties hereto as follows: (A) the assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that the amount of its commitments, and the outstanding balances of its Loans, in each case without giving effect to any assignment thereof which has not become effective, are as set forth in such Assignment Agreement, (B) except as set forth in clause (A) above, the assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statement, warranty or representation made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any Restricted Subsidiary or the performance or observance by the Borrower or any Restricted Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (C) the assignee represents and warrants that it is an Eligible Assignee, that it is not a Disqualified Institution, and that it is legally authorized to enter into such Assignment Agreement; (D) the assignee confirms that it has received a copy of this Agreement and each applicable Acceptable Intercreditor Agreement, together with copies of the financial statements referred to in Section 4.01(c) or the most recent financial statements delivered pursuant to Section 5.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment Agreement; (E) the assignee will independently and without reliance upon the Administrative Agent, the assigning Lender or any other Lender and based on such documents and information as it deems appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (F) the assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent, by the terms hereof, together with such powers as are reasonably incidental thereto; and (G) the assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) (i) Any Lender may, with the consent of the Borrower (provided that the Borrower shall be deemed to have consented (other than any participation to any Disqualified Institution or any natural Person) unless it has objected thereto by written notice to the Administrative Agent within 10 Business Days after receipt of written notice thereof) which such consent shall not be required if (1) an Event of Default under Sections 7.01(f) or (g) (with respect to the Borrower) exists or (2) such participation is being sold to a Revolving Lender or an Affiliate or Approved Fund of a Revolving Lender, but without the consent of the Administrative Agent, any Issuing Bank or any other Lender, sell participations to any bank or other entity (other than to any Disqualified Institution, any natural Person or, other than with respect to any participation to any Debt Fund Affiliate (any such participations to a Debt Fund Affiliate being subject to the limitation set forth in the first proviso of the final paragraph set forth in Section 9.05(g), as if the limitation applied to such participations), the Borrower or any of its Affiliates) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its commitments and the Loans owing to it); provided, that it is understood and agreed that the consent of the Borrower will be required for any participation of any rights or obligations (including any Loan or Commitment) of any Lender under or in respect of the Revolving Facility; provided, further, that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely

responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which any Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the relevant Participant, agree to any amendment, modification or waiver described in (x) clause (A) of the first proviso to Section 9.02(b) that directly and adversely affects the Loans or commitments in which such Participant has an interest and (y) clauses (B)(1), (2) or (3) of the first proviso to Section 9.02(b). Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the limitations and requirements of such Sections and Section 2.19) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section and it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender, and if additional amounts are required to be paid pursuant to Section 2.17(a) or Section 2.17(c), to the Borrower and the Administrative Agent). To the extent permitted by applicable Requirements of Law, each Participant also shall be entitled to the benefits of Section 9.09 as though it were a Lender; provided that such Participant shall be subject to Section 2.18(c) as though it were a Lender.

(ii) No Participant shall be entitled to receive any greater payment under Section 2.15, 2.16 or 2.17 than the participating Lender would have been entitled to receive with respect to the participation sold to such Participant.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and their respective successors and registered assigns, and the principal and interest amounts of each Participant's interest in the Loans or other obligations under the Loan Documents (a "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of any Participant Register (including the identity of any Participant or any information relating to any Participant's interest in any Commitment, Loan, Letter of Credit or any other obligation under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) or Proposed Section 1.163-5(b) of the US Treasury Regulations (or any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and each Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) (i) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (other than to any Disqualified Institution or any natural person) to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to any Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section 9.05 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release any Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(ii) No Lender may at any time enter into a (1) total return swap, total rate of return swap, or other derivative instrument with any counterparty that is a Disqualified Institution or (2) credit default swap with any counterparty, in the case of each such swap or derivative instrument, under which any Secured Obligation is a reference obligation (any such swap or other derivative instrument, an "Obligations Derivative Instrument").

(e) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of any Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Agreement (including its obligations under Section 2.15, 2.16 or 2.17) and no SPC shall be entitled to any greater amount under Section 2.15, 2.16 or 2.17 or any other provision of this Agreement or any other Loan Document that the Granting Lender would have been entitled to receive, unless the grant to such SPC is made with the prior written consent of the Borrower (in its sole discretion), expressly acknowledging that such SPC's entitlement to benefits under Sections 2.15, 2.16 and 2.17 is not limited to what the Granting Lender would have been entitled to receive absent the grant to the SPC, (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender) and (iii) the Granting Lender shall for all purposes including approval of any amendment, waiver or other modification of any provision of the Loan Documents, remain the Lender of record hereunder. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the Requirements of Law of the US or any State thereof; provided that (i) such SPC's Granting Lender is in compliance in all material respects with its obligations to the Borrower hereunder and (ii) each Lender designating any SPC hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such SPC during such period of forbearance. In addition, notwithstanding anything to the contrary contained in this Section 9.05, any SPC may (i) with notice to, but without the prior written consent of, the Borrower or the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guaranty or credit or liquidity enhancement to such SPC.

(f) (i) Any assignment or participation or entry into an Obligations Derivative Instrument by a Lender (A) to or with any Disqualified Institution (or with respect to an Obligations Derivative Instrument that is a credit default swap, any counterparty) or (B) in the case of any assignment and/or participation, without the Borrower's consent to the extent the Borrower's consent is required under this Section 9.05 (and, if applicable, not deemed to have been given pursuant to Section 9.05(b)(i)(A)), in each case, to any Person shall be null and void, and Holdings and the Borrower shall each be entitled to seek specific performance to unwind any such assignment, participation or Obligations Derivative Instrument and/or specifically enforce this Section 9.05(f) in addition to injunctive relief (without posting a bond or presenting evidence of irreparable harm) or any other remedy available to the Borrower at law or in equity; it being understood and agreed that the Borrower, Holdings and its subsidiaries will suffer irreparable harm if any Lender breaches any obligation under this Section 9.05 as it relates to any assignment or participation to a Disqualified Person, any entry into any Obligations Derivative Instrument with any Disqualified Person, the pledge or assignment of any security interest in any Loan or Commitment to a Disqualified Person and/or any assignment or participation of, or pledge or assignment of a security interest in, any Loan or Commitment to any Person to whom the Borrower's consent is required but not obtained. Nothing in this Section 9.05(f) shall be deemed to prejudice any right or remedy that Holdings or the Borrower may

otherwise have at law or equity. The Administrative Agent may make the list of Disqualified Institutions available on a confidential basis in accordance with [Section 9.13](#) to any Lender who specifically requests a copy thereof, and such Lender may provide such list of Disqualified Institutions to any potential assignee or participant or counterparty to any Obligations Derivative Instrument who agrees to keep such list confidential in accordance with [Section 9.13](#) solely for the purpose of permitting such Person to verify whether such Person (or any Affiliate thereof) constitutes a Disqualified Institution.

(ii) If any assignment or participation under this [Section 9.05](#) is made to any Disqualified Institution and/or any Affiliate of any Disqualified Institution (other than any Competitor Debt Fund Affiliate) and/or with respect to an Obligations Derivative Instrument that is a credit default swap, any counterparty and/or any other Person to whom the Borrower's consent is required but not obtained, in each case, without the Borrower's prior written consent (any such person, a "Disqualified Person"), then the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Person and the Administrative Agent, (A) terminate any Commitment of such Disqualified Person and repay all obligations of the Borrower owing to such Disqualified Person, (B) in the case of any outstanding Term Loans, held by such Disqualified Person, purchase such Term Loans by paying the lesser of (x) par and (y) the amount that such Disqualified Person paid to acquire such Term Loans, plus accrued interest thereon, accrued fees and all other amounts payable to it hereunder and/or (C) require such Disqualified Person to assign, without recourse (in accordance with and subject to the restrictions contained in this [Section 9.05](#)), all of its interests, rights and obligations under this Agreement to one or more Eligible Assignees; provided that (I) in the case of [clause \(B\)](#), the applicable Disqualified Person has received payment of an amount equal to the lesser of (1) par and (2) the amount that such Disqualified Person paid for the applicable Loans and participations in Letters of Credit and Swingline Loans, plus accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the Borrower, (II) in the case of [clauses \(A\) and \(B\)](#), the Borrower shall not be liable to the relevant Disqualified Person under [Section 2.16](#) if any LIBO Rate Loan owing to such Disqualified Person is repaid or purchased other than on the last day of the Interest Period relating thereto, (III) in the case of [clause \(C\)](#), the relevant assignment shall otherwise comply with this [Section 9.05](#) (except that (x) no registration and processing fee required under this [Section 9.05](#) shall be required with any assignment pursuant to this paragraph and (y) any Term Loan acquired by any Affiliated Lender pursuant to this paragraph will not be included in calculating compliance with the Affiliated Lender Cap for a period of 90 days following such transfer; provided that, to the extent the aggregate principal amount of Term Loans held by Affiliated Lenders exceeds the Affiliated Lender Cap on the 91st day following such transfer, then such excess amount shall either be (x) contributed to the Borrower or any of its subsidiaries and retired and cancelled immediately upon such contribution or (y) automatically cancelled) and (IV) in no event shall such Disqualified Person be entitled to receive amounts set forth in [Section 2.13\(d\)](#). Further, any Disqualified Person identified by the Borrower to the Administrative Agent (A) shall not be permitted to (x) receive information or reporting provided by any Loan Party, the Administrative Agent or any Lender and/or (y) attend and/or participate in conference calls or meetings attended solely by the Lenders and the Administrative Agent, (B) (x) shall not for purposes of determining whether the Required Lenders or the majority of Lenders under any Class have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, (ii) otherwise acted on any matter related to any Loan Document, or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, have a right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action; it being understood that all Loans held by any Disqualified Person shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders or majority Lenders under any Class have taken any action, and (y) shall be deemed to

vote in the same proportion as Lenders that are not Disqualified Persons (1) in any proceeding under any Debtor Relief Law commenced by or against the Borrower or any other Loan Party and/or (2) for purposes of any matter requiring the consent of each Lender or each affected Lender and (C) shall not be entitled to receive the benefits of Section 9.03. For the sake of clarity, the provisions in this Section 9.05(f) shall not apply to any Person that is an assignee of any Disqualified Person, if such assignee is not a Disqualified Person.

(iii) Notwithstanding anything to the contrary herein, each of Holdings, the Borrower and each Lender acknowledges and agrees that the Administrative Agent shall not have any liability for any assignment or participation made to any Disqualified Institution or Affiliated Lender (regardless of whether the consent of the Administrative Agent is required thereto), and none of the Borrower, any Lender or any of their respective Affiliates will bring any claim to that effect.

(g) Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans to any Affiliated Lender on a non-pro rata basis (A) through Dutch Auctions open to all Lenders holding the relevant Term Loans on a pro rata basis or (B) through open market purchases, in each case with respect to clauses (A) and (B), without the consent of the Administrative Agent; provided that:

(i) any Term Loan acquired by Holdings, the Borrower or any of its Restricted Subsidiaries shall, to the extent permitted by applicable Requirements of Law, be retired and cancelled immediately upon the acquisition thereof; provided that upon any such retirement and cancellation, the aggregate outstanding principal amount of the Term Loans shall be deemed reduced by the full par value of the aggregate principal amount of the Term Loans so retired and cancelled, and each principal repayment installment with respect to the Term Loans pursuant to Section 2.10(a) shall be reduced on a pro rata basis by the full par value of the aggregate principal amount of Term Loans so cancelled;

(ii) any Term Loan acquired by any Non-Debt Fund Affiliate (other than Holdings, the Borrower or any of its Restricted Subsidiaries) may (but shall not be required to) be contributed to the Borrower or any of its subsidiaries (it being understood that any such Term Loans shall, to the extent permitted by applicable Requirements of Law, be retired and cancelled promptly upon such contribution); provided that upon any such cancellation, the aggregate outstanding principal amount of the Term Loans shall be deemed reduced, as of the date of such contribution, by the full par value of the aggregate principal amount of the Term Loans so contributed and cancelled, and each principal repayment installment with respect to the Term Loans pursuant to Section 2.10(a) shall be reduced pro rata by the full par value of the aggregate principal amount of Term Loans so contributed and cancelled;

(iii) the relevant Affiliated Lender and assigning or purchasing, as applicable, Lender shall have executed an Affiliated Lender Assignment and Assumption;

(iv) subject to Section 9.05(f)(ii), after giving effect to the relevant assignment and to all other assignments to all Affiliated Lenders, the aggregate principal amount of all Term Loans then held by all Affiliated Lenders shall not exceed 25% of the aggregate principal amount of the Term Loans then outstanding (after giving effect to any substantially simultaneous cancellation thereof) (the "Affiliated Lender Cap") and there shall be no more than 3 Affiliated Lenders holding Term Loans at any time; provided that each party hereto acknowledges and agrees that the Administrative Agent shall not be liable for any losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever incurred or suffered by any Person in connection with any compliance or non-compliance with this

clause (g)(iv) or any purported assignment exceeding the Affiliated Lender Cap (it being understood and agreed that the Affiliated Lender Cap is intended to apply to any Loan made available to Affiliated Lenders by means other than formal assignment (*e.g.*, as a result of an acquisition of another Lender (other than any Debt Fund Affiliate) by any Affiliated Lender or the provision of Additional Term Loans by any Affiliated Lender); provided, further, that to the extent that any assignment to any Affiliated Lender would result in the aggregate principal amount of Term Loans held by Affiliated Lenders exceeding the Affiliated Lender Cap (after giving effect to any substantially simultaneous cancellations thereof), the assignment of the relevant excess amount shall be null and void (except to the extent such excess amount is subsequently assigned to a Person that is not an Affiliated Lender);

(v) (A) the relevant Person may not use the proceeds of any Revolving Loans to fund such assignment and (B) in connection with any assignment effected pursuant to a Dutch Auction and/or open market purchase conducted by Holdings, the Borrower or any of its Restricted Subsidiaries, no Event of Default exists at the time of acceptance of bids for the Dutch Auction or the confirmation of such open market purchase, as applicable; and

(vi) by its acquisition of Term Loans, each relevant Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) subject to clause (iv) above, the Term Loans held by such Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Required Lender or other Lender vote; provided that (x) such Affiliated Lender shall have the right to vote (and the Term Loans held by such Affiliated Lender shall not be so disregarded) with respect to any amendment, modification, waiver, consent or other action that requires the vote of all Lenders or all Lenders directly and adversely affected thereby, as the case may be, and (y) no amendment, modification, waiver, consent or other action shall (1) disproportionately affect such Affiliated Lender in its capacity as a Lender as compared to other Lenders of the same Class that are not Affiliated Lenders or (2) deprive any Affiliated Lender of its share of any payment in which the Lenders are entitled to share on a pro rata basis hereunder, in each case without the consent of such Affiliated Lender; and

(B) such Affiliated Lender, solely in its capacity as an Affiliated Lender, will not be entitled to (i) attend (including by telephone) or participate in any meeting or discussion (or portion thereof) among the Administrative Agent or any Lender or among Lenders to which the Loan Parties or their representatives are not invited or (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders, except to the extent such information or materials have been made available by the Administrative Agent or any Lender to any Loan Party or its representatives (and in any case, other than the right to receive notices of Borrowings, prepayments and other administrative notices in respect of its Term Loans required to be delivered to Lenders pursuant to Article 2);

(vii) no Affiliated Lender shall be required to represent or warrant that it is not in possession of material non-public information with respect to Holdings and/or any subsidiary thereof and/or their respective securities in connection with any assignment permitted by this Section 9.05(g); and

(viii) in any proceeding under any Debtor Relief Law, the interest of an Affiliated Lender in any Term Loan will be deemed to be voted in the same proportion as the vote of Lenders

that are not Affiliated Lenders on the relevant matter; provided that each Affiliated Lender will be entitled to vote its interest in any Term Loan to the extent that any plan of reorganization or other arrangement with respect to which the relevant vote is sought proposes to treat the interest of such Affiliated Lender in such Term Loan in a manner that is less favorable to such Affiliated Lender than the proposed treatment of Term Loans held by other Term Lenders or in a disparate manner that is materially prejudicial to such Affiliated Lender in its capacity as a Lender.

Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Loans and/or Commitments to any Debt Fund Affiliate, and any Debt Fund Affiliate may, from time to time, purchase Loans and/or Commitments (x) on a pro rata basis through Dutch auctions open to all applicable Lenders in accordance with customary procedures or (y) on a non-pro rata basis through open market purchases without the consent of the Administrative Agent, in each case, notwithstanding the requirements set forth in subclauses (i) through (viii) of this clause (g); provided that the Loans and Commitments held by all Debt Fund Affiliates shall not account for more than 49.9% of the amounts included in determining whether the Required Lenders or Required Revolving Lenders have (A) consented to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, (B) otherwise acted on any matter related to any Loan Document or (C) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document; it being understood and agreed that the portion of the Loan and/or Commitments that accounts for more than 49.9% of the relevant Required Lender or Required Revolving Lender action shall be deemed to be voted pro rata along with other Lenders that are not Debt Fund Affiliates. Any Loan acquired by any Debt Fund Affiliate may (but shall not be required to) be contributed to Holdings or any of its subsidiaries for purposes of cancelling such Indebtedness (it being understood that any Loan so contributed shall be retired and cancelled immediately upon thereof); provided that upon any such cancellation, the aggregate outstanding principal amount of the relevant Class of Loans shall be deemed reduced, as of the date of such contribution, by the full par value of the aggregate principal amount of the Loans so contributed and cancelled, and each principal repayment installment with respect to the Term Loans pursuant to Section 2.10(a) shall be reduced pro rata by the full par value of the aggregate principal amount of any applicable Term Loans so contributed and cancelled.

Section 9.06. **Survival.** All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loan and issuance of any Letter of Credit regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until the Termination Date. The provisions of Sections 2.15, 2.16, 2.17, 9.03 and 9.13 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Revolving Credit Commitment, the occurrence of the Termination Date or the termination of this Agreement or any provision hereof but in each case, subject to the limitations set forth in this Agreement.

Section 9.07. **Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and the Fee Letter constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it has been executed by Holdings, the Borrower and the Administrative Agent and when the Administrative Agent has received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by email as a “.pdf” or “.tif” attachment shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.08. **Severability.** To the extent permitted by applicable Requirements of Law, any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.09. Right of Setoff. At any time when an Event of Default exists, the Administrative Agent and, upon the written consent of the Administrative Agent, each Issuing Bank and each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Requirements of Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations (in any currency) at any time owing by the Administrative Agent, such Issuing Bank or such Lender, respectively, to or for the credit or the account of any Loan Party against any of and all the Secured Obligations held by the Administrative Agent, such Issuing Bank or such Lender, irrespective of whether or not the Administrative Agent, such Issuing Bank or such Lender shall have made any demand under the Loan Documents and although such obligations may be contingent or unmatured or are owed to a branch or office of such Lender or Issuing Bank different than the branch or office holding such deposit or obligation on such Indebtedness. The Administrative Agent shall promptly notify the Borrower and any applicable Lender or Issuing Bank shall promptly notify the Borrower and the Administrative Agent of such set-off or application, as applicable; provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender, each Issuing Bank and the Administrative Agent under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender, such Issuing Bank or the Administrative Agent may have.

Section 9.10. Governing Law; Jurisdiction; Consent to Service of Process.

(a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN ANY OTHER LOAN DOCUMENT) AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN ANY OTHER LOAN DOCUMENT), SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; PROVIDED, THAT (I) THE INTERPRETATION OF THE DEFINITION OF "CLOSING DATE MATERIAL ADVERSE EFFECT" AND THE DETERMINATION OF WHETHER A CLOSING DATE MATERIAL ADVERSE EFFECT HAS OCCURRED, (II) THE DETERMINATION OF THE ACCURACY OF ANY SPECIFIED ACQUISITION AGREEMENT REPRESENTATION AND WHETHER AS A RESULT OF ANY INACCURACY THEREOF BORROWER OR ITS APPLICABLE AFFILIATE HAS A RIGHT TO TERMINATE ITS OBLIGATIONS UNDER THE ACQUISITION AGREEMENT OR DECLINE TO CONSUMMATE THE ACQUISITION AND (III) THE DETERMINATION OF WHETHER THE ACQUISITION HAS BEEN CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THE ACQUISITION AGREEMENT AND, IN ANY CASE, ANY CLAIM OR DISPUTE ARISING OUT OF ANY SUCH INTERPRETATION OR DETERMINATION OR ANY ASPECT THEREOF, SHALL IN EACH CASE BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY US FEDERAL OR NEW YORK STATE COURT SITTING IN THE BOROUGH OF MANHATTAN, IN THE CITY OF NEW YORK (OR ANY APPELLATE COURT THEREFROM) OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL (EXCEPT AS PERMITTED BELOW) BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, FEDERAL

COURT. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY REGISTERED MAIL ADDRESSED TO SUCH PERSON SHALL BE EFFECTIVE SERVICE OF PROCESS AGAINST SUCH PERSON FOR ANY SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT. EACH PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE REQUIREMENTS OF LAW. EACH PARTY HERETO AGREES THAT THE ADMINISTRATIVE AGENT RETAINS THE RIGHT TO BRING PROCEEDINGS AGAINST ANY LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION SOLELY IN CONNECTION WITH THE EXERCISE OF ITS RIGHTS UNDER ANY COLLATERAL DOCUMENT.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, ANY CLAIM OR DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION, SUIT OR PROCEEDING IN ANY SUCH COURT.

(d) TO THE EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL) DIRECTED TO IT AT ITS ADDRESS FOR NOTICES AS PROVIDED FOR IN SECTION 9.01. EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY LOAN DOCUMENT THAT SERVICE OF PROCESS WAS INVALID AND INEFFECTIVE. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE REQUIREMENTS OF LAW.

Section 9.11. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE REQUIREMENTS OF LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.12. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.13. Confidentiality. Each of the Administrative Agent, each Lender, each Issuing Bank and each Arranger agrees (and each Lender agrees to cause its SPC, if any) to maintain the confidentiality of the Confidential Information (as defined below), except that Confidential Information may be disclosed (a) to its and its Affiliates' members, partners, directors, officers, managers, employees, independent auditors, servicers and service providers or other experts and advisors, including accountants, legal counsel and other advisors (collectively, the "Representatives") on a "need to know" basis solely in connection with the transactions contemplated hereby and who are informed of the confidential nature of the Confidential Information and are or have been advised of their obligation to keep the Confidential Information of this type confidential; provided that such Person shall be responsible for its Affiliates' and their Representatives' compliance with this paragraph; provided, further, that unless the Borrower otherwise consents, no such disclosure shall be made by the Administrative Agent, any Issuing Bank, any Arranger, any Lender or any Affiliate or Representative thereof to any Affiliate or Representative of the Administrative Agent, any Issuing Bank, any Arranger, or any Lender that is a Disqualified Institution, (b) to the extent compelled by legal process in, or reasonably necessary to, the defense of such legal, judicial or administrative proceeding, in any legal, judicial or administrative proceeding or otherwise as required by applicable Requirements of Law (in which case such Person shall (i) to the extent practicable and permitted by applicable Requirements of Law, inform the Borrower promptly in advance thereof and (ii) use commercially reasonable efforts to ensure that any such information so disclosed is accorded confidential treatment), (c) upon the demand or request of any regulatory or governmental authority (including any self-regulatory body) purporting to have jurisdiction over such Person or its Affiliates (in which case such Person shall, except with respect to any audit or examination conducted by bank accountants or any Governmental Authority or regulatory or self-regulatory authority exercising examination or regulatory authority or pursuant to a broad or routine audit, examination or request for information by any legal, judicial, governmental, administrative, or regulatory authority that is not specific to the Confidential Information provided hereunder, to the extent permitted by applicable Requirements of Law, (i) inform the Borrower promptly in advance thereof and (ii) use commercially reasonable efforts to ensure that any information so disclosed is accorded confidential treatment), (d) to the extent provided by or on behalf of the Borrower to the Administrative Agent for distribution to the Issuing Banks and/or Lenders, by the Administrative Agent to any Lender or Issuing Bank party to this Agreement, as applicable, (e) subject to an acknowledgment and agreement by the relevant recipient that the Confidential Information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as otherwise reasonably acceptable to the Borrower and the Administrative Agent) in accordance with the standard syndication process of the Arrangers or market standards for dissemination of the relevant type of information, which shall in any event require "click through" or other affirmative action on the part of the recipient to access the Confidential Information and acknowledge its confidentiality obligations in respect thereof, to (i) any Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or prospective Participant in, any of its rights or obligations under this Agreement, including any SPC (in each case other than a Disqualified Institution and/or any Person to whom the Borrower has, at the time of disclosure, affirmatively declined to consent to any assignment or participation), (ii) any pledgee referred to in Section 9.05, any actual financing sources of any Lender or any valuation provider of any Lender (iii) any actual or prospective, direct or indirect contractual counterparty (or its advisors) to any Derivative Transaction (including any credit default swap) or similar derivative product to which any Loan Party is a party and (iv) subject to the Borrower's prior approval of the information to be disclosed, (x) [reserved] or (y) to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the facilities or, on a confidential basis, solely for the purpose of obtaining league table credit, (A) the existence of this Agreement (but not the terms hereof) and the existence of the Credit Facilities (but not the terms thereof) and (B) certain other limited generic information regarding the Credit Facilities (but not any other Confidential Information), may be disclosed to market data collectors, in each case, limited to the extent necessary to obtain league table credit, (f) with the prior written consent of the Borrower and (g) to the extent the Confidential Information becomes publicly available other than as a result of a breach of this Section by such Person, its Affiliates or their respective Representatives. For

purposes of this Section, “Confidential Information” means all information relating to Holdings, the Borrower and/or any of its subsidiaries and their respective businesses, the Transactions or the First Amendment Transactions (including any information obtained by the Administrative Agent, any Issuing Bank, any Lender or any Arranger, or any of their respective Affiliates or Representatives, based on a review of any books and records relating to Holdings, the Borrower and/or any of its subsidiaries and their respective Affiliates from time to time, including prior to the date hereof) other than any such information that is publicly available to the Administrative Agent or any Arranger, Issuing Bank, or Lender on a non-confidential basis prior to disclosure by Holdings or any of its subsidiaries. For the avoidance of doubt, in no event shall any disclosure of any Confidential Information be made to any Person that is a Disqualified Institution at the time of disclosure.

Section 9.14. No Fiduciary Duty. Each of the Administrative Agent, the Arrangers, each Lender, each Issuing Bank and their respective Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their respective affiliates. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Loan Party, its respective stockholders or its respective affiliates, on the other. Each Loan Party acknowledges and agrees that: (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender, in its capacity as such, has assumed an advisory or fiduciary responsibility in favor of any Loan Party, its respective stockholders or its respective affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Loan Party, its respective stockholders or its respective Affiliates on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Lender, in its capacity as such, is acting solely as principal and not as the agent or fiduciary of such Loan Party, its respective management, stockholders, creditors or any other Person. Each Loan Party acknowledges and agrees that such Loan Party has consulted its own legal, tax and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto.

Section 9.15. Several Obligations. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan, issue any Letter of Credit or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder.

Section 9.16. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA PATRIOT Act and the requirements of the Beneficial Ownership Regulation hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the USA PATRIOT Act and the Borrower in accordance with the Beneficial Ownership Regulation.

Section 9.17. Disclosure of Agent Conflicts. Each Loan Party, each Issuing Bank and each Lender hereby acknowledge and agree that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

Section 9.18. Appointment for Perfection. Each Lender hereby appoints each other Lender and each Issuing Bank as its agent for the purpose of perfecting Liens for the benefit of the Administrative

Agent, the Issuing Banks and the Lenders, in assets which, in accordance with Article 9 of the UCC or any other applicable Requirement of Law can be perfected only by possession. If any Lender or Issuing Bank (other than the Administrative Agent) obtains possession of any Collateral, such Lender, Issuing Bank shall notify the Administrative Agent thereof and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

Section 9.19. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or Letter of Credit, together with all fees, charges and other amounts which are treated as interest on such Loan or Letter of Credit under applicable Requirements of Law (collectively the "Charged Amounts"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender or Issuing Bank holding such Loan or Letter of Credit in accordance with applicable Requirements of Law, the rate of interest payable in respect of such Loan or Letter of Credit hereunder, together with all Charged Amounts payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charged Amounts that would have been payable in respect of such Loan or Letter of Credit but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charged Amounts payable to such Lender or Issuing Bank in respect of other Loans or Letters of Credit or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, have been received by such Lender or Issuing Bank.

Section 9.20. Intercreditor Agreements. REFERENCE IS MADE TO EACH ACCEPTABLE INTERCREDITOR AGREEMENT. EACH LENDER AND ISSUING BANK HEREUNDER AGREES THAT IT WILL BE BOUND BY AND WILL TAKE NO ACTION CONTRARY TO THE PROVISIONS OF EACH ACCEPTABLE INTERCREDITOR AGREEMENT AND AUTHORIZES AND INSTRUCTS THE ADMINISTRATIVE AGENT TO ENTER INTO EACH ACCEPTABLE INTERCREDITOR AGREEMENT AS "FIRST LIEN AGENT" (OR EQUIVALENT) AND ON BEHALF OF SUCH LENDER OR ISSUING BANK. THE PROVISIONS OF THIS SECTION 9.20 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF ANY ACCEPTABLE INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO EACH ACCEPTABLE INTERCREDITOR AGREEMENT ITSELF TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER AND ISSUING BANK IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF EACH ACCEPTABLE INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER OR ISSUING BANK AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN SUCH INTERCREDITOR AGREEMENT. THE FOREGOING PROVISIONS ARE INTENDED AS AN INDUCEMENT TO THE LENDERS AND/OR HOLDER OF ANY INDEBTEDNESS SUBJECT TO ANY ACCEPTABLE INTERCREDITOR AGREEMENT TO EXTEND CREDIT THEREUNDER AND SUCH LENDERS AND/OR HOLDERS ARE INTENDED THIRD PARTY BENEFICIARIES OF SUCH PROVISIONS AND THE PROVISIONS OF EACH APPLICABLE ACCEPTABLE INTERCREDITOR AGREEMENT.

Section 9.21. Conflicts. Notwithstanding anything to the contrary contained herein or in any other Loan Document, in the event of any conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement shall govern and control; provided that in the case of any conflict or inconsistency between any Acceptable Intercreditor Agreement and any Loan Document, the terms of such Acceptable Intercreditor Agreement shall govern and control.

Section 9.22. Release of Guarantors. Notwithstanding anything in Section 9.02(b) to the contrary, (a) any Subsidiary Guarantor shall automatically be released from its obligations hereunder (and its Loan Guaranty and any Lien granted by such Subsidiary Guarantor pursuant to any Collateral Document) shall be automatically released) (i) upon the consummation of any transaction or series of related transactions not prohibited hereunder if as a result thereof such Subsidiary Guarantor ceases to be a Restricted Subsidiary (or is or becomes an Excluded Subsidiary as a result of a single transaction or series of related transactions not prohibited hereunder other than if such Subsidiary Guarantor became an Excluded Subsidiary pursuant to clause (a) of the definition thereof as a result of a non-arm's-length transaction or series of related transactions with an Affiliate or Related Party of such Subsidiary Guarantor for consideration of less than fair market value in a transaction or series of related transactions with no bona fide business purpose), (ii) upon the occurrence of the Termination Date and (b) any Subsidiary Guarantor that meets the definition of an "Excluded Subsidiary" shall be released by the Administrative Agent promptly following the request therefor by the Borrower. In connection with any such release, the Administrative Agent shall promptly execute and deliver to the relevant Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence termination or release; provided, that upon the request of the Administrative Agent, the Borrower shall deliver a certificate of a Responsible Officer certifying that the relevant transaction has been consummated in compliance with the terms of this Agreement. Any execution and delivery of any document pursuant to the preceding sentence of this Section 9.22 shall be without recourse to or warranty by the Administrative Agent (other than as to the Administrative Agent's authority to execute and deliver such documents).

Section 9.23. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding of the parties hereto, each such party acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 9.24. Certain ERISA Matters. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, that at least one of the following is and will be true:

(a) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(b) the transaction exemption set forth in one or more PTEs, such as PTE84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(c) (i) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE84-14), (ii) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (iii) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (e) and (g) of Part I of PTE84-14 and (iv) to the best knowledge of such Lender, the requirements of subsections (a) and (f) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(d) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless either (1) Section 9.24(a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with Section 9.24(d), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that it does not consider or expect the Administrative Agent to be a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

[Intentionally Omitted]

ANNEX II

SCHEDULE 1.01(a)

Commitment ScheduleRevolving Credit Commitments

<u>Revolving Lender</u>	<u>Initial Revolving Credit Commitment</u>
Midcap Funding IX Trust	\$ 11,700,000.00
Apollo Investment Corporation	\$ 2,300,000.00
Business Development Corporation Of America, Inc.	\$ 1,908,000.00
Oaktree Strategic Income Corporation	\$ 972,000.00
LBC-P Credit Fund, L.P.	\$ 991,485.58
Reliance Standard Life Insurance	\$ 134,000.00
Special Value Continuation Partners	\$ 1,340,000.02
Tcp Waterman CLO, LLC	\$ 312,666.66
Tennenbaum Senior Loan Fund II, LP	\$ 550,807.98
Tmd-DI Holdings LLC	\$ 134,000.00
Oaktree Specialty Lending Corp	\$ 3,834,000.00
Benefit Street Partners Debt F IV L	\$ 1,918,000.00
Bsp Debt Fund IV Master Non-Us LP	\$ 1,886,000.00
Benefit Street Partners SMA-K LP	\$ 226,000.00
Benefit Street Partners Capital Opportunity Fund II LP	\$ 223,000.00
Benefit Street Partners Capital Opportunity Fund LP	\$ 209,000.00
Benefit Street Partners Senior Secured Opportunities (U) Masterfund (Non-US) L.P.	\$ 12,000.00
Benefit Street Partners Senior Secured Opportunities Fund LP	\$ 355,000.00
Benefit Street Partners Senior Secured Opportunities Master Fund(Non-Us) LP	\$ 415,000.00
Benefit Street Partners SMA-T LP	\$ 761,000.00
Benefit Street Partners SMA-C II LP	\$ 299,000.00
Blackrock Elbert CLO V LLC	\$ 248,951.66
TCP DLF VIII-L Funding LP	\$ 684,621.18
TCP DLF VIII-S Funding LLC	\$ 178,675.60
TCP DLF VIII-T Funding LLC	\$ 357,342.26
TCP Rainier LLC	\$ 536,000.00
Tennenbaum Senior Loan Fund V LLC	\$ 501,266.74
BSP Levered US SOF II (Senior Secured Opportunities) Fund L.P.	\$ 846,000.00

Revolving Lender	Initial Revolving Credit Commitment
BSP Unlevered Lux SOF II (Senior Secured Opportunities) Fund SCSP	\$ 38,000.00
Exelon Strategic Credit Holdings LLC	\$ 756,000.00
INPRS Strategic Credit Holdings LLC	\$ 224,035.00
Oaktree Strategic Income II INC	\$ 1,026,000.00
Oaktree Strategic Income LLC	\$ 648,000.00
Oaktree-Forrest Multi-Strategy, LLC Series A	\$ 383,543.00
Oaktree-Minn Strategic Credit LLC	\$ 402,959.00
Oaktree-NGP Strategic Credit LLC	\$ 797,984.00
Oaktree-TBMR Strategic Credit FundC, LLC	\$ 395,806.00
Oaktree-TBMR Strategic Credit FundF LLC	\$ 613,262.00
Oaktree-TBMR Strategic Credit FundG LLC	\$ 1,006,675.00
Oaktree-TCDRS Strategic Credit LLC	\$ 836,636.00
Oaktree-TSE 16 Strategic Credit LLC	\$ 739,100.00
OCSI Glick JV Funding LLC	\$ 324,000.00
SLF JV I Funding LLC	\$ 540,000.00
Blackrock DLF IX 2019 CLO LLC	\$ 204,056.22
Blackrock DLF IX 2019-G CLO LLC	\$ 188,493.34
TCP Dir Lend Fund VIII-U (Ireland)	\$ 430,434.94
TCP Direct Lending Fund VIII-A LLC	\$ 313,917.32
TCP DLF VIII 2018 CLO LLC	\$ 275,494.08
TCP Whitney CLO LTD	\$ 309,272.00
Benefit Street Partners SMA-O LP	\$ 490,000.00
LBC Credit Partners V LP	\$ 2,675,929.71
LBC-A Credit Fund II LP	\$ 332,584.71
BSP Levered Non-US Master SOF II Senior Secured Opportunities FUND LP	\$ 202,000.00
BSP Unlevered Non-US Master SOF II Senior Secured Opportunities FUND LP	\$ 12,000.00
Oaktree Gilead Investment Fund AIF(Delaware), L.P.	\$ 1,500,000.00
Oaktree Huntington-GCF Investment Fund (Direct Lending AIF), L.P.	\$ 500,000.00
Goldman Sachs Bank USA	\$ 1,000,000.00
Total	\$ 51,000,000.00

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO OLAPLEX HOLDINGS, INC. IF PUBLICLY DISCLOSED.**

MANUFACTURING SERVICES AGREEMENT

This Manufacturing Services Agreement (“Agreement”) is entered into as of January 1, 2020 (the “Effective Date”) by and between Olaplex (“Olaplex”), with an address at 1187 Coast Village Rd, Suite 1-520, Santa Barbara, CA 93108, and Cosway Company Inc. (“Cosway”), with an address at 20633 South Fordyce Avenue, Carson, California 90810 (each, a “Party” and collectively, the “Parties”).

RECITALS

WHEREAS, Olaplex is in the business of marketing and distributing various personal care products, including without limitation cosmetics, haircare and skincare products;

WHEREAS, Cosway is in the business of manufacturing personal care products;

WHEREAS, Olaplex wishes to engage Cosway to manufacture certain products, as defined below, for Olaplex; and

WHEREAS, Cosway desires to provide manufacturing services for Olaplex.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms will have the following definitions:

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, notice of violation, proceeding, litigation, summons, subpoena, or investigation of any nature, civil, criminal administrative, regulatory or other, whether at law, in equity or otherwise.

“Services” means the services provided by Cosway to Olaplex relating to production, supply, shipment, rework, or repair of Products.

“Olaplex Intellectual Property” means all intellectual property rights developed, owned by or licensed by Olaplex, including without limitation, formulas for Products, patents, trademarks (whether registered or not), copyrights (whether registered or not), trade dress, trade secrets, product packaging, proprietary techniques, know-how and technical information, designs, and improvements.

“Confidential Information” has the meaning set forth in Section 21.1.

“Cosway’s Intellectual Property” means all intellectual property rights developed, owned by or licensed by Cosway, including without limitation, formulas for Products, patents, trademarks (whether registered or not), copyrights (whether registered or not), trade dress, trade secrets, formulas, product packaging, proprietary techniques know-how and technical information, designs, and improvements.

“Purchase Order” is an order in writing for Products placed by Olaplex with Cosway.

“Products” is the products listed on Exhibit A attached hereto, which are manufactured by Cosway and purchased by Olaplex hereunder.

2. Purchase Orders. This Agreement does not constitute a Purchase Order. Purchases under this Agreement shall be made with Purchase Orders issued by Olaplex. The Parties agree that Olaplex may submit Purchase Orders to Cosway via any form of electronic communication, including via SAP, similar software, or electronic submission. Nothing in this Agreement obligates Olaplex to issue Purchase Orders to Cosway. A commercial tolerance of +/- 10% quantity will apply, provided that for orders of 250,000 quantity or greater, the tolerance shall be +/- 5% quantity.
3. Shipment. All Products shall be purchased from Cosway on FOB terms. Cosway will ship the Products with accurate shipping documents and package the Products in accordance with Olaplex’s packaging specifications consistent with good commercial practices. Cosway shall provide Olaplex, via email, copies of all receiving documents within 24 hours of receiving the parts in Cosway’s system and include the date on which Cosway received the inventory into Cosway’s system. Cosway shall notify Olaplex in the event there is any problem that may affect the manufacturing or production process of the Products, cause any alteration to the specifications or quality of the Products, or cause a delay in their delivery
4. Exclusion of Additional or Inconsistent Terms. Cosway agrees that any terms or conditions set forth on any documents or forms by Cosway that are inconsistent with, or not included in, this Agreement or Olaplex’s then Purchase Order terms and conditions shall be of no force or effect unless signed by an executive officer of Olaplex.
5. Change in Manufacturing Location. In the event of a disaster recovery, Cosway may manufacture Products at a new manufacturing location, subject at all times to audit and inspection by Olaplex consistent with Sections 22.2 and 22.4. Other than in relation to a disaster recovery, Cosway will not change manufacturing location without prior written approval from Olaplex.
6. Subcontractors. Cosway may not use any subcontractor unless directed and expressly approved in writing in advance by Olaplex (“Approved Subcontractor”). Cosway shall obtain the same inspection and audit rights set forth in Sections 22.2 and 22.4 for Olaplex from any Approved Subcontractor.
7. Forecast; Reporting. Olaplex may provide Cosway with a forecast of its expected need for Products. Unless stated to the contrary, the forecasts are for informational purposes only and are subject to change at any time in Olaplex’s sole discretion.

Cosway shall provide Olaplex the following reports:

- (a) an open order report, weekly and on the first business day after month end (assuming no production over a weekend if the first day of the month is over the weekend);
- (b) a report of stock on hand report, on the first business day after month end (assuming no production over a weekend if the first day of the month is over the weekend);
- (c) a shortage report, upon request;
- (d) an aged inventory report, including part numbers and quantity and date included as inventory for items over 90 days old, quarterly on the first after quarter end (as close to April 1, July 1, October 1, and January 1 as possible assuming no production over a weekend if the first day of the month is over the weekend).

8. Purchase Order (PO) Acceptance/Cancellations:

Purchase Orders received into Cosway will be reviewed for accuracy. An acceptance communication will be sent to customer within 48 hours of receiving the Purchase Order. Purchase Order cancellations at any time may result in financial liabilities caused by Cosway's commitments to our suppliers (e.g. raw material, component, specific equipment, labor). Cosway will work to mitigate all liabilities. All liabilities that cannot be mitigated/eliminated will be communicated to Olaplex for resolution.

9. Components, Raw Materials, Suppliers. Cosway may not replace or modify components or raw materials used to manufacture the Products without the prior express written consent of Olaplex as determined by Olaplex in its sole discretion. Cosway shall avoid a material amount of excess inventory by limiting inventory of components and raw materials for the Products consistent with any forecast provided by Olaplex, or as agreed upon with Olaplex, and in any event shall not exceed a six to nine month amount of inventory for the Products unless otherwise agreed upon by Olaplex. Cosway must advise Olaplex, and obtain written pre-approval from Olaplex, of any supplier of component and raw materials for the Products.

10. Cost Control. The Parties agree to use commercially reasonable efforts to reduce the cost or supply of the Products consistent with Olaplex's specifications and incorporate, to the extent possible, cost improvement techniques developed or suggested by Olaplex. The listing of Product prices is set forth on Exhibit A attached hereto. In the event Cosway experiences a demonstrated increase in its out of pocket cost of raw materials, then Cosway shall be entitled to discuss with Olaplex and in a spirit of good faith negotiate a mutually agreed upon price adjustment. If Olaplex's order volume increases materially, thereby driving efficiencies for Cosway, then Olaplex shall be entitled to discuss with Cosway and in a spirit of good faith negotiate a mutually agreed upon price reduction. Other than as provided in this Section 10, prices will not be adjusted during the Initial Term. After the Initial Term, any proposed changes in pricing will be discussed and subject to mutual agreement of Seller and Purchaser.

11. Inspection and Refusal. The Products will be subject to the inspection and approval of Olaplex within fifteen (15) days from the date of delivery; *provided, however* that if the Products are defective or do not comply with this Agreement, the Purchase Order or applicable legal requirements (“Defective Products”) and such discovery is made after the fifteen day time period, Olaplex may, at its option, return the Defective Products to Cosway (or, subject to Cosway’s approval, dispose of such Products) for refund of the purchase price plus reasonable costs of such return or nonconformity. Acceptance of all or a portion of the Products shall not be deemed a waiver of Olaplex’s right to return or destroy the Defective Products. Cosway agrees to pay Olaplex for reasonable costs incurred in returning or destroying the Defective Products.

12. Olaplex Owned and Supplied Material: Storage. Cosway shall be responsible for the proper storage of any and all raw materials, packaging, packing, and related items (collectively, the “Component Packaging”) supplied by Olaplex (or on its behalf) to Cosway in connection with the manufacture of the Products and consistent with all applicable quality standards set forth in Exhibit B attached hereto. If applicable, Cosway shall store the Component Packaging and Products at Cosway’s factory and warehouses in suitable conditions consistent with industry standards and product requirements.

Cosway shall stamp lot numbers legibly on all individual bottles, unit cartons and cases, and all shipments must be palletized, on heat treated 4 way pallets. Pallets must not be triple stacked. Pallets must be stored inside at an ambient temperature between 40 and 85 degrees Fahrenheit. Shipping cases shall be marked with: (i) UPC code; (ii) item number; (iii) product description; (iv) piece count; and (v) lot/batch code.

To enable Olaplex to mitigate proactively against the likelihood of diverted products, Cosway shall scan all Products containing unique QR codes as follows: (i) Cosway will scan each unit of Product on the production line, (ii) Cosway will scan each master carton and each pallet during pack out, and (iii) Cosway will scan all outbound pallets. If Cosway experiences any issues with their scanning equipment, it will contact Olaplex immediately to remediate. Failure to adhere to the foregoing scanning requirements shall be grounds for chargebacks to Cosway.

Cosway agrees to conduct a physical inventory of all Component Packaging and Products at least once per year, as close to December 31st of each year as possible. Olaplex may arrange to have an external auditor present to observe the count. The parties will agree on scheduling for the count 90 days in advance. In the event of any material discrepancy between the inventory delivered by Cosway to Olaplex and the inventory recorded by Olaplex as having been sent to Cosway, both parties will work together to analyze and adjust the discrepancy accordingly.

13. Packaging.

13.1 Secure Packaging. Cosway shall use commercially reasonable efforts to ensure that Products are packaged securely in a manner as to avoid the risk of damage, contamination or other adverse exposure during the delivery of the Products to the location specified by Olaplex.

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- 13.2 Minimum Impact. Cosway shall ensure that the minimum quantity of packaging is used to fulfill its obligations under this Agreement and that so far as possible such packaging is re-usable and/or recyclable with the minimum amount of impact on the environment consistent with Olaplex's specifications.
14. Term/Exclusivity. This Agreement is valid for three (3) years from the effective date of this Agreement (the "Initial Term") and shall thereafter automatically renew for successive two (2) year periods (each a "Renewal Term") unless terminated in writing by either party during a Renewal Term upon no less than one hundred eighty (180) days' written notice. The Initial Term and all Renewal Terms are herein referred to collectively as the "Term"). During the Term of this Agreement, Olaplex shall purchase the finished Products exclusively from Cosway and not from any other vendor.
15. Termination.
- 15.1 Default. Either Party has the right to terminate this Agreement or a Purchase Order immediately upon written notice if the other Party is in material default of any obligation hereunder, which default is incapable of cure or, if curable, has not been cured within thirty (30) days after receipt of written notice of such default (or such additional cure period as the non-defaulting Party may authorize).
- 15.2 Bankruptcy. Either Party has the right to terminate this Agreement immediately upon written notice if the other Party becomes insolvent or bankrupt, takes any action for the purpose of entering into winding-up, dissolution, bankruptcy, or reorganization under similar proceedings analogous in purpose or effect thereto, or any such action has been instituted against a Party.
- 15.3 By Olaplex. In addition to Sections 15.1 and 15.2 above, Olaplex may terminate this Agreement (a) immediately upon written notice if Cosway breaches its confidentiality obligations hereunder, or (b) for any reason by giving Cosway not less than one hundred and eighty days (180) days advance written notice.
- 15.4 By Cosway. In addition to Sections 15.1 and 15.2 above, Cosway may terminate this Agreement (a) immediately upon written notice if Olaplex breaches its confidentiality obligations hereunder or (b) for any reason by giving Olaplex not less than one hundred and eighty days (180) days advance written notice.
16. Effect of Termination or Expiration. The termination or expiration of this Agreement shall not affect the rights and obligations of the Parties accrued prior to the effective date of such termination or expiration. No termination or expiration of this Agreement, however effected, shall release the Parties hereto from their rights and obligations under any section which, by the nature of its terms, should survive termination or expiration. Within seven (7) days of expiration or termination, Cosway will return or destroy all of Olaplex's Confidential Information, including all copies, extracts and portions thereof, at Olaplex's election and expense. To ensure continuity of supply to Olaplex, upon written notice of termination, all formulas that have been developed exclusively for Olaplex hereunder, and the related manufacturing know-how, will be promptly turned over to Olaplex.

17. Payment Terms.

17.1 Payments. Payment terms are Net 30 or as otherwise set forth set forth on the Purchase Order.

17.2 Deductions. Any sums payable to Cosway are subject to all claims and defenses of Olaplex, whether arising from a Purchase Order or any other transaction with Cosway, and Olaplex may set off and deduct against any such sums all outstanding indebtedness of Cosway to Olaplex. Olaplex will provide a copy of the deduction voucher(s) for debits taken by Olaplex against Cosway's account as a result of any returns or adjustments. Cosway accepts and agrees to each such deduction unless Cosway, within ninety (90) days of receipt of the deduction voucher, notifies Olaplex via email to payables@Olaplex.com as to why a deduction should not be made and provides documentation of the reason(s) given.

17.3 Interest or Late Charges. Olaplex will not be liable to Cosway for any interest or late charges.

18. Supplemental or Alternative Cosway. In the event that a purchase order is delayed by more than ten (10) business days from the agreed upon purchase order date, through no fault of Olaplex or its designated component suppliers or circumstances related to a shortage in raw materials used in Olaplex products, then Olaplex has the right to apply a ten percent (10%) discount on the delayed purchase order.

19. Design of Products: Prototype. Products manufactured by Cosway for Olaplex under this Agreement shall be of Olaplex's approved design, specification and manufacture. The review or approval by Olaplex of any designs, engineering drawings, quality control procedures, or any other aspect of the design and manufacture of Products hereunder shall not relieve Cosway of the responsibility for producing Products which (i) comply with all current local, state and federal governmental specifications and standards existing at the time of the sale of such Products to Olaplex; and (ii) to the extent the formulas for the Products are developed by Cosway, are non-infringing on the rights of any third parties. Further, Cosway is responsible for producing Products which are of good workmanship and performance and of merchantable quality and fit for the purpose intended. In addition, prior to manufacturing a Product in production quantities, Cosway will first provide a prototype ("Prototype") to Olaplex which shall be accompanied by its specific qualitative and quantitative formulation information (if developed by Cosway) and a lab reference number. Cosway will not commence, nor will it permit, the manufacturing of any Product in production quantities until the applicable Prototype is approved in writing by Olaplex, and no changes may be made without written approval from Olaplex.

Once Product formulas have been approved by Olaplex, Cosway will provide all regulatory documents necessary for approvals, consent, permits, licenses, registrations, qualification, or other authorization needed for commercial marketing and sale of such Products internationally

Incoming quality inspection: Cosway will inspect all incoming components and raw materials used in Olaplex products against the Olaplex approved standard, and per the AQL standards as set forth in Exhibit D.

Finished goods quality inspection: Cosway will conduct physical testing on in process bulk, as well as finished product, for such key attributes as color, odor, appearance, microbial count, and viscosity. Finished goods quality will be inspected against the Olaplex approved standard, and per the AQL standards as set forth in Exhibit D. Any discrepancies must immediately be raised to Olaplex's attention in writing.

Retention of Samples: Cosway shall retain, for no less than three (3) years, finished goods samples from the beginning, middle, and end of each production run.

20. Hazardous Conditions.

20.1 Potential Safety Issue. In the event that either Party learns of any issue relating to a potential safety hazard or unsafe condition in any of the Products produced hereunder, it will immediately advise the other Party as expeditiously as possible. The Parties shall cooperate in communication with the public and governmental agencies and in correcting any such condition that is found to exist.

20.2 Notice. Each Party shall promptly give notice to the other Party of any action by, or notification or other information which it receives (directly or indirectly), including without limitation from any Governmental Authority (together with copies of correspondence related thereto), which (i) raises any concerns regarding the safety, efficacy or quality of the Products, (ii) indicates or suggests a potential material liability for either Party to third parties arising in connection with the Product, or (iii) indicates a reasonable potential for a need to initiate a recall, market withdrawal or similar action with respect to the Product.

20.3 Public Statements. Cosway shall not make any statements to the public or to any Governmental Authority, concerning issues relating to the safety or efficacy of the Product without first seeking Olaplex's prior written input and prior written final approval.

20.4 Responsibility for Safety Hazard. Cosway shall be responsible for expenses associated with a safety hazard or unsafe condition, caused by or associated with Products produced by Cosway, including reasonable attorney's fees, court costs, and other expenses, subject only to any other arrangement negotiated by the Parties in light of the particular facts and circumstances then existing, or unless such hazard or condition is the result of written directions, demands, specifications, information or materials supplied or furnished by Olaplex, in which case, and notwithstanding anything herein to the contrary, Olaplex shall be responsible thereafter.

21. Representations and Warranties.

21.1 Cosway. Cosway represents, warrants, and covenants to Olaplex as follows:

- (a) From the time of delivery through the end of the shelf life or until the expiration date specified by Cosway (whichever is longer), and if no shelf life or expiration date is specified, then from the time of delivery through the end of the twenty-four (24) month period thereafter if unopened, or twelve (12) month period if opened, the Products will be free from defects in workmanship and material and design, and will be merchantable, fit, and sufficient for the intended use and particular purpose;
- (b) The Products and their packaging, to the extent developed by Cosway, will comply with all applicable laws, regulations, and ordinances of the country or countries which form a part of the territory in which the Products will be sold by Olaplex or on its behalf as well as Olaplex's specifications;
- (c) The Products (to the extent formulated by Cosway), the raw materials for the Products, packaging, and any materials provided by Cosway in connection with the Products, and their manufacture and use, do not and will not violate or infringe upon the rights of third parties, including contractual, trade secret, proprietary information, trademark, copyright, and patent rights. Cosway further represents and warrants that the Products (to the extent formulated by Cosway), the raw materials used in connection therewith, and any materials provided by Cosway in connection with the Products, and their manufacture and use, shall be, at the time of delivery, free of all security interests, liens, or other encumbrances;
- (d) All Products, including the raw materials used in connection therewith, manufactured and /or sold by Cosway pursuant to this Agreement (whether manufactured by Cosway or by an Approved Subcontractor) (i) contain no materials known by the State of California to produce cancer or reproductive toxicity pursuant to Proposition 65; (ii) do not contain ingredients listed on Olaplex's Restricted Substances List attached hereto as Exhibit C and as updated and provided to Cosway from time to time by Olaplex, or any ingredients that have trace elements of the ingredients listed on Exhibit C hereto; (iii) contain only ingredients that are not expected to produce any appreciable adverse effects; (iv) contain only materials that are known by applicable published standards of the U.S. government for safety and contact with humans; (v) do not contain any of the materials listed as carcinogenic by IARC, NTP, OSHA, or ACGIH; (vi) do not contain fragrance contaminants or, if they are in the Product, are below the level that would impact safety; (vii) are and will not be tested on animals; and (viii) are safe for use in personal care products.
- (e) The Products made by Cosway are hereby guaranteed, as of the date of such shipment, not adulterated or misbranded within the meaning of the Federal Food Drug and Cosmetic Act (the "Act") and not a product, which may not, under the provisions of sections 404, 505 or 512 of the Act be introduced into interstate commerce;
- (f) All Product and ingredient information (including but not limited to marketing information, ingredient lists, and any claims actually made by Cosway to Olaplex regarding a Product or its ingredients) supplied specifically by Cosway to Olaplex are true, accurate and supportable by Cosway;

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- (g) Cosway has full corporate authority to execute and deliver this Agreement and to carry out the transactions contemplated hereunder;
 - (h) This Agreement is binding and enforceable upon Cosway in accordance with its terms;
 - (i) With respect to any contract or agreement to which Cosway is a party or may be bound, the execution and delivery by Cosway of this Agreement and the consummation of the transactions contemplated hereby will not result in any violation, conflict or default, or give to any other any interest or rights, including rights of termination, cancellation or acceleration;
 - (j) Cosway undertakes that it shall be in regulatory compliance, and continue to remain in regulatory compliance, during the Term of this Agreement;
 - (k) Cosway holds all necessary licenses and permits from local, state and other authorities required for the manufacture and testing of the Products produced hereunder, all such licenses and permits are in full force and effect, Cosway has no knowledge of any facts or circumstance that would reasonably be expected to constitute a violation of any such licenses or permits;
 - (l) Cosway undertakes that it is in full compliance with the Olaplex product quality requirements as set forth in Exhibit B and the Standard Operating Procedures (“SOPs”) referenced in Exhibit D, and shall maintain its compliance for the duration of the Agreement. The SOPs listed on Exhibit D are kept on file and updated from time to time as needed by Cosway. In the event that Cosway determines to make any updates that could have an effect on Olaplex or the Products produced hereunder, Cosway will discuss such proposed changes with Olaplex in advance of the effective date of such changes.
 - (m) Cosway acknowledges and agrees that all logos, trade names and other marks (“Product Marks”) associated with Products produced for Olaplex will be owned at all times solely by Olaplex.
- 21.2 Olaplex. Olaplex represents, warrants and covenants to Cosway as follows:
- (n) That Olaplex has the full authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby;
 - (o) This Agreement is binding and enforceable upon Olaplex in accordance with its terms;
 - (p) With respect to any contract or agreement to which Olaplex is a party or may be bound, the execution and delivery by Olaplex of this Agreement and the consummation of the transactions contemplated hereby will not result in any violation, conflict or default, or give to any other any interest or rights, including rights of termination, cancellation or acceleration;

- (q) Any formulas and packaging developed or provided by Olaplex for manufacture will comply with all applicable laws, regulations, and ordinances of the country or countries into which such Products will be sold by Olaplex or on its behalf; and
- (r) Any formulas and packaging for Products developed or provided by Olaplex for manufacture do not and will not violate or infringe upon the rights of third parties, including contractual, trade secrets, proprietary information, trademark, copyright, and patent rights.

22. Confidential Information.

- 22.1 Confidential Information. “Confidential Information” shall mean any and all information disclosed by one Party (the “Disclosing Party”) to the other party (the “Receiving Party”) that the Disclosing Party designates as being confidential or which, under the circumstances surrounding disclosure (whether or not identified in writing as confidential by the Disclosing Party), a reasonable person would understand as being confidential, including, without limitation, relating to: (i) the Disclosing Party’s business, such as financial data, business plans and strategies, business operations and systems, and trade secrets; (ii) any personal information of the Disclosing Party’s employees and customers; (iii) the Disclosing Party’s technology, such as systems, discoveries, inventions, improvements, research, development, know-how, designs, product specifications, software, codes, flow charts, schematics, blue prints, prototypes, devices, hardware, technical documentation, and manufacturing processes; and/or (iv) the qualitative and quantitative formulas developed by Olaplex or Cosway on Olaplex’s behalf.
- 22.2 Nondisclosure of Confidential Information. The Receiving Party shall neither (i) disclose, disseminate or publish Confidential Information received hereunder to any person or entity without the prior written consent of the Disclosing Party, except to employees of the Receiving Party who have a need to know, have been informed of the Receiving Party’s obligations hereunder, and have agreed not to use or disclose Confidential Information; nor (ii) use Confidential Information for any purpose other than with respect to the Products. The Receiving Party agrees to use reasonable care, but in no event less than the same degree of care that it uses to protect its own most highly confidential information, to prevent any unauthorized disclosures of Confidential Information. Without limitation of the foregoing, and not withstanding Section 22.3 below, Cosway acknowledges that the existence of this Agreement, and the terms and conditions stated herein, as well as all information pertaining to Olaplex’s products, brands, and services, including without limitation, existing or proposed products and brands, presented to or discussed with Cosway in any way or manner, shall be deemed Confidential Information.

22.3 Exceptions. The Receiving Party shall have no obligation under this Agreement to maintain in confidence any information which the Receiving Party can prove (i) is disclosed in a printed publication available to the public, (ii) is otherwise in the public domain at the time of disclosure or subsequently becomes part of the public domain through no fault of the Receiving Party or persons or entities to whom the Receiving Party has disclosed such information, (iii) is in the possession of the Receiving Party prior to the time of disclosure by the Disclosing Party and is not subject to any duty of confidentiality, (iv) is approved for release in writing by the Disclosing Party, or (v) the Receiving Party is compelled to disclose or deliver in response to a law, regulation, or governmental or court order (to the least extent necessary to comply with such order), provided that the Receiving Party notifies the Disclosing Party promptly after receiving such order to give the Disclosing Party time to contest such order.

23. Audits and Maintaining Records.

23.1 Records. Cosway agrees to maintain complete and accurate business records in connection with this Agreement and the Quality Agreement, including without limitation individual Purchase Orders issued pursuant to this Agreement and batch records and documentation of all costs relating to the Products, consistent with applicable industry standards.

23.2 Audit. Cosway shall allow Olaplex's authorized representatives to enter into Cosway's facilities to perform an audit of the premises and the manufacturing and packaging procedures. The audit will be performed during business days and hours upon not less than five (5) business days prior written notice by Olaplex, except in the case of exigent circumstances (e.g., relating to a regulatory or governmental issue in which case Olaplex shall endeavor to give as much advance written notice as possible, but is not bound by the five (5) day minimum notice requirement). Cosway shall provide Olaplex with a written response to any written audit observations provided by Cosway within thirty (30) days of Cosway's receipt thereof, and shall use commercially reasonable efforts to implement any corrective actions or enhancements to the operations and processes for the manufacture of the Product reasonably requested by Olaplex as mutually agreed upon by the Parties. Cosway shall provide all necessary and reasonable assistance to Olaplex with respect to the audit.

23.3 Governmental Audit. Cosway shall make its manufacturing facilities available for inspection by representatives of the U.S. Food and Drug Administration ("FDA") and other Governmental Authorities in compliance with applicable laws and shall advise Olaplex promptly, but in no event later than the next business day, if it receives a notice of such impending inspection, or if an authorized agent of any Governmental Authority visits the Cosway's facility. To the extent such inspection or visit concerns a Product, Cosway shall permit, upon Olaplex's request, a quality assurance representative of Olaplex to be on site and participate during the applicable portion of any such inspection or visit. Cosway shall provide Olaplex copies of any documents, records, and summaries of any other information

provided to, requested by or received from the Governmental Authority to the extent such documents, records or information concerns a Product (information as to products not covered under this Agreement may be redacted), including copies of any FDA Form 483 observations (or comparable notices of other agencies), within one (1) business day of providing or receiving such information to the Governmental Authority. Cosway's response with regard to any issues that may arise from such inspection shall be in accordance with the procedure set forth in Section 18 above.

23.4 Quality Control and Production Related Records. Cosway shall provide to Olaplex upon request, copies of all its quality control systems, policies, procedures and manuals that apply to the Products that may be assessed by Cosway from time to time. Cosway shall, at all times, maintain and operate the manufacturing facility(ies) at which the Products are manufactured and implement and maintain such quality control procedures, so as to be able to perform its obligations hereunder in compliance with all applicable laws, including without limitation, all good manufacturing practice standards. Cosway shall provide Olaplex any information and/or documents that Olaplex may require to import, commercialize and sell the Products worldwide. Cosway shall, at all times, maintain and be in compliance with all permits and other authorizations which are required by applicable law related to the manufacture of the Products.

24. Intellectual Property: Indemnification for Same

- (a) Works for Hire. All works created by Cosway exclusively for Olaplex relating to anything done in connection with this Agreement shall belong exclusively to Olaplex once volume commitments per product formula have been met as described in section 24(f) below. All Product Marks associated with Products produced for Olaplex hereunder will be owned at all times solely by Olaplex.
- (b) Limited License. Olaplex hereby grants to Cosway a revocable, limited, non-transferable, non-exclusive license to certain portions of Olaplex's Intellectual Property solely to the extent required by Cosway in order to fulfill its obligations under this Agreement. All use of the Olaplex Intellectual Property by Cosway shall inure to the benefit of Olaplex. Any license in Olaplex Intellectual Property granted to Cosway under this Agreement will terminate immediately upon termination of this Agreement.
- (c) Cosway Indemnification for Infringement. Notwithstanding anything in this Agreement to the contrary, Olaplex shall have no liability to Cosway and its customers, and Cosway shall indemnify Olaplex for any claims of infringement, insofar as any such claim is found to arise from the inclusion in Products purchased from Cosway hereunder of designs, materials, formulas or other items provided by Cosway in writing and incorporated into the Products.
- (d) Olaplex Indemnification for Infringement. Notwithstanding anything in this Agreement to the contrary, Cosway shall have no liability to Olaplex and its

customers, and Olaplex shall indemnify Cosway for any claims of infringement, insofar as any such claim is found to arise from the inclusion in Products purchased from Cosway hereunder of designs, materials, formulas or other items provided by Olaplex in writing and incorporated into the Products.

- (e) Indemnification for Patent Infringement. Each Party agrees, upon receipt of notification, to promptly assume full responsibility for defense of any suit or proceeding brought against the other Party or any of its agents or customers for alleged patent infringement to the extent such claim relates to or arises from the infringing Party's formulas or developments or modifications of same.
- (f) Ownership of Intellectual Property. Any and all intellectual property created or provided by Cosway, including but not limited to, copyright, patent, trade dress, trade secrets, inventions and discoveries, whether capable of registration or not, under this Agreement shall be the sole and exclusive property of Cosway. Notwithstanding the foregoing, all rights, title and interest in Product formulations developed by or provided by Olaplex (including all modifications and derivatives thereto whether or not developed by Olaplex or Cosway), including without limitation all intellectual property rights, shall belong to and be the sole and exclusive property of Olaplex. After Olaplex has purchased a minimum of 200,000 pieces per Product formula hereunder, Olaplex shall own all rights, title and interest in and to such Product formulations developed by Cosway on Olaplex's behalf. For any Products where Olaplex has not purchased the minimum of 200,000 pieces Olaplex shall have the right to purchase all rights, title and interest in and to such Product formulations developed by Cosway on Olaplex's behalf.
- (g) Use of Formulas and Material by Cosway. Cosway shall not use any formulas or other materials provided by Olaplex for the manufacture of the Products, or make use of any Confidential Information of Olaplex, for any purpose whatsoever other than to manufacture such Products for Olaplex. In addition, all formulas will be stored on a secure server with limited access and emergency backup. Notwithstanding anything herein to the contrary, all formulas that are owned by Olaplex at any time, including those that become the property of Olaplex pursuant to the above provisions of this Section 24, shall be the exclusive property of Olaplex, and Olaplex shall not be restricted from the use thereof.
- (h) Survival. The Parties' obligations under this Section 24 shall survive the termination of this Agreement.

25. Other Indemnification.

- 25.1 By Cosway. In addition to the indemnification obligations set forth above and subject to Section 29, to the fullest extent provided by law, Cosway hereby agrees to indemnify, defend and hold harmless Olaplex, its affiliates, agents, officers and employees (hereinafter "Olaplex Indemnitee") from and against and pay the full amount of, all judgments, liabilities, costs, losses and expenses (including reasonable attorney's fees) whensoever asserted or occurring, which any Olaplex

Indemnitee may suffer, incur or pay out, or which may be asserted against any Olaplex Indemnitee in whole or in part, by reason of, or in connection with, the following:

- (a) Any bodily or personal injury, sickness, disease or death of or to any person or persons, and any property damage or destruction, to the extent resulting from the negligence of Cosway, any Approved Subcontractor of Cosway or any employees of Cosway or Approved Subcontractor with respect to the Products;
- (b) Any fines or fees due in connection with or arising out of, or resulting from any other acts or omissions of Cosway, any Approved Subcontractor of Cosway or any employee of Cosway or Approved Subcontractor attributable or relating thereto, except in each case, to the extent caused by the acts or omissions of Olaplex;
- (c) any negligence or intentional misconduct of Cosway or any of its employees or agents in the performance of the Services; and
- (d) the breach or alleged breach of any of the representations and warranties made herein by Cosway.

The sale, resale, processing or incorporation of any Products into other products shall not limit, restrict, or constitute a bar or waiver of Olaplex's rights in respect of such Products or the Cosway's liability with respect to the Products under this Section 24 or any other provision of this Agreement. Cosway's obligations under this Section 24 shall survive the termination of this Agreement.

25.2 By Olaplex. In addition to the indemnification obligations set forth above and subject to Section 29, to the fullest extent provided by law, Olaplex hereby agrees to indemnify, defend and hold harmless Cosway, its affiliates, agents, officers and employees (hereinafter "Cosway Indemnitee") from and against and pay the full amount of, all judgments, liabilities, costs, losses and expenses (including reasonable attorney's fees) whensoever asserted or occurring, which any Cosway Indemnitee may suffer, incur or pay out, or which may be asserted against any Cosway Indemnitee in whole or in part, by reason of, or in connection with, the following:

- (a) Any bodily or personal injury, sickness, disease or death of or to any person or persons, and any property damage or destruction, occurring in connection with or arising out of any Products developed by Olaplex resulting solely from Olaplex's negligence and that does not result from any act or omission of Cosway, any Approved Subcontractor of Cosway or any employees of Cosway or Approved Subcontractor with respect to the Products;
- (b) the breach or alleged breach of any of the representations and warranties made herein by Olaplex.

26. Recall. If Olaplex or Cosway determines or has reason to suspect that any Products do not conform with the applicable product specifications, may pose a risk to public health or

safety, or should otherwise be withdrawn from public sale (“Nonconforming Products”), either party shall have the right to initiate an immediate recall, market withdrawal, stock recovery, Product correction, advisory safety communication, and/or take such other action with respect to the Nonconforming Products. Cosway agrees to cooperate with Olaplex in implementing any Recall Action in a timely and complete manner. Such Recall Action shall be at the sole cost and expense of Cosway if such recall is the result of an error, omission or negligence of Cosway, including but not limited to Cosway making a full refund to Olaplex for the cost of Nonconforming Products still in inventory or in distribution plus appropriate freight and destruction costs and replacement of destroyed packaging, unless the Nonconforming Products giving rise to the Recall Action are found to result solely from the negligent or willful misconduct of Olaplex or Olaplex’s customers and not from any negligent or willful misconduct of Cosway. Any such Recall Action undertaken shall be in accordance with all applicable laws and regulations.

27. Disaster Recovery and Business Continuity. Within sixty (60) days after the Effective Date, Cosway shall submit to Olaplex for Olaplex’s review and reasonable approval a formalized plan for disaster and recovery and business continuity (the “Plan”) specific to location(s) upon which Cosway relies to provide the Products. Such Plan, at a minimum, shall identify available alternate facilities, infrastructure and logistics and provide for security and protective measures necessary to ensure minimal impact to Olaplex’s supply of Products.
28. Force Majeure: Business Continuity. If either Party becomes unable to perform any of its obligations under this Agreement or to enjoy the fruits of this Agreement because of any event that is unavoidable and beyond its reasonable control (including, but not limited to, a judicial or governmental decree, regulation, or other direction responding to such an event or occurrence, which is not the fault of the Party who has been so affected), and any other natural disaster or act of God (any such event hereinafter referred to as a “Force Majeure Event”), the Party which has been affected (the “Nonperforming Party”) shall immediately send the other party (the “Unaffected Party”) a notice thereof and shall take all steps required to resume performance as soon as possible. Upon receipt of such notice, the Nonperforming Party may suspend performance of its obligation hereunder to the extent made necessary by the Force Majeure Event. If the Nonperforming Party has been unable to resume full performance within ninety (90) days of the commencement of the Force Majeure Event, the Unaffected Party may terminate this Agreement by giving written notice to the Nonperforming Party.

In order for Olaplex to maintain supply continuity, Cosway agrees to provide Olaplex the complete manufacturing process and know-how for the products produced for Olaplex hereunder, under the following circumstances:

- (i) In the event that a Force Majeure Event is in effect that prevents Cosway from manufacturing the products;
- (ii) any cessation of Cosway’s business or cessation of its production of the products produced for Olaplex hereunder; or

(iii) an event, condition or occurrence of financial insolvency of Cosway.

29. Insurance.

29.1 Required Insurance. Cosway shall, during the Term of this Agreement and for three (3) years thereafter, maintain the following insurance coverage (“Required Cosway Insurance”) at its sole cost and expense, issued by a nationally recognized insurance carrier with an A.M. Best Rating of A or better:¹

Coverage	Limits
Statutory Worker’s Compensation and Employer’s Liability Insurance	\$1,000,000
Comprehensive general and product liability including but not limited to personal injury, property damage, products /completed operations, and contractual liability with the elimination of the care, custody and control exclusion.	\$2,000,000 combined single limit, for bodily injury (including personal injury) or property damage, each occurrence
Errors and Omissions Insurance covering infringement of patent, copyright and intellectual property rights whether willful or negligent	\$1,000,00 for any claim arising out of a single occurrence and at least five million dollars \$5,000,000 for all claims in the aggregate
Umbrella Liability in excess of general liability, product liability, employer liability and automobile liability	\$10,000,000 bodily injury and property damage, combined single limit, each occurrence, Product Recall

29.2 Additional Insured. Cosway shall include Olaplex as an additional insured under its liability policies, including the provisions of such policies insuring Cosway’s obligations under the indemnity provisions of this Agreement.

29.3 Certificates of Insurance. Cosway shall provide evidence of such insurance in the form of a certificate of insurance [which shall include a provision for thirty (30) days prior notice to Olaplex of change or cancellation of the policy].²

29.4 Use of Approved Subcontractors. Cosway shall ensure that any Approved Subcontractor either maintains the same type of insurance as required by Cosway hereunder or is insured under Cosway’s insurance.

¹ Note to draft: Coverage limits to be discussed based on current and projected volume.

² Note to draft: Cosway confirming with its carrier regarding notice.

29.5 No Limitation by Insurance. Cosway's indemnities and obligations under this Agreement shall not be limited or defined in any fashion whatsoever by the amount of Required Cosway Insurance, as defined in this Section, or by any limitations or restrictions on the amount or type of damages.

30. Dispute Resolution. Any dispute between the Parties on the terms of this Agreement or any matter arising under it shall be referred to the appropriate senior executive for each Party. If a dispute is not resolved by the senior executives, either Party may seek resolution of it under binding arbitration before JAMS, with venue in the County of Los Angeles, California, in accordance with the applicable JAMS Rules, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Upon the receipt of a demand to arbitrate a dispute hereunder, each Party within ten (10) days after such date shall submit to the other Party a written list of five (5) persons who would be acceptable to the submitting Party as an arbitrator. Within ten (10) days after the initiation of arbitration, the Parties shall select a single neutral arbitrator from the list to preside over the arbitration proceeding. Either Party may elect to conduct the arbitration as an expedited proceeding. Nothing in this provision shall be construed to limit the right of any Party to seek preliminary injunctive relief in any court of competent jurisdiction, nor shall the filing of an action to obtain such relief constitute a waiver of the right to arbitrate the underlying dispute. In addition to the powers conferred by JAMS, the arbitrator shall have authority to order such other discovery as he or she deems appropriate for a full and fair hearing of the case. A determination on the merits shall be rendered in accordance with the law of the State of California to the same extent as if the dispute were pending before a Superior Court of that State. The prevailing Party in any action or arbitration proceeding arising hereunder shall be entitled to recover from the non-prevailing Party its reasonable costs and expenses, including attorneys' fees and costs of arbitration and of any associated court proceedings incurred in connection with such action, arbitration or proceeding.

31. Compliance.

31.1 Cosway and Olaplex shall comply with all statutes and regulations governing or otherwise applicable to the sale and distribution of Products, including but not limited to, federal and state food, drug, and cosmetic laws and federal and state antitrust laws. Each party agrees to defend and indemnify the other party from and against fines or penalties arising from any breach of the obligations in this Section 31.1.

31.2 Cosway represents and warrants that it and its affiliates are not subject to any economic sanctions and will not engage in any business or dealings with embargoed countries, blocked persons, or individuals or entities listed as a sanctions target by applicable legislation; or facilitate transactions with third parties that involve embargoed countries, blocked persons, or individuals or entities listed as a sanctions target by applicable legislation. Cosway represents and warrants that it and its affiliates will comply with all applicable sanctions laws, including the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctions regulations, the U.S. Export Administration Regulations, the UK Export Control Act of 2002, and the E.U. sanctions regulations.

- 31.3 Cosway certifies that neither it nor any of its owners, affiliates, employees or anyone associated with Cosway is listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.state.gov/j/ct/rls/other/des/122570.htm>). Cosway agrees not to hire or have any dealings with a person listed in the Annex. Cosway agrees to comply with and/or assist Olaplex to the fullest extent possible in Olaplex's efforts to comply with sanctions laws, the Anti-Terrorism Laws, Executive Order, or other US laws implemented by OFAC. For such compliance, Cosway certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Cosway and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.
- 31.4 Cosway represents and warrants that it and its affiliates do and shall comply with all applicable legal requirements against corrupt business practices, including the UK Bribery Act and the United States Foreign Corrupt Practices Act, against money laundering, and against facilitating or supporting persons who conspire to commit crimes or acts of terror against any person or government. Cosway represents and warrants that it and its affiliates will not give or offer anything of value, including cash, personal favors, entertainment, meals and travel, political and charitable contributions, business opportunities, or medical care, directly or indirectly, to any government official or any commercial party for the purpose of improperly obtaining or retaining a business advantage. Cosway further represents and warrants that it and its affiliates will not solicit or accept such payments. Cosway agrees that it will notify Olaplex in writing immediately of the occurrence of any event which renders the foregoing representations and warranties of this section incorrect. Additionally, within five business days of request, Cosway shall sign and return to Olaplex a signed FCPA Compliance letter.
- 31.5 Olaplex shall have the right to terminate this Agreement immediately in the event of a breach of this Section 31.
- 31.6 Survival. The termination of this Agreement shall not release either Party from any liability, obligation, or agreement which, pursuant to any provision of this Agreement, is to survive or be performed after such expiration or termination.
- 31.7 Subject Headings. The subject heading of this Agreement are for the convenience of the Parties and shall not be considered in any question or interpretation or construction of this Agreement.
- 31.8 Waiver. No action or failure to act by a Party shall constitute a waiver of any right or duty afforded to it under the Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach hereunder, except as may be specifically agreed in writing. Any failure or delay by a Party in exercising any of its rights under this Agreement shall not constitute a waiver of such rights, except as specifically provided in this Agreement.

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- 31.9 Amendments. No terms or provisions of this Agreement may be changed, waived, discharged or terminated orally but may only be done in writing signed by the Party against who the enforcement of such charge, waiver, discharge or termination is sought. The Parties agree to negotiate in good faith any provision of, or addition to, this Agreement.
- 31.10 Continued Performance. Except where clearly prevented by the area in dispute, Cosway agrees to continue to perform its obligations under this Agreement while the dispute is being resolved, unless and until the dispute is resolved or until this Agreement is terminated in accordance with the provisions herein.
- 31.11 Negotiated Agreement. The Parties acknowledge that each is a sophisticated Party and each has had an opportunity to review and negotiate the terms of this Agreement. The Parties agree that in interpreting this Agreement, there shall be no presumption in favor of or against each Party and each Party expressly waives the right to assert such in any controversy or proceeding, whether at law, in equity or otherwise.
- 31.12 Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be unenforceable, then both Parties shall be relieved of all obligations arising under such provision only to the extent that such provision is illegal, unenforceable or void. The remainder of such provision and the remainder of this Agreement shall not be affected by such finding and each provision not so affected shall remain in full force and effect. It is the intention of the Parties that the provisions of this Agreement be earned out to the fullest extent permitted by law.
- 31.13 Entire Agreement. This Agreement in combination with the Purchase Orders issued pursuant hereto constitutes the entire and integrated agreement of the Parties with respect to the subject matter of this Agreement and supersedes all previous or contemporaneous communications, representations, understandings and agreements, either oral or written, between the Parties with respect to the subject matter.
- 31.14 Relationship between Parties. The Parties shall at all times and for all purposes be deemed to be independent contractors and neither Party, nor either Party's employees, representatives, subcontractors or agents, shall have the right or power to bind the other Party. This Agreement shall not itself create or be deemed to create a joint venture, partnership or similar association between the Parties or either Party's employees, subcontractors or agents.
- 31.15 Observance of Laws, Rules, Regulations, Codes and Ordinances. Cosway shall observe and at all times fully comply with any and all applicable laws, rules, regulations, codes and ordinances of any federal, state or local government agency or regulatory body which in any manner affect or apply to the Cosway's performance hereunder. Cosway shall require all of its agents, representatives, employees and consultants to observe and comply with the said laws, rules, regulations, codes and ordinances.

31.16 Counterparts. This Agreement may be executed in counterparts via electronic signature or pdf, each of which so executed will be deemed to be an original and such counterparts together will constitute one and the same agreement.

By their signatures, the authorized representatives of the Parties acknowledge the Parties' acceptance of this Agreement:

Olaplex

By: /s/ Tiffany Walden
Printed Name: Tiffany Walden
Title: Chief Operating Officer

Date: 7/13/2020

Cosway Company Inc.

By: /s/ Rick Hough
Print Name: Rick Hough
Title: Chief Executive Officer

Date: 6/25/2020

EXHIBIT A

PRICING LIST

[***]

EXHIBIT B

QUALITY REQUIREMENTS

[***]

CERTIFICATE OF ANALYSIS

[***]

PRODUCT SPECIFICATIONS

[***]

CERTIFICATE OF ANALYSIS

[***]

PRODUCT SPECIFICATIONS

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CERTIFICATE OF ANALYSIS

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PRODUCT SPECIFICATIONS

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CERTIFICATE OF ANALYSIS

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PRODUCT SPECIFICATIONS

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CERTIFICATE OF ANALYSIS

[***]

PRODUCT SPECIFICATIONS

[***]

EXHIBIT C

RESTRICTED SUBSTANCES LIST, AS OF JUNE , 2020

1. Olaplex Restricted List

[***]

2. [***] Excluded Ingredients

[***]

EXHIBIT D

Quality Control SOPs and AQL Inspection Method

[***]

[***]

MILITARY STANDARD

SAMPLING PROCEDURES AND TABLES FOR INSPECTION BY ATTRIBUTES

[***]

[***]

Penelope Holdings Corp.
2020 OMNIBUS EQUITY INCENTIVE PLAN

Article 1. Establishment & Purpose

1.1 Establishment. Penelope Holdings Corp., a Delaware corporation (the “**Company**”), hereby establishes the 2020 Omnibus Equity Incentive Plan (the “**Plan**”) as set forth herein.

1.2 Purpose of the Plan. The purpose of the Plan is to attract, retain and motivate the management, employees and certain non-employee independent directors of the Company and its Subsidiaries and Affiliates and to promote the success of the Company’s business by providing them with appropriate incentives and rewards either through a proprietary interest in the long-term success of the Company or compensation based on fulfilling certain performance goals.

Article 2. Definitions

Capitalized terms used and not otherwise defined herein shall have the meanings set forth below.

2.1 “Affiliate” has the meaning set forth in the Partnership Agreement.

2.2 “Award” means any Option, Stock Appreciation Right, Restricted Stock or Other Stock-Based Award that is granted under the Plan.

2.3 “Award Agreement” means either (a) a written agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award, or (b) a written statement signed by an authorized officer of the Company to a Participant describing the terms and provisions of the actual grant of such Award.

2.4 “Board” means the Board of Directors of the Penelope Group Holdings GP, LLC.

2.5 “Cause” has the meaning set forth in the Participant’s Service agreement or offer letter with the Company or its Affiliates then in effect, or, if the Participant is not party to such a Service agreement or such term is not defined in such Service agreement then “Cause” shall have the meaning set forth in the Partnership Agreement.

2.6 “Change of Control” has the meaning set forth in the Partnership Agreement; provided, that to the extent necessary to comply with Section 409A with respect to the payment of deferred compensation. “Change of Control” shall be limited to a “change in control event” as defined in Treasury Regulations Section 1.409A-3(i)(5) prescribed pursuant to Section 409A.

2.7 “Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time.

2.8 “Committee” means the Board, or any committee thereof designated by the Board to administer the Plan in accordance with Article 3 of the Plan.

2.9 “**Director**” means a member of the Board or a member of the board of directors or equivalent governing body of the Company or any of its Subsidiaries, in each case, who is not an Employee.

2.10 “**Eligible Person**” means (a) a Director who is not an employee or partner of Advent International, Inc. a Delaware corporation, or one of its Affiliates, (b) an Employee, or (c) an independent contractor, consultant or other service provider to the Company or any of its Affiliates.

2.11 “**Employee**” means an officer or other employee of the Company or any Subsidiary or Affiliate, including a member of the Board who is such an employee. For the avoidance of doubt, except as otherwise expressly agreed between a Participant Employee and his or her employer, no period of notice of employment or service termination, if any, or payment in lieu of notice that is given or ought to have been given, pursuant to any employment or similar agreement between a Participant Employee and an employer in effect at the time of such employment or service termination or pursuant to applicable law, that follows the last day of a Participant Employee’s active employment with his or her employer will be considered as extending the Participant Employee’s period of employment for purposes of determining the date of employment or service termination for any purpose under the Plan or any Award Agreement.

2.12 “**Fair Market Value**” means, as of any day, with respect to the Shares:

- (a) if the Shares are immediately and freely tradable on a stock exchange or in over-the-counter market, the closing price per Share on the preceding day, or if no trades were made on such date, the immediately preceding day on which trades were made; or
- (b) in the absence of such a market for the Shares, the fair value per Share as determined in good faith by the Board and, for the purpose of determining the Option Price or grant price of an Award, consistent with the principles of Section 409A.

2.13 “**Holdings**” means Penelope Group Holdings, L.P.

2.14 “**Incentive Stock Option**” means an Option intended to meet the requirements of an incentive stock option as defined in Section 422 of the Code and designated as an Incentive Stock Option in accordance with Article 6 of the Plan.

2.15 “**IPO**” means an Initial Public Offering as such term is defined in the Partnership Agreement.

2.16 “**Nonqualified Stock Option**” means an Option that is not an Incentive Stock Option.

2.17 “**Option**” means any option granted from time to time under Article 6 of the Plan.

2.18 “**Option Price**” means the purchase price per Share subject to an Option, as determined pursuant to Section 6.2 of the Plan.

2.19 “**Other Stock-Based Award**” means any Award granted under Article 9 of the Plan.

2.20 “**Participant**” means any Eligible Person as set forth in Section 4.1 to whom an Award is granted.

2.21 “**Partnership Agreement**” means that certain Amended and Restated Agreement of Limited Partnership of Holdings entered into as of January 8, 2020 by and among Penelope Group Holdings GP, LLC, as the general partner and the Persons listed on the signature pages thereto, as may be amended from time to time.

2.22 “**Permanent Disability**” has the meaning set forth below, except with respect to any Participant who is engaged by the Company or one of its Affiliates pursuant to an effective written Service agreement in which there is a definition of “Permanent Disability” or an equivalent term, in which event the definition of “Permanent Disability” as set forth in such Service agreement shall be deemed to be the definition of “Permanent Disability” herein solely for such Participant and only for so long as such Service agreement remains effective. In all other events, the term “Permanent Disability” means: a determination by independent competent medical authority (selected by the Board) that the Participant is unable to perform the Participant’s duties, and in all reasonable medical likelihood such inability shall continue for a consecutive period of 90 days or for a period in excess of 120 days in any 365-day period.

2.23 “**Person**” has the meaning set forth in the Partnership Agreement.

2.24 “**Restricted Stock**” means any Award granted under Article 8 of the Plan.

2.25 “**Restriction Period**” means the period during which Restricted Stock awarded under Article 8 of the Plan is restricted.

2.26 “**Section 409A**” means Section 409A of the Code together with all regulations, guidance, compliance programs and other interpretative authority thereunder.

2.27 “**Service**” means service as an Employee, Director, independent contractor, consultant or other service provider.

2.28 “**Share**” means a share of common stock of the Company, par value \$0.001 per share, or such other class or kind of shares or other securities resulting from the application of Article 11 of the Plan.

2.29 “**Stock Appreciation Right**” means any right granted under Article 7 of the Plan

2.30 “**Subsidiary**” has the meaning set forth in the Partnership Agreement.

2.31 “**Ten-Percent Shareholder**” means a person who on any given date owns, either directly or indirectly (taking into account the attribution rules contained in Section 424(d) of the Code), stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or a Subsidiary or Affiliate.

Article 3. Administration

3.1 Authority of the Committee. The Plan shall be administered by the Committee, which shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine the Eligible Persons to whom Awards shall be granted under the Plan, (b) prescribe the restrictions, terms and conditions of all Awards, (c) interpret the Plan and terms of the Awards, (d) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and interpret, amend or revoke any such rules, (e) make all determinations with respect to a Participant's Service and the termination of such Service for purposes of any Award, (f) correct any defect(s) or omission(s) or reconcile any ambiguity(ies) or inconsistency(ies) in the Plan or any Award thereunder, (g) make all determinations it deems advisable for the administration of the Plan, (h) decide all disputes arising in connection with the Plan and to otherwise supervise the administration of the Plan, (i) subject to the terms of the Plan, amend the terms of an Award in any manner that is not inconsistent with the Plan, (j) accelerate the vesting or, to the extent applicable, exercisability of any Award at any time (including, but not limited to, upon a Change of Control or upon termination of Service under certain circumstances, as set forth in the Award Agreement or otherwise), and (k) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Eligible Persons who are foreign nationals or who provide Services outside of the United States. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among Participants and Eligible Persons, whether or not such persons are similarly situated. The Committee shall, in its sole discretion, consider such factors as it deems relevant in making its interpretations, determinations and actions under the Plan, including, without limitation, the recommendations or advice of any officer or employee of the Company or such attorneys, consultants, accountants or other advisors as it may select. All interpretations, determinations and actions by the Committee shall be final, conclusive and binding upon all parties.

3.2 Delegation. The Committee may delegate to one or more of its members, one or more officers of the Company or any Subsidiary, or one or more agents or advisors such administrative duties or powers as it may deem advisable.

Article 4. Eligibility and Participation

4.1 Eligibility. Participants will consist of such Eligible Persons as the Committee in its sole discretion determines and whom the Committee may designate from time to time to receive Awards under the Plan; provided, however, that Options and Stock Appreciation Rights may only be granted to those Eligible Persons with respect to whom the Company is an "eligible issuer" within the meaning of Section 409A. Designation of a Participant in any year shall not require the Committee to designate such person to receive an Award in any other year or, once designated, to receive the same type or amount of Award as granted to the Participant in any other year.

4.2 Type of Awards. Awards under the Plan may be granted in any one or a combination of: (a) Options; (b) Stock Appreciation Rights; (c) Restricted Stock; and (d) Other Stock-Based Awards. Awards granted under the Plan shall be evidenced by Award Agreements (which need not be identical) that provide additional terms and conditions associated with such Awards, including, without limitation, restrictive covenants, as determined by the Committee in its sole discretion; provided, however, that in the event of any conflict between the provisions of the Plan and any such Award Agreement, the provisions of the Plan shall prevail.

Article 5. Shares Subject to the Plan; Maximum Awards

5.1 Number of Shares Available for Awards.

- (a) **Shares.** Subject to adjustment as provided in this Article 5 and Article 11 of the Plan, the maximum number of Shares available for issuance to Participants pursuant to Awards under the Plan shall be 106,596. The Shares available for issuance under the Plan may consist, in whole or in part, of authorized and unissued Shares or treasury Shares.
- (b) **Additional Shares.** In the event that any outstanding Award expires or is forfeited, cancelled or otherwise terminated without consideration (i.e., Shares or cash) therefor, the Shares subject to such Award, to the extent of any such forfeiture, cancellation, expiration, termination or settlement, shall again be available for Awards under the Plan; provided, that any Shares tendered to or withheld by the Company as part or full payment for the purchase price, Option Price or grant price of an Award or to satisfy all or part of the Company's tax withholding obligation with respect to an Award, shall not again be available for Awards. If the Committee authorizes the assumption under the Plan, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, of awards granted under another plan, such assumption shall not reduce the maximum number of Shares available for issuance under the Plan.

Article 6. Options

6.1 Grant of Options. The Committee is hereby authorized to grant Options to Participants. Each Option shall permit a Participant to purchase from the Company a stated number of Shares at an Option Price established by the Committee, subject to the terms and conditions described in this Article 6 and to such additional terms and conditions, as established by the Committee, in its sole discretion, that are consistent with the provisions of the Plan. Options shall be designated as either Incentive Stock Options or Nonqualified Stock Options; provided, that Options granted to Directors shall be Nonqualified Stock Options. An Option granted as an Incentive Stock Option shall, to the extent it fails to qualify under the Code as an Incentive Stock Option, be treated as a Nonqualified Stock Option. None of the Committee, the Company, any of its Subsidiaries or Affiliates or any of their employees or representatives shall be liable to any Participant or to any other Person if it is determined that an Option intended to be an Incentive Stock Option does not qualify under the Code as an Incentive Stock Option. Each Option shall be evidenced by an Award Agreement that shall state the number of Shares covered by such Option. Such Award Agreement shall conform to the requirements of the Plan and may contain such other provisions as the Committee shall deem advisable.

6.2 Option Price. The Option Price shall be determined by the Committee at the time of grant, but shall not be less than 100% of the Fair Market Value of a Share on the date of grant. In the case of any Incentive Stock Option granted to a Ten-Percent Shareholder, the Option Price shall not be less than 110% of the Fair Market Value of a Share on the date of grant.

6.3 Option Term. The term of each Option shall be determined by the Committee at the time of grant and shall be stated in the Award Agreement, but in no event shall such term be greater than ten years (or, in the case on an Incentive Stock Option granted to a Ten-Percent Shareholder, five years).

6.4 Time of Exercise. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve as set forth in each Award Agreement, which terms and restrictions need not be the same for each grant or for each Participant.

6.5 Method of Exercise. Except as otherwise provided in the Plan or in an Award Agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of this Article 6, the exercise date of an Option shall be the later of the date a notice of exercise is received by the Company and, if applicable, the date full payment is received by the Company pursuant to clauses (a), (b), (c), (d), or (e) of the following sentence (including the applicable tax withholding pursuant to Section 13.3 of the Plan). The aggregate Option Price for the Shares as to which an Option is exercised shall be paid to the Company in full at the time of exercise at the election of the Participant: (a) in cash or its equivalent (e.g., by cashier's check); (b) to the extent permitted by the Committee, in Shares (whether or not previously owned by the Participant) having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; (c) partly in cash or its equivalent and, to the extent permitted by the Committee, partly in such Shares (as described in (b) above); (d) in connection with a Change of Control, or as may otherwise be permitted by the Committee, by reducing the number of Shares otherwise deliverable upon the exercise of the Option by the number of Shares having a Fair Market Value equal to the Option Price, net of withholding; or (e) if there is a public market for the Shares at such time, subject to such requirements as may be imposed by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased. The Committee may prescribe any other method of payment that it determines to be consistent with applicable law and the purpose of the Plan.

6.6 Limitations on Incentive Stock Options. Incentive Stock Options may be granted only to employees of the Company or of a "parent corporation" or "subsidiary corporation" (as such terms are each defined in Section 424 of the Code) at the date of grant. The aggregate Fair Market Value (generally determined as of the time the Option is granted) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year under all plans of the Company and of any "parent corporation" or "subsidiary corporation" shall not exceed \$100,000 or the Option shall be treated as a Nonqualified Stock Option, but only to the extent of that portion of the Option in excess of the limit. For purposes of the preceding sentence, unless otherwise designated by the Company, Incentive Stock Options will be taken into account in the order in which they are granted. Each provision of the Plan and each Award Agreement relating to an Incentive Stock Option shall be construed so that each Incentive Stock Option shall be an incentive stock option as defined in Section 422 of the Code, and any provisions of the Award Agreement thereof that cannot be so construed shall be disregarded.

Article 7. Stock Appreciation Rights

7.1 Grant of Stock Appreciation Rights. The Committee is hereby authorized to grant Stock Appreciation Rights to Participants. Stock Appreciation Rights shall be evidenced by Award Agreements that shall conform to the requirements of the Plan and may contain such other provisions as the Committee shall deem advisable. Subject to the terms of the Plan and any applicable Award Agreement, a Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive, upon exercise thereof, the excess of: (a) the Fair Market Value of a specified number of Shares on the date of exercise over (b) the grant price of the right as specified by the Committee on the date of the grant. Such payment may be in the form of cash or its equivalent, Shares, other property or any combination thereof, as the Committee shall determine in its sole discretion.

7.2 Terms of Stock Appreciation Right. Each Stock Appreciation Right grant shall be evidenced by an Award Agreement that shall state the grant price (which shall not be less than 100% of the Fair Market Value of a Share on the date of grant), term, methods of exercise, methods of settlement and such other provisions as the Committee shall determine. No Stock Appreciation Right shall have a term of more than ten years from the date of grant.

Article 8. Restricted Stock

8.1 Grant of Restricted Stock. The Committee is hereby authorized to grant Restricted Stock to Participants. An Award of Restricted Stock is a grant by the Committee of a specified number of Shares to the Participant, which Shares are subject to forfeiture upon the occurrence of specified events. Participants shall be awarded Restricted Stock in exchange for consideration not less than the minimum consideration required by applicable law. Restricted Stock shall be evidenced by an Award Agreement, which shall conform to the requirements of the Plan and may contain such other provisions as the Committee shall deem advisable.

8.2 Terms of Restricted Stock Awards. Each Award Agreement evidencing a Restricted Stock grant shall specify: the Restriction Period(s); the number of Shares of Restricted Stock subject to the Award; the purchase price, if any, of the Restricted Stock; the performance, Service or other conditions (including the termination of a Participant's Service whether due to death, Permanent Disability or other reason) under which the Restricted Stock may be forfeited to the Company; and such other provisions as the Committee shall determine in its sole discretion. Any Restricted Stock granted under the Plan shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates (in which case, the certificate(s) representing such Shares shall be legended as to sale, transfer, assignment, pledge or other encumbrances during the Restriction Period and deposited by the Participant, together with a stock power endorsed in blank, with the Company, to be held in escrow during the Restriction Period). At the end of the Restriction Period, the restrictions imposed hereunder and under the Award Agreement shall lapse with respect to the number of Shares of Restricted Stock as determined by the Committee, and, except as provided in Section 13.6, the legend required by this Section 8.2 shall be removed and such number of Shares delivered to the Participant (or, where appropriate, the Participant's legal representative).

8.3 Voting and Dividend Rights. The Committee shall determine and set forth in a Participant's Award Agreement whether or not a Participant holding Restricted Stock granted hereunder shall (a) have the right to exercise voting rights with respect to the Restricted Stock during the Restriction Period (the Committee may require a Participant to grant an irrevocable proxy and power of substitution) and/or (b) have the right to receive dividends on the Restricted Stock during the Restriction Period (and, if so, on what terms).

8.4 Performance Goals. The Committee may condition the grant of Restricted Stock or the expiration of the Restriction Period upon the Participant's achievement of one or more performance goal(s) specified in the Award Agreement. If the Participant fails to achieve the specified performance goal(s), the Committee shall not grant the Restricted Stock to such Participant, or the Participant shall forfeit the Award of Restricted Stock to the Company, as applicable.

8.5 Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code in respect of an Award of Restricted Stock, the Participant shall be required to file promptly a copy of such election with the Company.

Article 9. Other Stock-Based Awards

The Committee, in its sole discretion, may grant Awards of Shares and Awards that are valued, in whole or in part, by reference to, or are otherwise based on the Fair Market Value of, Shares, including without limitation, restricted stock units, dividend equivalent rights and other phantom awards. Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of Service, the occurrence of an event, and/or the attainment of performance objectives. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made; the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other Stock-Based Awards shall be settled in cash or its equivalent, Shares or a combination; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable). Each Other Stock-Based Award grant shall be evidenced by an Award Agreement, which shall conform to the requirements of the Plan.

Article 10. Compliance with Section 409A

10.1 General. The Company intends that the Plan and all Awards be construed to avoid the imposition of additional taxes, interest and penalties pursuant to Section 409A. Notwithstanding the Company's intention, in the event any Award is subject to such additional taxes, interest or penalties pursuant to Section 409A, the Committee may, in its sole discretion and without a Participant's prior consent, amend the Plan and/or Awards, adopt policies and procedures or take any other actions (including amendments, policies, procedures and actions with retroactive

effect) as are necessary or appropriate to (a) exempt the Plan and/or any Award from the application of Section 409A, (b) preserve the intended tax treatment of any such Award or (c) comply with the requirements of Section 409A, including, without limitation, any such regulations, guidance, compliance programs and other interpretative authority that may be issued after the date of the grant. In no event shall the Company or any of its Subsidiaries or Affiliates be liable for any additional tax, interest or penalties that may be imposed on a Participant under Section 409A or for any damages for failing to comply with Section 409A.

10.2 Payments to Specified Employees. Notwithstanding any contrary provision in the Plan or Award Agreement, any payments of nonqualified deferred compensation (within the meaning of Section 409A) that are otherwise required to be made under the Plan to a "specified employee" (as defined under Section 409A) as a result of his or her separation from service (other than a payment that is not subject to Section 409A) shall be delayed for the first six months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) on the day that immediately follows the end of such six-month period or as soon as administratively practicable thereafter. Any remaining payments of nonqualified deferred compensation shall be paid without delay and at the time or times such payments are otherwise scheduled to be made.

10.3 Separation from Service. A termination of Service shall not be deemed to have occurred for purposes of any provision of the Plan or any Award Agreement providing for the payment of any amounts or benefits that are considered nonqualified deferred compensation under Section 409A upon or following a termination of Service unless such termination is also a "separation from service" within the meaning of Section 409A and the payment thereof prior to a "separation from service" would violate Section 409A. For purposes of any such provision of the Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment," "termination of service" or like term shall mean "separation from service."

Article 11. Adjustments

11.1 Adjustments in Authorized Shares. In the event of any corporate event or transaction involving the Company, a Subsidiary or an Affiliate (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company), such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split-up, spin-off, combination of Shares, exchange of Shares, dividend in kind, extraordinary cash dividend, amalgamation or other like change in capital structure (other than normal cash dividends to stockholders of the Company), or any similar corporate event or transaction, the Committee, to prevent dilution or enlargement of Participants' rights under the Plan, shall substitute or adjust, in its sole discretion: the number and kind of Shares or other property that may be issued under the Plan or under particular forms of Awards; the number and kind of Shares or other property subject to outstanding Awards; the Option Price, grant price or purchase price applicable to outstanding Awards; and/or other value determinations (including performance conditions) applicable to the Plan or outstanding Awards. All adjustments shall be made in good-faith compliance with Section 409A. For the avoidance of doubt, the purchase of Shares or other equity securities of the Company by a stockholder of the Company or any third party from the Company shall not constitute a corporate event or transaction giving rise to an adjustment described in this Section 11.1.

11.2 Change of Control. Upon the occurrence of a Change of Control after the Effective Date, unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, or unless the Committee shall specify otherwise in the Award Agreement, the Committee is authorized (but not obligated) to make adjustments in the terms and conditions of outstanding Awards, including, without limitation, the following (or any combination thereof): (a) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving company or corporation) or by the surviving company or corporation or its parent; (b) substitution by the surviving company or corporation or its parent of equity, equity-based and/or cash awards with substantially the same terms for outstanding Awards (excluding the consideration payable upon settlement of the Awards); (c) accelerated exercisability, vesting and/or lapse of restrictions under outstanding Awards immediately prior to the occurrence of such event; (d) upon written notice, provide that any outstanding Awards must be exercised, to the extent then exercisable, during a reasonable period of time immediately prior to the scheduled consummation of the event or such other period as determined by the Committee (contingent upon the consummation of the event), and at the end of such period, such Awards shall terminate to the extent not so exercised within the relevant period; (e) cancellation of all or any portion of outstanding Awards for fair value (in the form of cash, Shares, other property or any combination thereof) as determined in the sole discretion of the Committee and which value may be zero; provided, that in the case of Options and Stock Appreciation Rights or similar Awards, the fair value may equal the excess, if any, of the value of the consideration to be paid in the Change of Control transaction to holders of the same number of Shares subject to such Awards (or, if no such consideration is paid, Fair Market Value of the Shares subject to such outstanding Awards or portion thereof being cancelled) over the aggregate Option Price or grant price, as applicable, with respect to such Awards or portion thereof being cancelled, or if no such excess, zero; provided, further, that if any payments or other consideration are deferred and/or contingent as a result of escrows, earnouts, holdbacks or any other contingencies, payments under this provision may be made on substantially the same terms and conditions applicable to, and only to the extent actually paid to, the holders of Shares in connection with the Change of Control; provided, further, that such payments or other consideration may be limited to comply with Section 409A; and (f) cancellation of all or any portion of outstanding unvested and/or unexercisable Awards for no consideration.

Article 12. Duration; Amendment, Modification, Suspension and Termination

12.1 Duration of Plan. Unless sooner terminated as provided in Section 12.2, the Plan shall terminate on the tenth (10th) anniversary of the Effective Date.

12.2 Amendment, Modification, Suspension and Termination of Plan. Subject to the terms of the Plan, the Committee may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof or any Award (or Award Agreement) hereunder at any time, in its sole discretion; provided, that no action taken by the Committee shall adversely affect any economic rights granted to any Participant or adversely affect in any material respect any non-economic rights granted to any Participant under any outstanding Awards (other than pursuant to Article 10 or as the Committee deems necessary to comply with applicable law, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act) without the Participant's written consent.

12.3 Required Contribution to Holdings. At any time subsequent to an exercise of an Option or the receipt of Shares hereunder, the Company may in its sole discretion require the Participant to contribute such issued Shares to Holdings in exchange for a capital interest in Holdings. The Participant shall take all reasonable steps required by Holdings and/or the Company in connection with such contribution.

Article 13. General Provisions

13.1 No Right to Service or Award. The granting of an Award under the Plan shall impose no obligation on the Company, any Subsidiary or any Affiliate to continue the Service of a Participant and shall not lessen or affect any right that the Company, any Subsidiary or any Affiliate may have to terminate the Service of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

13.2 Settlement of Awards. Each Award Agreement shall establish the form in which the Award shall be settled. The Committee shall determine whether cash or its equivalent, Awards, other securities or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be issued, rounded, forfeited, or otherwise eliminated.

13.3 Tax Withholding. The Company shall have the power and the right to deduct or withhold automatically from any amount deliverable under the Award or otherwise, or require a Participant to remit to the Company, the minimum statutory amount to satisfy federal, state and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan. The Committee, in its sole discretion, may permit Participants to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory total tax that could be imposed in connection with any such taxable event.

13.4 No Guarantees Regarding Tax Treatment. Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Awards under the Plan. The Committee and the Company make no guarantees to any Person regarding the tax treatment of Awards or payments made under the Plan. Neither the Committee nor the Company has any obligation to take any action to prevent the assessment of any tax on any Person with respect to any Award under Section 409A or Section 457A of the Code or otherwise, and none of the Company, any of its Subsidiaries or Affiliates, or any of their employees or representatives shall have any liability to a Participant with respect thereto.

13.5 Non-Transferability of Awards. Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant except in the event of the Participant's death (subject to the applicable laws of descent and distribution), and any such

purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Subsidiary or Affiliate. No transfer shall be permitted for value or consideration. An award exercisable after the death of a Participant may be exercised by the heirs, legatees, personal representatives or distributees of the Participant. Any permitted transfer of the Awards to heirs, legatees, personal representatives or distributees of the Participant shall not be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof.

13.6 Partnership Agreement; Conditions and Restrictions on Shares. Shares received in connection with Awards granted hereunder shall be subject to all of the terms and conditions of the Partnership Agreement, including all transfer restrictions, drag-along rights, repurchase options and participation rights set forth therein, with such terms and conditions being applied to the Shares *mutatis mutandis*. As a condition to receiving, exercising or settling an Award, if not already fully bound by the terms set forth in the Partnership Agreement, each Participant shall sign (a) a joinder or acknowledgment agreement pursuant to which such Participant shall become fully bound by the terms set forth in the Partnership Agreement, and (b) any registration rights agreement as the Committee may require. The Committee may impose such other conditions or restrictions on any Shares received in connection with an Award as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, requirements that the Participant: (i) hold the Shares received for a specified period of time or (ii) represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares. The certificates, if any, for Shares may include any legend that the Committee deems appropriate to reflect any conditions and restrictions applicable to such Shares.

13.7 Shares Not Registered. Shares and Awards shall not be issued under the Plan unless the issuance and delivery of such Shares and any Awards comply with (or are exempt from) all applicable requirements of law, including, without limitation, the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be obligated to file any registration statement under any applicable securities laws to permit the purchase or issuance of any Shares or any Awards under the Plan, and, accordingly, any certificates for Shares or documents granting Awards may have an appropriate legend or statement of applicable restrictions endorsed thereon. If the Company deems it necessary to ensure that the issuance of securities under the Plan is not required to be registered under any applicable securities laws, each Participant to whom such security would be purchased or issued shall deliver to the Company an agreement or certificate containing such representations, warranties and covenants as the Company reasonably requires.

13.8 Awards to Non-U.S. Eligible Persons. To comply with the laws in countries other than the United States in which the Company or any Subsidiary or Affiliate operates or engages Eligible Persons, the Committee, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries or Affiliates shall be covered by the Plan; (b) determine which Employees and Directors outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Persons outside the United States to

comply with applicable foreign laws; (d) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals; and (e) establish sub-plans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable.

13.9 Rights as a Stockholder. Except as otherwise provided herein or in the applicable Award Agreement, a Participant shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

13.10 Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

13.11 Unfunded Plan. Participants shall have no right, title or interest whatsoever in or to any investments that the Company or any of its Subsidiaries or Affiliates may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other Person. To the extent that any Person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Plan is not subject to the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

13.12 No Constraint on Corporate Action. Nothing in the Plan shall be construed to: (a) limit, impair or otherwise affect the Company's right or power to make adjustments, reclassifications, reorganizations or changes of or to its capital or business structure or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets; or (b) limit the right or power of the Company to take any action that it deems to be necessary or appropriate.

13.13 Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the business or assets of the Company.

13.14 Governing Law. The Plan and each Award Agreement and all claims or causes of action or other matters (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to the Plan or any Award Agreement or the negotiation, execution or performance of the Plan or any Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflict- or choice-of-law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

13.15 Effective Date. The Plan shall be effective as of the date of its adoption by the Board, which date is set forth below (the "Effective Date").

* * *

The Plan was duly adopted and approved by the Board and the Board of Directors of the Company on January 8, 2020.

Penelope Holdings Corp.
2020 OMNIBUS EQUITY INCENTIVE PLAN

Nonqualified Stock Option Award Agreement

THIS AGREEMENT (this "**Award Agreement**"), is made effective as of [Insert Grant Date] (the "**Grant Date**"), by and between Penelope Holdings Corp., a Delaware corporation (the "**Company**"), and [Insert Employee Name] (the "**Participant**"). Capitalized terms used but not otherwise defined herein shall have the meanings so indicated in the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the "**Plan**").

RECITALS:

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the option provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option to purchase, on the terms and conditions set forth in the Plan and this Award Agreement, [Insert Number] Shares (the "**Option**"), subject to adjustment as set forth in the Plan. The Option shall be divided into [Insert Number] tranches as follows: [Describe Tranches]. The Option is intended to be a Nonqualified Stock Option. At any time, the portion of the Option that has become vested and exercisable is hereinafter referred to as the "**Vested Portion**," and any portion of the Option that is not a Vested Portion is hereinafter referred to as the "**Unvested Portion**."

2. Option Price. The purchase price of the Shares subject to the Option shall be \$[Insert Current Price] per Share (the "**Option Price**"), subject to adjustment as set forth in the Plan.

3. Vesting of [Insert Applicable Tranche Name(s)].

a. [Insert Vesting Terms].

4. Vesting of [Insert Applicable Tranche Name(s)].

a. [Insert Vesting Terms].

5. Initial Public Offering. [Insert IPO Vesting Terms.]

6. Forfeiture.

a. Termination of Service without Cause or due to Resignation, Death or Permanent Disability. In the event that the Participant's Service is terminated without Cause, the Participant resigns, or the Participant's Service is terminated due to Death or Permanent Disability, the Unvested Portion of the Option shall be cancelled and forfeited without consideration therefor.

b. Termination of Service for Cause. In the event that the Participant's Service is terminated for Cause, or the Participant resigns at a time when the Participant's acts or omissions constitute grounds to terminate the Participant's Service for Cause without regard to any applicable cure rights or notice periods, the Vested and Unvested Portions of the Option shall be cancelled and forfeited without consideration therefor.

c. Breach of Restrictive Covenants. In the event that the Participant breaches any provision of the Restrictive Covenants Agreement attached as Exhibit A hereto (any such provision, a "Restrictive Covenant"), the Vested and Unvested Portions of the Option shall be cancelled and forfeited without consideration therefor.

7. Period of Exercise. Subject to the provisions of the Plan and this Award Agreement, the Participant may exercise all or any part of the Vested Portion at any time prior to the earliest to occur of:

a. the tenth anniversary of the Grant Date (solely with respect to the Shares that, prior to becoming part of the Vested Portion, were subject to the Performance Option);

b. the tenth anniversary of the Time-Vesting Start Date (solely with respect to the Shares that, prior to becoming part of the Vested Portion, were subject to the Tranche A Option);

c. the date that is 90 days following termination of the Participant's Service without Cause;

d. the first anniversary of the date of termination of the Participant's Service due to death or Permanent Disability;

e. the date of termination of the Participant's Service for Cause or the Participant's breach of any Restrictive Covenant; and

f. the date that is 30 days following the Participant's resignation or termination of Service other than as described in Sections 7(c), (d) or (e).

8. Exercise Procedures.

a. Notice of Exercise. Subject to Section 7 hereof, the Vested Portion may be exercised by delivering to the Company at its principal office written notice of intent to so exercise in the form attached hereto as Exhibit B (such notice, a "Notice of Exercise"). Such Notice of Exercise shall be accompanied by payment in full of the aggregate Option Price for the Shares to be acquired upon exercise. In the event the Option is being exercised by the Participant's representative, the Notice of Exercise shall be accompanied by proof (satisfactory to the Committee) of the representative's right to exercise the Option. The aggregate Option Price for the Shares to be exercised may be paid (i) in cash or its equivalent (e.g., by cashier's

check), (ii) to the extent permitted by the Committee, in Shares (whether or not previously owned by the Participant) having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee, (iii) partly in cash or its equivalent and, to the extent permitted by the Committee, partly in such Shares (as described in (ii) above), (iv) in connection with a Change of Control, or as may otherwise be permitted by the Committee, by reducing the number of Shares otherwise deliverable upon the exercise of the Option by the number of Shares having a Fair Market Value equal to the Option Price, net of withholding, or (v) if there is a public market for the Shares at such time, subject to such requirements as may be imposed by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased. The Committee may prescribe any other method of payment that it determines to be consistent with applicable law and the purpose of the Plan.

b. Rights of Participant; Method of Exercise. Neither the Participant nor the Participant's representative shall have any rights to dividends, voting rights or other rights of a stockholder with respect to Shares subject to the Option until (i) the Participant has given a Notice of Exercise of the Option and paid in full for such Shares, (ii) such Shares have been issued, (iii) if applicable, the Participant has executed a joinder to the Partnership Agreement in a form to be provided by the Company, and (iv) if applicable, the Participant has satisfied any other conditions imposed by the Committee pursuant to the Plan. In the event of the Participant's death, the Vested Portion shall be exercisable by the executor or administrator of the Participant's estate or the person or persons to whom the Participant's rights under this Award Agreement shall pass by will or by the laws of descent and distribution, as the case may be. Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions of this Award Agreement, the Plan, and the Partnership Agreement.

9. Repurchase Option Upon Termination of Service.

a. Repurchase Option. In the event that the Participant's Service terminates for any reason (including by reason of such Participant's death or Permanent Disability) or the Participant violates any of the Restrictive Covenant obligations set forth in Exhibit A hereto or the Participant materially violates any other restrictive covenant or agreement with the Company or its Affiliates and Subsidiaries (a "**Restrictive Covenant Event**"), to the extent not cured (if curable) within thirty (30) days following notice of such Restrictive Covenant Event from the Company or its Affiliates and Subsidiaries to such Participant, all or any portion of the Shares of the Participant and the Participant's Permitted Transferees (whether held by the Participant or one or more the Participant's Permitted Transferees) (collectively, the "**Termination Shares**"), shall be subject to a repurchase option (the "**Company Repurchase Option**") exercisable by the Company or its designee which may be the Principal Investor or its Affiliates within 180 days of the later of such termination of Service or when the Committee first becomes aware of such Restrictive Covenant Event (the "**Company Repurchase Period**"). For purposes of this Section 9(a), the Participant shall be deemed to include the direct and/or beneficial owner of the Shares held by the Participant.

b. **Repurchase Price.** The purchase price for each Termination Share shall be equal to the Fair Market Value of such Termination Share on the Repurchase Closing Date; provided, that if the Participant is terminated for Cause or engages in a Restrictive Covenant Event, the purchase price for each Termination Share shall be equal to the lower of (i) the Fair Market Value of such Termination Share on the Repurchase Closing Date and (ii) the amount paid by the Participant in cash or its equivalent to purchase such Termination Share reduced by the amount of any dividends or other distributions received in respect of such Termination Share.

c. **Repurchase Procedures.** The Company or its designee may only elect to purchase any of the Termination Shares subject to the Company Repurchase Option by delivering written notice (the "**Repurchase Notice**") to the holder or holders of the Termination Shares prior to the expiration of the Company Repurchase Period. The Repurchase Notice shall state that the Person exercising such right has elected to exercise such repurchase right and the number of Termination Shares to be acquired from each holder of Termination Shares, the aggregate consideration to be paid for such Termination Shares and the time and place for the closing of the transaction.

d. **Repurchase Closing.** The closing of the purchase of the Termination Shares pursuant to the Company Repurchase Option shall take place as soon as reasonably practicable and in no event later than thirty (30) days following the end of the applicable Company Repurchase Period and in the location designated by the Company or its designee in the Repurchase Notice or at such other time and location as the parties to such purchase may mutually determine (the date on which such purchase occurs, the "**Repurchase Closing Date**"); provided, that the Company or its designee may rescind its election to purchase the Termination Shares at any time prior to such closing (but may make another election at a future date). At the closing of any purchase pursuant to this Section 9, the holder or holders of the Termination Shares subject to the Repurchase Notice shall take all actions necessary to effect such purchase. The purchase price may be paid by the Company or its designee in the form of (i) cash, (ii) a promissory note, maturing on the fifth (5th) anniversary of the date of the Company's written notice and bearing interest at the "applicable federal short-term rate" on the date of the Repurchase Notice, (iii) with the Participant's consent, non-convertible preferred interests of the Company that shall be redeemed within two (2) years following the issuance date of such non-convertible preferred interests, or (iv) any combination of the foregoing to the extent such Participant has consented to the use of non-convertible preferred interests. Notwithstanding anything to the contrary contained in this Award Agreement, all repurchases of Shares by the Company pursuant to this Section 9(d) shall be subject to applicable restrictions contained in the Company's financing agreements. If any such restrictions prohibit the exercise of the repurchase rights (or payment with a promissory note) under this Section 9(d) which the Company is otherwise entitled or required to make, the time periods provided in this Section 9(d) shall be suspended, and the Company may make such repurchases as soon as it is permitted to do so under such restrictions. The Company or its designee shall be entitled to receive customary representations and warranties from the Participant regarding such sale of Termination Shares (including representations and warranties regarding the Participant's title to and ownership of such Termination Shares) and to require the Participant's signatures, as applicable, be guaranteed. For purposes of this Section 9(d), the Participant shall be deemed to include the direct and/or beneficial owner of the Shares held by the Participant.

e. Failure to Deliver Shares or Required Documentation. If the Participant, or any of the Participant's Permitted Transferees, as applicable, fails to deliver all or any portion of the Termination Shares on the scheduled closing date for such purchase, the Company or its designee may elect to deposit the consideration representing the purchase of the applicable Termination Shares with the Company's attorney (or any other party, including a bank or a financial institution), as escrow holder. In the event of the foregoing election, (i) such Termination Shares shall be deemed for all purposes (including the right to receive distributions) to have been transferred to the purchasers on the scheduled closing date thereof, (ii) to the extent that such Termination Shares are evidenced by certificates, such certificates shall be deemed canceled and the Company shall issue new certificates in the name of the purchasers thereof, (iii) the Company shall make an appropriate notation in its records to reflect the transfer of such Termination Shares to the purchasers thereof, and (iv) the Person obligated to sell such Termination Shares shall merely be a creditor with respect to such Termination Shares with the right only to receive payment of the purchase price, without interest, from the escrow funds. If, following the third (3rd) anniversary of the scheduled closing date for the purchase pursuant to this Section 9, the proceeds of sale have not been claimed by such seller of the Termination Shares, the escrow deposit (and any interest earned thereon) shall, subject to the application of any applicable escheat laws, be returned to the Person originally depositing the same, and the transferors whose Termination Shares were so purchased shall look solely to the purchasers thereof for payment of the purchase price (subject to reduction for any payments made pursuant to any applicable escheat laws).

10. Transfer of Shares in Exchange for Class A Non-Voting Common Units in the Partnership. The Company may require, in its sole discretion, that the Participant's Shares acquired pursuant to exercise of the Option be exchanged for Class A Non-Voting Common Units of substantially equivalent value in Penelope Group Holdings, L.P. (the "Partnership"). In the event of such an exchange, the Participant shall be required to execute a joinder to the Partnership Agreement, in a form to be provided by the Company.

11. No Right to Continued Service. The granting of the Option shall impose no obligation on the Company or any Affiliate to continue the Service of the Participant and shall not lessen or affect any right that the Company or any Affiliate may have to terminate the Service of the Participant.

12. Withholding. The Company shall have the power and the right to deduct or withhold automatically from any payment or Shares deliverable under this Award Agreement, or require the Participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Award Agreement.

13. Transferability. Unless otherwise determined by the Committee, the Participant shall not be permitted to transfer or assign the Option except in the event of death and in accordance with Section 13.5 of the Plan.

14. Adjustment of Option. Adjustments to the Option (or any Shares underlying the Option) shall be made in accordance with the terms of the Plan.

15. Definitions. For purposes of this Award Agreement:

- a. “**Government Agency**” means the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, or any other self-regulatory organization or any other federal, state or local governmental agency or commission.
- b. [Insert Definitions Relevant to Vesting].
- c. “**Securities Act**” means the Securities Act of 1933, as amended.

16. Option Subject to Plan and Partnership Agreement. By entering into this Award Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and a copy of the Partnership Agreement. The Option and any Shares received upon exercise are subject to the terms and conditions of the Plan and the Partnership Agreement. In the event of a conflict between any term hereof and a term of the Plan, the applicable term of the Plan shall govern and prevail. In the event of a conflict between any term hereof and a term of the Partnership Agreement, the applicable term of the Partnership Agreement shall govern and prevail.

17. Certain Agreements Relating to a Change of Control.

- a. By entering into this Award Agreement, in connection with a Change of Control, the Participant hereby agrees to:
 - i. Appoint the Principal Investor (or an Affiliate thereof) as its representative, agent, proxy and attorney-in-fact for all purposes relating to such Change of Control (the “**Representative**”), and grant to the Representative full power and authority to (A) enforce any benefit or entitlement of the Participant, (B) resolve any potential indemnification claim or other dispute, (C) enter into and deliver all agreements, amendments, waivers, releases and other documents that are necessary, required or deemed advisable by the Representative, (D) receive and distribute funds and pay any fees and expenses, and (E) receive and deliver notices, in each case, for and on behalf of the Participant; and
 - ii. As a condition to the receipt of any payment in respect of the Participant’s Option, enter into and deliver an Option surrender agreement (in a form reasonably acceptable to the Representative) pursuant to which the Participant shall: (A) appoint the Representative, (B) release all claims against the Company, the Principal Investor and their respective Affiliates relating to the Participant’s interests in the Company in the Participant’s capacity as a Participant other than claims under this Award Agreement, (C) provide the same representations, warranties, covenants, agreements and indemnities as the Principal Investor to the extent applicable to Participants under the Plan, (D) pay the Participant’s pro rata portion (calculated based on the proceeds received by the Participant in connection with the Change of Control) of any fees and expenses of the Principal Investor incurred in connection with the Change of Control to the extent not paid or reimbursed by the Company or its Affiliates, (E) agree to provide indemnification, participate in any purchase price adjustment and participate in

any escrow in respect of any purchase price adjustment, representations and warranties relating to the Company and its Affiliates (including, without limitation, their respective assets, properties, liabilities, operations and businesses) or covenants and obligations of or relating to the Company and its Affiliates on the same terms as the Principal Investor other than in the case of such provisions that are individual to the Principal Investor; provided, however, that (x) the Participant shall only be severally (and not jointly) liable for the Participant's pro rata portion, if any, of any indemnity, purchase price adjustment or escrow payments, and (y) the aggregate liability of the Participant shall be limited to the proceeds received by the Participant in connection with the Change of Control.

18. Choice of Law. This Award Agreement, and all claims or causes of action or other matters that may be based upon, arise out of or relate to this Award Agreement, shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflict- or choice-of-law rule or principle that might otherwise refer construction or interpretation thereof to the substantive laws of another jurisdiction.

19. Consent to Jurisdiction. The Company and the Participant, by his or her execution hereof, (a) hereby irrevocably submit to the exclusive jurisdiction of the state and federal courts in the State of Delaware for the purposes of any claim or action arising out of or based upon this Award Agreement or relating to the subject matter hereof, (b) hereby waive, to the extent not prohibited by applicable law, and agree not to assert by way of motion, as a defense or otherwise, in any such claim or action, any claim that it, he or she is not subject personally to the jurisdiction of the above-named courts, that its, his or her property is exempt or immune from attachment or execution, that any such proceeding brought in the above-named court is improper or that this Award Agreement or the subject matter hereof may not be enforced in or by such court and (c) hereby agree not to commence any claim or action arising out of or based upon this Award Agreement or relating to the subject matter hereof other than before the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such claim or action to any court other than the above-named courts whether on the grounds of inconvenient forum or otherwise; provided, however, that the Company and the Participant may seek to enforce a judgment issued by the above-named courts in any proper jurisdiction. The Company and the Participant hereby consent to service of process in any such proceeding, and agree that service of process by registered or certified mail, return receipt requested, at its, his or her address specified pursuant to Section 22 is reasonably calculated to give actual notice.

20. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT HE, SHE OR IT SHALL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AWARD AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO

ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTY HERETO THAT THIS SECTION 20 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND SHALL RELY IN ENTERING INTO THIS AWARD AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 20 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

21. Shares Not Registered. Shares shall not be issued pursuant to this Award Agreement unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including, without limitation, the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be obligated to file any registration statement under any applicable securities laws to permit the purchase or issuance of any Shares, and accordingly any certificates for Shares may have an appropriate legend or statement of applicable restrictions endorsed thereon. If the Company deems it necessary to ensure that the issuance of Shares under this Award Agreement is not required to be registered under any applicable securities laws, the Participant shall deliver to the Company an agreement containing such representations, warranties and covenants as the Company may require.

22. Notices. Any notice or other communication provided for herein or given hereunder to a party hereto must be in writing, and shall be deemed to have been given (a) when personally delivered or delivered by facsimile transmission with confirmation of delivery, (b) one business day after deposit with Federal Express or similar overnight courier service, or (c) three business days after being mailed by first class mail, return receipt requested. A notice shall be addressed to the Company at its principal executive office, attention President, and to the Participant at the address that he or she most recently provided to the Company.

23. Entire Agreement. This Award Agreement (including the Restrictive Covenants Agreement attached as Exhibit A hereto, and any other schedules or exhibits hereto), the Plan and the Partnership Agreement, constitute the entire agreement and understanding among the parties hereto in respect of the subject matter hereof and supersede all prior and contemporaneous arrangements, agreements and understandings, whether oral or written and whether express or implied, and whether in term sheets, presentations or otherwise, among the parties hereto, or between any of them, with respect to the subject matter hereof; provided, that the Participant shall continue to be bound by any other confidentiality, non-competition, non-solicitation and other similar restrictive covenants contained in any other agreements between the Participant and the Company, its Affiliates and their respective predecessors to which the Participant is bound. In the event of any inconsistency between any restrictive covenants contained herein and any restrictive covenants contained in such other agreements in effect on the Grant Date, that obligation which is most restrictive upon the Participant shall control.

24. Amendment; Waiver. No amendment or modification of any term of this Award Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, and made in accordance with the terms of the Plan. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

25. Successors and Assigns; No Third-Party Beneficiaries. The provisions of this Award Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant and the Participant's heirs, successors, legal representatives and permitted assigns. Nothing in this Award Agreement, express or implied, is intended to confer on any person other than the Company and the Participant, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Award Agreement.

26. Signature in Counterparts. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

27. No Guarantees Regarding Tax Treatment. The Participant (or his or her beneficiaries) shall be responsible for all taxes with respect to the Option. The Committee and the Company make no guarantees regarding the tax treatment of the Option. Neither the Committee nor the Company has any obligation to take any action to prevent the assessment of any tax under Section 409A or Section 457A of the Code or otherwise, and none of the Company, any Affiliate or any of their employees or representatives shall have any liability to the Participant with respect thereto.

28. Compliance with Section 409A. The Company intends that the Option be structured in compliance with, or to satisfy an exemption from, Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder ("Section 409A"), such that there are no adverse tax consequences, interest or penalties under Section 409A as a result of the Option. In the event the Option is subject to Section 409A, the Committee may, in its sole discretion, take the actions described in Section 10.1 of the Plan.

* * *

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement.

PENELOPE HOLDINGS CORP.

By: _____
Name: [Insert Name]
Title: [Insert Name]

Agreed and acknowledged as
of the date first above written:

Name: [Insert Name]

[Signature Page to Nonqualified Stock Option Award Agreement]

EXHIBIT A**RESTRICTIVE COVENANTS AGREEMENT**

This Restrictive Covenants Agreement (this "Agreement") is made and effective as of [Date] by and among [Name] (the "Participant") and Olaplex, Inc. and Penelope Holdings Corp. (together, the "Company"). Capitalized terms not defined herein shall have the respective meanings ascribed to them in the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the "Plan") and in the Non-Qualified Stock Option Award Agreement by and between the Company and the Participant, dated as of the date hereof (the "Award Agreement"). The Participant acknowledges that the below restrictions on the Participant's activities during and after the Participant's Service are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its Affiliates. Therefore, in consideration of the Company's grant of the Option under the Award Agreement, the Participant's Service, and the Participant being granted access to the trade secrets, other Confidential Information and good will of the Company and its Affiliates, the Participant agrees as follows:

1. Confidentiality.

- 1.1. The Participant agrees that all Confidential Information which the Participant creates or to which the Participant has access as a result of the Participant's Service and other associations with the Company and its Affiliates is and shall remain the sole and exclusive property of the Company and its Affiliates. The Participant agrees that, except as required for the proper performance of the Participant's regular duties for the Company, as expressly authorized in writing in advance by a duly authorized officer of the Company, or as required by applicable law, the Participant will never, directly or indirectly, use or disclose any Confidential Information. The Participant understands and agrees that this restriction shall continue to apply after the termination of the Participant's Service for any reason. Nothing in this Agreement limits, restricts or in any other way affects the Participant's communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. The Participant understands that the Participant cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (b) in a complaint or other document filed under seal in a lawsuit or other proceeding; provided, however, that notwithstanding this immunity from liability, the Participant understands that the Participant may be held liable if the Participant unlawfully accesses trade secrets by unauthorized means.
- 1.2. The Participant agrees that all documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof

(the “**Documents**”), whether or not prepared by the Participant, shall be the sole and exclusive property of the Company. The Participant agrees to safeguard all Documents and to surrender to the Company, at the time the Participant’s Service terminates or at such earlier time or times as a duly authorized officer of the Company may specify, all Documents then in the Participant’s possession or control. The Participant also agrees to disclose to the Company, at the time the Participant’s Service terminates or at such earlier time or times as a duly authorized officer of the Company may specify, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which the Participant has password-protected on any computer equipment, network or system of the Company or any of its Affiliates.

2. Assignment of Intellectual Property Rights.

- 2.1. The Participant agrees to promptly and fully disclose all Intellectual Property (as defined below) to the Company. The Participant hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Participant’s full right, title and interest in and to all Intellectual Property. The Participant agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of further instruments of assignment or confirmation and the provision of good faith testimony by declaration, affidavit or in-person) requested by the Company to assign the Intellectual Property to the Company (or as otherwise directed by the Company) and to permit the Company to secure, prosecute and enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Participant will not charge the Company for time spent in complying with these obligations. If the Company is unable, after reasonable effort, to secure the Participant’s signature on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the Participant’s agent and attorney-in-fact, and the Participant hereby irrevocably designates and appoints each executive officer of the Company as the Participant’s agent and attorney-in-fact to execute any such papers on the Participant’s behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect the Company’s rights and interests in any Intellectual Property, under the conditions described in this sentence. All copyrightable works that the Participant creates during the Participant’s Service will be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company. If, in the course of the Participant’s Service, the Participant incorporates pre-existing intellectual property the Participant owns or has the ability to license into a Company product, operation, process or service, and such pre-existing intellectual property is not otherwise assigned to the Company, the Participant hereby grants the Company a nonexclusive, fully paid-up, royalty-free, irrevocable, perpetual, transferrable, worldwide license, with the right to sublicense through multiple tiers, to such pre-existing intellectual property, including, without limitation, the rights to use, reproduce, display, perform, promote, create derivative works of, market, distribute, offer for sale and sell, export, permit the online use of or otherwise use such pre-existing intellectual property.

3. **Non-Competition and Non-Solicitation.**

- 3.1. During the Participant's Service and during the twenty-four (24)-month period immediately following the termination of the Participant's Service (in the aggregate, the "Restricted Period"), the Participant shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates does business or is actively planning to do business during the Participant's Service or, with respect to the portion of the Restricted Period that follows the termination of the Participant's Service, at the time the Participant's Service terminates (the "Restricted Area"), or undertake any planning for any business competitive with the Company or any of its Affiliates in the Restricted Area.
- 3.2. During the Restricted Period, the Participant will not directly or indirectly (i) solicit or encourage any customer (other than a retail consumer who is a natural person), vendor, supplier, manufacturer or other business partner (collectively "Business Partners" and each, a "Business Partner") of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (ii) seek to persuade any such Business Partner, or any prospective Business Partner of the Company or any of its Affiliates, to conduct with anyone else any business or activity which such Business Partner or such prospective Business Partner conducts or could conduct with the Company or any of its Affiliates; provided, however, that these restrictions shall apply (y) only with respect to those Persons who are or have been a Business Partner of the Company or any of its Affiliates at any time within the two (2)-year period immediately preceding the activity restricted by this Section 3.2 or whose business has been solicited on behalf of the Company or any of the Affiliates by any of their officers, employees or agents within such two (2)-year period, other than by form letter, blanket mailing or published advertisement, and (z) only if the Participant has performed work for such Person during the Participant's Service with the Company or any of its Affiliates or been introduced to, or otherwise had contact with, such Person as a result of the Participant's Service or other associations with the Company or any of its Affiliates or has had access to Confidential Information which would assist in the Participant's solicitation of such Person.
- 3.3. During the Restricted Period, the Participant will not, directly or indirectly, (i) employ or engage, or solicit for employment or engagement, any Person who was employed by the Company or any of its Affiliates at any time during the Participant's Service or, with respect to the portion of the Restricted Period that follows termination of the Participant's Service, within the twelve (12)-month period immediately preceding the date of termination, or (ii) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them; provided, however,

that the foregoing shall not apply with respect to the Participant (a) soliciting any such Person who has not been employed or engaged by the Company or any of its Affiliates for at least twelve (12) months or (b) causing to be placed any general advertisements in newspapers and/or other media of general circulation (including advertisements posted on the Internet or social media) that are not targeted specifically at any such Persons.

4. **Enforcement of Covenants.**

In signing this Agreement, the Participant gives the Company assurance that the Participant has carefully read and considered all the terms and conditions of this Agreement. The Participant agrees without reservation that the restraints contained herein are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. The Participant further agrees that, were the Participant to breach any of the covenants contained in this Agreement, the damage to the Company and its Affiliates would be irreparable. The Participant therefore agrees that the Company, in addition, and not as an alternative, to any other remedies available to it (including without limitation any remedies set forth in the Award Agreement or the Plan), shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Participant of any such covenants, without having to post bond, together with an award of its reasonable attorneys' fees incurred in enforcing its rights hereunder. So that the Company may enjoy the full benefit of the covenants contained herein, the Participant further agrees that the Restricted Period shall be tolled, and shall not run, during the period of any breach by the Participant of any such covenants. The Participant and the Company further agree that, in the event that any provision of this Agreement is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company's Affiliates shall have the right to enforce all of the Participant's obligations to that Affiliate under this Agreement. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company or any of its Affiliates, or change in the nature or scope of the Participant's Service or other association with the Company or any of its Affiliates, shall operate to excuse the Participant from the performance of the Participant's obligations hereunder.

5. **Definitions.**

For purposes of this Agreement, the following definitions apply:

“Affiliates” means all persons and entities directly or indirectly controlling, controlled by or under common control with a Person, where control may be by management authority, equity interest or otherwise.

“Confidential Information” means any and all information of the Company or any of its Affiliates (or any of their predecessors) that is not generally available to the public.

Confidential Information also includes any information received by the Company or any of its Affiliates (or any of their predecessors) from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through the Participant's breach of the Participant's obligations under this Agreement.

"Intellectual Property" means inventions, discoveries, designs, developments, formulae, improvements, methods, processes, procedures, plans, projects, specifications, systems, techniques, strategies, information, algorithms compositions, know-how, works, concepts and ideas, or modifications or derivatives of any of the foregoing (whether or not patentable or copyrightable or constituting trade secrets) (collectively, "Inventions") conceived, made, created, developed or reduced to practice by the Participant (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Participant's employment with or service to the Company or any of its Affiliates that relate either to the business of the Company or any of its Affiliates, or to any prospective activity of the Company or any of its Affiliates or that result or resulted from any work performed by the Participant for the Company or any of its Affiliates or that make or made use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

"Person" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization.

6. Compliance with Other Agreements and Obligations.

The Participant represents and warrants that the Participant's Service and the execution and performance of this Agreement will not breach or be in conflict with any other agreement to which the Participant is a party or is bound, and that the Participant is not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of the Participant's obligations hereunder or the Participant's duties and responsibilities to the Company. The Participant will not disclose to or use on behalf of the Company or an Affiliate, or induce the Company or any of its Affiliates to possess or use, any confidential or proprietary information of any previous employer or other third party without that party's consent.

7. Entire Agreement; Severability; Modification.

The restrictive covenants contained in this Agreement are in addition to, and do not supersede, any restrictive covenants (including, without limitation, any non-competition, non-solicitation, no-hire, confidentiality, and/or intellectual property assignment provisions) by which the Participant is bound under any other agreement between the Participant and the Company or any of its Affiliates. The restrictive covenants contained in this Agreement will, in accordance with their terms, survive any termination of the Participant's Service, and any expiration, cancellation, rescission, withholding or other limitation or restriction on any Option. The provisions of this Agreement are severable. This Agreement may not be modified or amended, and no breach shall be deemed to be

waived, unless agreed to in writing by the Participant and an expressly authorized officer of the Company. Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions.

8. **Assignment.**

Neither the Company nor the Participant may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without the Participant's consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of the properties or assets related to the business for which the Participant works. This Agreement shall inure to the benefit of and be binding upon the Participant and the Company, and each of their respective successors, executors, administrators, heirs and permitted assigns.

9. **At-Will Employment.**

The Participant acknowledges that this Agreement is not meant to constitute a contract of employment for a specific duration or term, and that the Participant's employment with the Company is at-will. The Company and the Participant will retain the right to terminate the Participant's employment at any time, with or without notice or cause.

10. **Choice of Law.**

This is a Delaware contract and shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to any conflict of laws principles that could result in the application of the laws of another jurisdiction. The Participant agrees to submit to the exclusive jurisdiction of the courts of and in the State of Delaware in connection with any dispute arising out of this Agreement, and agree that any such dispute shall be brought and maintained solely in such courts.

[Signature Page Follows]

Intending to be legally bound hereby, the Participant has signed this Agreement as of the day and year written below.

Signature: _____

Printed Name: _____

Date:

Acknowledged and agreed:

PENELOPE HOLDINGS CORP.

By: _____

Name:

Title:

OLAPLEX, INC.

By: _____

Name:

Title:

RESTRICTIVE COVENANTS AGREEMENT

This Restrictive Covenants Agreement (this "Agreement") is made and effective as of [Date] by and among [Name] (the "Participant") and Olaplex, Inc. and Penelope Holdings Corp. (together, the "Company"). Capitalized terms not defined herein shall have the respective meanings ascribed to them in the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the "Plan") and in the Non-Qualified Stock Option Award Agreement by and between the Company and the Participant, dated as of the date hereof (the "Award Agreement"). The Participant acknowledges that the below restrictions on the Participant's activities during and after the Participant's Service are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its Affiliates. Therefore, in consideration of the Company's grant of the Option under the Award Agreement, the Participant's Service, and the Participant being granted access to the trade secrets, other Confidential Information and good will of the Company and its Affiliates, the Participant agrees as follows:

1. Confidentiality.

- 1.1. The Participant agrees that all Confidential Information which the Participant creates or to which the Participant has access as a result of the Participant's Service and other associations with the Company and its Affiliates is and shall remain the sole and exclusive property of the Company and its Affiliates. The Participant agrees that, except as required for the proper performance of the Participant's regular duties for the Company, as expressly authorized in writing in advance by a duly authorized officer of the Company, or as required by applicable law, the Participant will never, directly or indirectly, use or disclose any Confidential Information. The Participant understands and agrees that this restriction shall continue to apply after the termination of the Participant's Service for any reason. Nothing in this Agreement limits, restricts or in any other way affects the Participant's communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. The Participant understands that the Participant cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (b) in a complaint or other document filed under seal in a lawsuit or other proceeding; provided, however, that notwithstanding this immunity from liability, the Participant understands that the Participant may be held liable if the Participant unlawfully accesses trade secrets by unauthorized means.
- 1.2. The Participant agrees that all documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Participant, shall be the sole and exclusive property of the Company. The Participant agrees to safeguard all

Documents and to surrender to the Company, at the time the Participant's Service terminates or at such earlier time or times as a duly authorized officer of the Company may specify, all Documents then in the Participant's possession or control. The Participant also agrees to disclose to the Company, at the time the Participant's Service terminates or at such earlier time or times as a duly authorized officer of the Company may specify, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which the Participant has password-protected on any computer equipment, network or system of the Company or any of its Affiliates.

2. Assignment of Intellectual Property Rights.

- 2.1. The Participant agrees to promptly and fully disclose all Intellectual Property (as defined below) to the Company. The Participant hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Participant's full right, title and interest in and to all Intellectual Property. The Participant agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of further instruments of assignment or confirmation and the provision of good faith testimony by declaration, affidavit or in-person) requested by the Company to assign the Intellectual Property to the Company (or as otherwise directed by the Company) and to permit the Company to secure, prosecute and enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Participant will not charge the Company for time spent in complying with these obligations. If the Company is unable, after reasonable effort, to secure the Participant's signature on any such papers, any executive officer of the Company shall be entitled to execute any such papers as the Participant's agent and attorney-in-fact, and the Participant hereby irrevocably designates and appoints each executive officer of the Company as the Participant's agent and attorney-in-fact to execute any such papers on the Participant's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect the Company's rights and interests in any Intellectual Property, under the conditions described in this sentence. All copyrightable works that the Participant creates during the Participant's Service will be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company. If, in the course of the Participant's Service, the Participant incorporates pre-existing intellectual property the Participant owns or has the ability to license into a Company product, operation, process or service, and such pre-existing intellectual property is not otherwise assigned to the Company, the Participant hereby grants the Company a nonexclusive, fully paid-up, royalty-free, irrevocable, perpetual, transferrable, worldwide license, with the right to sublicense through multiple tiers, to such pre-existing intellectual property, including, without limitation, the rights to use, reproduce, display, perform, promote, create derivative works of, market, distribute, offer for sale and sell, export, permit the online use of or otherwise use such pre-existing intellectual property. The Participant acknowledges that this Section 2.1 shall not apply to any Invention (as defined below) that qualifies fully for exclusion under the provisions of California Labor Code Section 2870, the terms of which are set forth in Exhibit A to this Agreement.

3. **Non-Competition and Non-Solicitation.**

- 3.1. During the Participant's Service and, solely to the extent such act or activity involves the use of Confidential Information, during the twenty-four (24)-month period immediately following the termination of the Participant's Service (in the aggregate, the "Non-Compete Restricted Period"), the Participant shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates does business or is actively planning to do business during the Participant's Service or, with respect to the portion of the Non-Compete Restricted Period that follows the termination of the Participant's Service, at the time the Participant's Service terminates (the "Restricted Area"), or undertake any planning for any business competitive with the Company or any of its Affiliates in the Restricted Area.
- 3.2. During the Participant's Service and, solely to the extent such act or activity involves the use of Confidential Information, during the twenty-four (24)-month period immediately following the termination of the Participant's Service (in the aggregate, the "Business Partner Non-Solicit Restricted Period"), the Participant will not directly or indirectly (i) solicit or encourage any customer (other than a retail consumer who is a natural person), vendor, supplier, manufacturer or other business partner (collectively "Business Partners" and each, a "Business Partner") of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (ii) seek to persuade any such Business Partner, or any prospective Business Partner of the Company or any of its Affiliates, to conduct with anyone else any business or activity which such Business Partner or such prospective Business Partner conducts or could conduct with the Company or any of its Affiliates; provided, however, that these restrictions shall apply (y) only with respect to those Persons who are or have been a Business Partner of the Company or any of its Affiliates at any time within the two (2)-year period immediately preceding the activity restricted by this Section 3.2 or whose business has been solicited on behalf of the Company or any of the Affiliates by any of their officers, employees or agents within such two (2)-year period, other than by form letter, blanket mailing or published advertisement, and (z) only if the Participant has performed work for such Person during the Participant's Service with the Company or any of its Affiliates or been introduced to, or otherwise had contact with, such Person as a result of the Participant's Service or other associations with the Company or any of its Affiliates or has had access to Confidential Information which would assist in the Participant's solicitation of such Person.
- 3.3. During the Participant's Service and during the twenty-four (24) month period immediately following the termination of the Participant's Service (in the aggregate, the "Non-Solicit Restricted Period"), the Participant will not, directly

or indirectly, (i) solicit for employment or engagement any Person who was employed by the Company or any of its Affiliates at any time during the Participant's Service or, with respect to the portion of the Non-Solicit Restricted Period that follows termination of the Participant's Service, within the twelve (12)-month period immediately preceding the date of termination, or (ii) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them; provided, however, that the foregoing shall not apply with respect to the Participant (a) soliciting any such Person who has not been employed or engaged by the Company or any of its Affiliates for at least twelve (12) months or (b) causing to be placed any general advertisements in newspapers and/or other media of general circulation (including advertisements posted on the Internet or social media) that are not targeted specifically at any such Persons.

4. Enforcement of Covenants.

In signing this Agreement, the Participant gives the Company assurance that the Participant has carefully read and considered all the terms and conditions of this Agreement. The Participant agrees without reservation that the restraints contained herein are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. The Participant further agrees that, were the Participant to breach any of the covenants contained in this Agreement, the damage to the Company and its Affiliates would be irreparable. The Participant therefore agrees that the Company, in addition, and not as an alternative, to any other remedies available to it (including without limitation any remedies set forth in the Award Agreement or the Plan), shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Participant of any such covenants, without having to post bond, together with an award of its reasonable attorneys' fees incurred in enforcing its rights hereunder. So that the Company may enjoy the full benefit of the covenants contained herein, the Participant further agrees that the applicable Restricted Period shall be tolled, and shall not run, during the period of any breach by the Participant of any such covenants. The Participant and the Company further agree that, in the event that any provision of this Agreement is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company's Affiliates shall have the right to enforce all of the Participant's obligations to that Affiliate under this Agreement. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company or any of its Affiliates, or change in the nature or scope of the Participant's Service or other association with the Company or any of its Affiliates, shall operate to excuse the Participant from the performance of the Participant's obligations hereunder.

5. **Definitions.**

For purposes of this Agreement, the following definitions apply:

“Affiliates” means all persons and entities directly or indirectly controlling, controlled by or under common control with a Person, where control may be by management authority, equity interest or otherwise.

“Confidential Information” means any and all information of the Company or any of its Affiliates (or any of their predecessors) that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its Affiliates (or any of their predecessors) from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through the Participant’s breach of the Participant’s obligations under this Agreement.

“Intellectual Property” means inventions, discoveries, designs, developments, formulae, improvements, methods, processes, procedures, plans, projects, specifications, systems, techniques, strategies, information, algorithms compositions, know-how, works, concepts and ideas, or modifications or derivatives of any of the foregoing (whether or not patentable or copyrightable or constituting trade secrets) (collectively, “Inventions”) conceived, made, created, developed or reduced to practice by the Participant (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Participant’s employment with or service to the Company or any of its Affiliates that relate either to the business of the Company or any of its Affiliates, or to any prospective activity of the Company or any of its Affiliates or that result or resulted from any work performed by the Participant for the Company or any of its Affiliates or that make or made use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

“Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization.

6. **Compliance with Other Agreements and Obligations.**

The Participant represents and warrants that the Participant’s Service and the execution and performance of this Agreement will not breach or be in conflict with any other agreement to which the Participant is a party or is bound, and that the Participant is not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of the Participant’s obligations hereunder or the Participant’s duties and responsibilities to the Company. The Participant will not disclose to or use on behalf of the Company or an Affiliate, or induce the Company or any of its Affiliates to possess or use, any confidential or proprietary information of any previous employer or other third party without that party’s consent.

7. **Entire Agreement; Severability; Modification.**

The restrictive covenants contained in this Agreement are in addition to, and do not supersede, any restrictive covenants (including, without limitation, any non-competition, non-solicitation, no-hire, confidentiality, and/or intellectual property assignment

provisions) by which the Participant is bound under any other agreement between the Participant and the Company or any of its Affiliates. The restrictive covenants contained in this Agreement will, in accordance with their terms, survive any termination of the Participant's Service, and any expiration, cancellation, rescission, withholding or other limitation or restriction on any Option. The provisions of this Agreement are severable. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by the Participant and an expressly authorized officer of the Company. Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions.

8. **Assignment.**

Neither the Company nor the Participant may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without the Participant's consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of the properties or assets related to the business for which the Participant works. This Agreement shall inure to the benefit of and be binding upon the Participant and the Company, and each of their respective successors, executors, administrators, heirs and permitted assigns.

9. **At-Will Employment.**

The Participant acknowledges that this Agreement is not meant to constitute a contract of employment for a specific duration or term, and that the Participant's employment with the Company is at-will. The Company and the Participant will retain the right to terminate the Participant's employment at any time, with or without notice or cause.

10. **Choice of Law.**

This is a California contract and shall be governed by and construed in accordance with the laws of the State of California, without regard to any conflict of laws principles that could result in the application of the laws of another jurisdiction. The Participant agrees to submit to the exclusive jurisdiction of the courts of and in the State of California in connection with any dispute arising out of this Agreement, and agree that any such dispute shall be brought and maintained solely in such courts.

[Signature Page Follows]

Intending to be legally bound hereby, the Participant has signed this Agreement as of the day and year written below.

Signature: _____

Printed Name: _____

Date:

Acknowledged and agreed:

PENELOPE HOLDINGS CORP.

By: _____

Name:

Title:

OLAPLEX, INC.

By: _____

Name:

Title:

[Signature Page to Restrictive Covenants Agreement]

EXHIBIT A

INVENTION ASSIGNMENT NOTICE

You are hereby notified that the Restrictive Covenants Agreement by and among you and Olaplex, Inc. and Penelope Holdings Corp. does not apply to any invention which qualifies fully for exclusion under the provisions of Section 2870 of the California Labor Code. Following is the text of California Labor Code § 2870:

CALIFORNIA LABOR CODE SECTION 2870

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
- (2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

[Signature Page Follows]

[Signature Page to Invention Assignment Notice]

PENELOPE HOLDINGS CORP.

By: _____
Name: _____
Title: _____

OLAPLEX, INC.

By: _____
Name: _____
Title: _____

I acknowledge receiving a copy of this Invention Assignment Notice:

[Employee Name]

Date: _____

[Signature Page to Invention Assignment Notice]

EXHIBIT B

NOTICE OF EXERCISE

Penelope Holdings Corp.
c/o Advent International Corporation
Prudential Tower
800 Boylston Street
Boston, MA 02199
Attention: President

Date of Exercise: _____

Ladies & Gentlemen:

1. *Exercise of Option.* This constitutes notice to Penelope Holdings Corp. (the "Company") that pursuant to my Nonqualified Stock Option Award Agreement, dated _____ (the "Award Agreement"), I elect to purchase the number of Shares set forth below and for the price set forth below. Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Award Agreement. By signing and delivering this notice to the Company, I hereby acknowledge that I am the holder of the Option exercised by this notice and have full power and authority to exercise the same.

[Insert Number of Shares and Description of Options to be Exercised] (collectively, the "Optioned Shares")

Grant Date:

Shares to be issued in name of:

Total exercise price of [Insert Description of Exercised Options]

2. *Delivery of Payment.*

a. I elect to pay the full exercise price of my Optioned Shares as follows (select one):

- In cash or its equivalent.
- If permitted by the Committee, by reducing the number of Optioned Shares otherwise deliverable upon the exercise of the Option by the number of Optioned Shares having a fair market value equal to the Option Price.

b. I elect to pay the full amount of withholding taxes determined by the Company to be due in connection with the exercise of my Option as follows (select one, if applicable):

- In cash or its equivalent.
- If permitted by the Committee, by reducing the number of Optioned Shares otherwise deliverable upon the exercise of the Option by the number of Optioned Shares having a fair market value equal to the amount of all withholding taxes determined by the Company to be due in connection with such exercise.

3. *Rights as Stockholder.* While the Company shall endeavor to process this notice in a timely manner, I acknowledge that until the issuance of the Optioned Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) and my satisfaction of any other conditions imposed by the Committee pursuant to the Plan or set forth in the Award Agreement, no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to such Shares, notwithstanding the exercise of my Option. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance of the Optioned Shares.

4. *Interpretation.* Any dispute regarding the interpretation of this notice shall be submitted promptly by me or by the Company to the Committee. The resolution of such a dispute by the Committee shall be final and binding on all parties.

5. *Entire Agreement.* The Plan, the Award Agreement under which the Optioned Shares were granted and the Amended and Restated Agreement of Limited Partnership of Penelope Group Holdings, L.P. are incorporated herein by reference, and together with this notice constitute the entire agreement of the parties with respect to the subject matter hereof.

Very truly yours,

January 28, 2020

JuE Wong

Dear JuE:

I am pleased to confirm our offer of employment to you as Chief Executive Officer of Olaplex, Inc. (formerly Penelope Acquisition Corp.) (the "Company"). This offer is contingent upon (i) the successful closing (the "Closing") of the asset purchase transactions contemplated by and among the Company, Olaplex LLC, and LiQWD, Inc. and (ii) your successful employment eligibility verification (as discussed further below). If for any reason the Closing does not occur or your employment eligibility cannot be verified, this letter and the Company's offer of employment will be null and void.

Start Date. If you accept this offer, your first date of employment with the Company will be the date of the Closing.

Title and Duties. You will be employed by the Company as its Chief Executive Officer, reporting to the Board of Managers of Penelope Group Holdings GP, LLC (the "Board"). You will perform the duties of your position and such other duties as may reasonably be assigned to you from time to time. In addition, you will serve from time to time if requested as a director or officer of one or more of the Company's Affiliates, without further compensation. You will be expected to devote your full business time and your best professional efforts to the performance of your duties and responsibilities for the Company and its Affiliates and to abide by all policies and procedures of the Company as in effect from time to time.

Base Salary. Your initial base salary will be paid at the rate of \$1,000,000 per year, less taxes and other legally required deductions, payable in accordance with the regular payroll practices of the Company.

Annual Bonus. For each fiscal year completed during your employment, you will be eligible to earn an annual bonus. Your target bonus will be 50% of your base salary, with the actual amount of any such bonus being determined by the Company in its discretion, based on your performance and that of the Company against goals established by the Board. You must be employed through the end of the applicable fiscal year in order to be eligible for the bonus. Any such bonus will be payable in the first calendar quarter of the calendar year following the conclusion of the fiscal year for which the bonus is earned.

Incentive Equity. Promptly following the commencement of your employment with the Company and subject to final approval by the Board of Managers of Penelope Group Holdings GP, LLC, you will receive a grant of options to purchase common stock of Penelope Holdings Corp. ("Options") representing 3.86% of the fully-diluted equity of Penelope Holdings Corp., with an exercise price for each Option equal to the fair market value of a share of common stock of Penelope Holdings Corp. on the grant date. The Options granted to you will be conditioned on your continued employment by the Company, and will be subject to vesting as follows: (i) four-tenths (4/10^{ths}) of the options will be subject to time vesting, vesting in five (5) equal installments on each of the first five (5) anniversaries of the grant date, (ii) one-tenth (1/10th) of the Options will be subject to performance vesting based on the achievement by the Principal Investor (as such term

shall be defined in the option grant) of an MOIC (as such term shall be defined in the option grant) of at least 2.0, (iii) one-tenth (1/10th) of the Options will be subject to performance vesting based on the achievement by the Principal Investor of an MOIC of at least 2.5, (iv) one-tenth (1/10th) of the Options will be subject to performance vesting based on the achievement by the Principal Investor of an MOIC of at least 3.0, (v) one point five-tenths (1.5/10^{ths}) of the Options will be subject to performance vesting based on the achievement by the Principal Investor of an MOIC of at least 3.5 and (vi) one point five-tenths (1.5/10^{ths}) of the Options will be subject to performance vesting based on the achievement by the Principal Investor of an MOIC of at least 4.0. The Options will be subject to terms of the option award agreement and the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan.

Benefits. You will be eligible to participate in any and all employee benefit plans made available by the Company to employees generally from time to time, subject to plan terms and generally applicable Company policies as in effect from time to time. Following the Closing Date, until such time as the Company has established group medical, dental and/or vision plans, as applicable, the Company will reimburse you up to \$2,500 per month for the monthly premium cost of any medical, dental and/or vision insurance plans purchased by you. Notwithstanding the foregoing, in the event that the Company's payment of such reimbursements would subject the Company to any tax or penalty under Section 105(h) of the Internal Revenue Code of 1986, as amended, the Patient Protection and Affordable Care Act, as amended, any regulations or guidance issued thereunder, or any other applicable law, in each case, as determined by the Company, then you and the Company agree to work together in good faith to restructure such benefit.

Co-Investment Opportunity. You will be eligible to invest up to \$500,000 in the Class A Non-Voting Common Units of Penelope Group Holdings, L.P., on such terms and conditions as shall be set forth in a subscription agreement between you and the Company.

Work Location. Until such time as the Company has established a corporate headquarters, you will work remotely from your home or another remote location of your choice. Once the Company has established a corporate headquarters, you will work from the Company's corporate headquarters. In each case, your work location will be subject to such travel as may reasonably be required for the diligent performance of your duties and responsibilities to the Company and its Affiliates. Should the Company establish its corporate headquarters in the greater Los Angeles, California area, the Company will provide you with a housing and transportation allowance in the monthly amount of up to \$10,000 during the term of your employment hereunder, less taxes and other legally required deductions.

The Immigration Reform and Control Act requires the Company to verify your identity and employment eligibility within three business days of your commencement of employment with the Company. Enclosed is a copy of the Form I-9 that you will be required to complete. Please bring the appropriate documents listed on that form with you when you report for work. We will not be able to employ you if you fail to comply with this requirement.

This offer of employment is also conditioned on your execution of the Company's standard Employee Agreement, a copy of which is enclosed. You must sign and return the Employee Agreement at the time you sign and return this letter agreement.

This letter and your response are not meant to constitute a contract of employment for a specific term. Employment with the Company is at-will. This means that, if you accept this offer, both you and the Company will retain the right to terminate your employment at any time, with or without notice or cause.

This letter agreement, together with the Employee Agreement and the Termination Protection Agreement entered into on the date hereof between you and the Company, sets forth the entire agreement between you and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. In accepting this offer, you give the Company assurance that you have not relied on any agreements or representations, express or implied, with respect to your employment that are not set forth expressly in this letter agreement, the Employee Agreement or the Termination Protection Agreement. For the purposes of this letter agreement, "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

If you wish to accept this offer, please sign, date and return this letter agreement and the Employee Agreement to Tricia Glynn by email (TGlynn@AdventInternational.com) no later than January 31, 2020. If you do accept as provided, this letter agreement will take effect as a binding agreement between you and the Company as of the Closing, provided that you sign, date and return the Employee Agreement to the Company and satisfy the other conditions set forth above in a timely manner. Please retain a copy of this letter agreement and the Employee Agreement for your records.

Sincerely,

OLAPLEX, INC.

By: /s/ Tricia Glynn

Name: Tricia Glynn

Title: President

[Signature Page to Offer Letter]

Accepted and agreed:

Signature: /s/ JuE Wong
JuE Wong

Date: January 28, 2020

[Signature Page to Offer Letter]

TERMINATION PROTECTION AGREEMENT

This TERMINATION PROTECTION AGREEMENT (this "Agreement") is made and entered into as of January 28, 2020 by and between Olaplex, Inc. (formerly Penelope Acquisition Corp.) (the "Company") and JuE Wong (the "Executive"), and is effective as of the Closing Date, as such term is defined in the Purchase Agreement by and among Olaplex LLC, Liqwd, Inc., Christal Family Trust Dated May 22, 2014, Christal Investment Trust Dated May 22, 2014, the Company and the other parties thereto, dated as of November 17, 2019 (the "Purchase Agreement"). In the event that the Closing (as such term is defined in the Purchase Agreement) does not occur, this Agreement will be void and of no force or effect.

WHEREAS, the Company has offered employment to the Executive, effective as of the Closing Date, and the Executive has accepted such employment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Company and the Executive agree as follows:

1. Severance Entitlement.

(a) The Executive's employment with the Company shall be at-will, meaning that both the Executive and the Company will retain the right to terminate the Executive's employment at any time, with or without Cause or notice.

(b) If the Company terminates the Executive's employment without Cause (and not as result of the death or disability of the Executive), the Company will continue to pay the Executive's base salary, at the rate in effect at the time of termination, for a period of twelve (12) months following the date of termination (the "Severance Payments"). Any obligation of the Company to provide the Severance Payments to the Executive is conditioned on her signing and returning, without revoking, to the Company a timely and effective separation agreement containing a general release of claims and other customary terms in the form provided to the Executive by the Company at the time that the Executive's employment terminates (the "Separation Agreement") and the Executive's continuing compliance with her obligations pursuant to this Agreement and any other Restrictive Covenants. The Separation Agreement must become effective, if at all, by the sixtieth (60th) calendar day following the date the Executive's employment terminates. Any Severance Payments to which the Executive is entitled will be payable in accordance with the normal payroll practices of the Company. The first such payment will be made on the Company's next regular payday following the expiration of sixty (60) calendar days from the date that the Executive's employment terminates, but will be retroactive to the day following such date of termination.

2. Timing of Payments and Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time the Executive's employment terminates, the Executive is a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6)- month period or, if earlier, upon the Executive's death; except (A) to the extent of amounts that do

not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”).

(b) For purposes of this Agreement, all references to “termination of employment” and correlative phrases shall be construed to require a “separation from service” (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term “specified employee” means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

(d) In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A.

3. Definitions. For purposes of this Agreement, the following definitions apply:

“Affiliates” means, with regard to any Person, all Persons and entities directly or indirectly controlling, controlled by or under common control with such Person, where control may be by management authority, equity interest or otherwise.

“Cause” means the occurrence of any of the following, as determined by the Company in its reasonable judgment: (i) the Executive’s material failure to perform, or substantial negligence in the performance of, the Executive’s duties and responsibilities to the Company or any of its Affiliates; (ii) the Executive’s breach of the Employee Agreement or of any other confidentiality, invention assignment, non-competition, non-solicitation, no-hire, non-disparagement or other similar restrictive covenant obligations set forth in any written agreement by and between the Executive and the Company or any of its Affiliates (collectively, “Restrictive Covenants”); (iii) the Executive’s material breach of any other provision of this Agreement or any other written agreement by and between the Executive and the Company or any of its Affiliates; (iv) the Executive’s commission of, or plea of nolo contendere to, a felony or other crime involving moral turpitude; or (v) other conduct by the Executive that is or could reasonably be expected to be materially harmful to the business interests or reputation of the Company or any of its Affiliates; provided, however, that with respect to (i), (iii) and (v) of this definition, to the extent such matter or matters are reasonably susceptible to cure, the Executive shall have received written notice from the Company of such matter or matters, describing same in reasonable detail, and shall have failed to cure such matter or matters within ten (10) days after receipt of such written notice.

“Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its Affiliates.

4. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company to the extent required by applicable law.

5. Assignment. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without the Executive's consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of their respective successors, executors, administrators, heirs and permitted assigns.

6. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7. Miscellaneous. This Agreement sets forth the entire agreement between the Executive and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment, excluding only that certain employment letter agreement and that certain Employee Agreement (the "Employee Agreement"), each by and between the Executive and that Company, and each of even date herewith; provided, however, that nothing contained in this Agreement limits or supersedes any prior assignment of intellectual property rights by the Executive to the Company or any of its Affiliates (or any of their predecessors). This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by the Executive and an expressly authorized representative of the Company. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a Delaware contract and shall be governed and construed in accordance with the laws of the State of Delaware, without regard to any conflict of laws principles that would result in the application of the laws of any other jurisdiction.

8. Cause Definition. The Company agrees that, as applied to the Executive, the definition of Cause set forth in this Agreement shall be used as the definition for such term or such similar term in (i) the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan to be adopted after the Closing and any equity award agreement to be entered into with the Executive thereunder and (ii) the Amended and Restated Agreement of Limited Partnership of Penelope Group Holdings, L.P. to be entered into at the Closing.

[Signature Page Follows Immediately]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE:

/s/ JuE Wong
JuE Wong

THE COMPANY:

By: /s/ Tricia Glynn
Name: Tricia Glynn
Title: President

[Signature Page to Termination Protection Agreement]

Olaplex, Inc.

January 8, 2020

Tiffany Walden

Dear Tiffany:

I am pleased to offer you employment with Olaplex, Inc. (formerly Penelope Acquisition Corp.) (the "Company") in the position of Chief Operating Officer/Chief Legal Officer reporting directly to the Company's Chief Executive Officer. In connection therewith, the Company will also cause you to become a member of the Board of Managers of Penelope Group Holdings GP, LLC (the "Board") promptly following your commencement of employment; provided that, if your employment with the Company terminates for any reason, you agree to resign from the Board as of the date of such termination. This offer is contingent upon (i) the successful closing (the "Closing") of the asset purchase transactions contemplated by and among the Company, Olaplex LLC, and LiQWD, Inc., (ii) your continued employment with Olaplex LLC through the Closing and (iii) your successful identity and employment eligibility verification (as discussed further below). If for any reason the Closing does not occur, your employment with Olaplex LLC is terminated prior to the Closing for any reason, or your identity and employment eligibility cannot be verified, this letter and the Company's offer of employment will be null and void.

If you accept this offer, your first date of employment with the Company will be the date of the Closing. Your initial salary will be at the rate of \$650,000.00 per year, less taxes and other legally required deductions, payable in accordance with the regular payroll practices of the Company.

Beginning with fiscal year 2020, for each fiscal year completed during your employment with the Company, you will be eligible to earn an annual bonus. Your target bonus will be 50% of your base salary, with the actual amount of any such bonus being determined by the Company in its discretion, based on your performance and that of the Company against goals established by the Company. You must be employed through the end of the applicable fiscal year in order to be eligible for the bonus. Any such bonus will be payable in the calendar year following the conclusion of the fiscal year for which the bonus is earned.

You will be eligible to participate in any and all employee benefit plans made available by the Company to employees generally from time to time, subject to plan terms and generally applicable Company policies as in effect from time to time. Should the Company require your relocation to a location more than forty (40) miles from your place of residence as of the date hereof in connection with the performance of your duties and responsibilities to the Company and its Affiliates, the Company will provide you with relocation support in the form of (i) reimbursement for any reasonable, documented, out-of-pocket costs (excluding housing costs) incurred in connection with such relocation and (ii) provided that you do not earlier resign from your position with the Company or its Affiliates, a housing allowance in the monthly amount of up to \$7,500 for no less than twelve (12) months following such relocation, less taxes and other legally required deductions.

You will be expected to devote your full business time and your best professional efforts to the performance of your duties and responsibilities for the Company and its Affiliates (as defined below) and to abide by all policies and procedures of the Company as in effect from time to time. You will be expected to perform the duties of your position and such other duties as may reasonably be assigned to you from time to time. For the purposes of this letter agreement, "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

The Immigration Reform and Control Act requires the Company to verify your identity and employment eligibility within three business days of your commencement of employment with the Company. Enclosed is a copy of the Form I-9 that you will be required to complete. Please bring the appropriate documents listed on that form with you when you report for work. We will not be able to employ you if you fail to comply with this requirement.

This offer of employment is also conditioned on your execution of the Company's standard Employee Agreement, a copy of which is enclosed. You must sign and return the Employee Agreement at the time you sign and return this letter agreement.

This letter and your response are not meant to constitute a contract of employment for a specific term. Employment with the Company is at-will. This means that, if you accept this offer, both you and the Company will retain the right to terminate your employment at any time, with or without notice or cause.

In accepting this offer, you give the Company assurance that you have not relied on any agreements or representations, express or implied, with respect to your employment that are not set forth expressly in this letter or the Employee Agreement.

If you wish to accept this offer, please sign, date and return this letter agreement and the Employee Agreement to Tricia Glynn by email (TGlynn@AdventInternational.com) no later than January 8, 2020. If you do accept as provided, this letter agreement will take effect as a binding agreement between you and the Company as of the Closing, provided that you sign, date and return the Employee Agreement to the Company and satisfy the other conditions set forth above in a timely manner. Please retain a copy of this letter agreement and the Employee Agreement for your records.

[Signature Pages Follow]

Sincerely,

OLAPLEX, INC.

By: /s/ James Westra

Name: James Westra

Title: President and General Counsel

Accepted and agreed:

Signature: /s/ Tiffany Walden
Tiffany Walden

Date: January 8, 2020

[Signature Page to Offer Letter]

TERMINATION PROTECTION AGREEMENT

This TERMINATION PROTECTION AGREEMENT (this "Agreement") is made and entered into as of January 8, 2020 by and between Olaplex, Inc. (formerly Penelope Acquisition Corp.) (the "Company") and Tiffany M. Walden (the "Executive"), and is effective as of the Closing Date, as such term is defined in the Purchase Agreement by and among Olaplex LLC, Liqwd, Inc., Christal Family Trust Dated May 22, 2014, Christal Investment Trust Dated May 22, 2014, the Company and the other parties thereto, dated as of November 17, 2019 (the "Purchase Agreement"). In the event that the Closing (as such term is defined in the Purchase Agreement) does not occur, this Agreement will be void and of no force or effect.

WHEREAS, the Company has offered employment to the Executive, effective as of the Closing Date, and the Executive has accepted such employment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Company and the Executive agree as follows:

1. Severance Entitlement.

(a) The Executive's employment with the Company shall be at-will, meaning that both the Executive and the Company will retain the right to terminate the Executive's employment at any time, with or without Cause or notice.

(b) If (i) the Company terminates the Executive's employment without Cause (and not as result of the death or disability of the Executive) or (ii) the Executive terminates her employment for Good Reason, the Company will continue to pay the Executive's base salary, at the rate in effect at the time of termination, for a period of eighteen (18) months following the date of termination (the "Severance Payments"). Any obligation of the Company to provide the Severance Payments to the Executive is conditioned on her signing and returning, without revoking, to the Company a timely and effective separation agreement containing a general release of claims and other customary terms in the form provided to the Executive by the Company at the time that the Executive's employment terminates (the "Separation Agreement") and the Executive's continuing compliance with her obligations pursuant to this Agreement and any other Restrictive Covenants. The Separation Agreement must become effective, if at all, by the sixtieth (60th) calendar day following the date the Executive's employment terminates. Any Severance Payments to which the Executive is entitled will be payable in accordance with the normal payroll practices of the Company. The first such payment will be made on the Company's next regular payday following the expiration of sixty (60) calendar days from the date that the Executive's employment terminates, but will be retroactive to the day following such date of termination.

2. Confidential Information and Assignment of Rights to Intellectual Property.

(a) Confidential Information. During the course of the Executive's employment with the Company and its predecessors, the Executive has learned and will continue to learn of Confidential Information, and has developed and will continue to develop Confidential Information on behalf of the Company and its Affiliates. The Executive agrees that he will not use or disclose to any Person (except as required by applicable law or for the proper performance of her regular duties and responsibilities for the Company) any Confidential Information obtained by

the Executive incident to her employment or any other association with the Company or any of its predecessors or Affiliates. The Executive agrees that this restriction will continue to apply after her employment terminates, regardless of the reason for such termination. For the avoidance of doubt, (i) nothing contained in this Agreement limits, restricts or in any other way affects the Executive's communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to such governmental agency or entity and (ii) the Executive will not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (y) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (z) in a complaint or other document filed under seal in a lawsuit or other proceeding; provided, however, that notwithstanding this immunity from liability, the Executive may be held liable if he unlawfully accesses trade secrets by unauthorized means.

(b) Protection of Documents. All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its Affiliates, and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company. The Executive agrees to safeguard all Documents and to surrender to the Company, at the time her employment terminates or at such earlier time or times as the Company may specify, all Documents then in her possession or control. The Executive also agrees to disclose to the Company, at the time her employment terminates or at such earlier time or times as the Company may specify, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which the Executive has password-protected on any computer equipment, network or system of the Company or any of its Affiliates.

(c) Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) her full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company (or as otherwise directed by the Company) and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company or any of its Affiliates for time spent in complying with these obligations. All copyrightable works that the Executive creates during her employment shall be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company. Executive acknowledges that this Section 2(c) shall not apply to any Invention (as defined below) that qualifies fully for exclusion under the provisions of California Labor Code Section 2870, the terms of which are set forth in Exhibit A to this Agreement.

(d) Survival. Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the Executive's obligations under this Section 2. The obligation of the Company to make payments to the Executive under Section 1 of this Agreement, and the Executive's right to retain the same, are expressly conditioned

upon her continued full performance of her obligations under this Section 2. Upon termination by either the Executive or the Company, all rights, duties and obligations of the Executive and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

3. Timing of Payments and Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if at the time the Executive's employment terminates, the Executive is a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6)-month period or, if earlier, upon the Executive's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").

(b) For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

(d) In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A.

4. Definitions. For purposes of this Agreement, the following definitions apply:

"Affiliates" means, with regard to any Person, all Persons and entities directly or indirectly controlling, controlled by or under common control with such Person, where control may be by management authority, equity interest or otherwise.

"Cause" means the occurrence of any of the following, as determined by the Company in its reasonable judgment: (i) the Executive's material failure to perform, or substantial negligence in the performance of, the Executive's duties and responsibilities to the Company or any of its Affiliates; (ii) the Executive's material breach of Section 2 of this Agreement, the Executive's material breach of any other confidentiality, invention assignment, non-disparagement or other similar restrictive covenant obligations set forth in any written agreement by and between the Executive and the Company or any of its Affiliates or the Executive's breach of any other non-competition, non-solicitation or no-hire restrictive covenant obligations set forth in any written agreement by and between the Executive and the Company or any of its Affiliates (collectively,

“Restrictive Covenants”); (iii) the Executive’s material breach of any other provision of this Agreement or any other written agreement by and between the Executive and the Company or any of its Affiliates; (iv) the Executive’s commission of, or plea of nolo contendere to, a felony or other crime involving moral turpitude; or (v) other conduct by the Executive that is or could reasonably be expected to be materially harmful to the business interests or reputation of the Company or any of its Affiliates; provided, however, that with respect to clause (i), (iii) and (v) of this definition, to the extent such matter or matters are reasonably susceptible to cure, the Executive shall have received written notice from the Company of such matter or matters, describing same in reasonable detail, and shall have failed to cure such matter or matters within ten (10) days after receipt of such written notice; provided, further, that with respect to clause (ii) of this definition, to the extent such matter or matters are reasonably susceptible to cure, the Executive shall have received written notice from the Company of such matter or matters, describing same in reasonable detail, and shall have failed to cure such matter or matters within thirty (30) days after receipt of such written notice.

“Confidential Information” means any and all information of the Company and its Affiliates that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its Affiliates from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through the Executive’s breach of her obligations under this Agreement or any other agreement between the Executive and the Company or any of its Affiliates.

“Good Reason” means the occurrence of any of the following without the Executive’s consent: (i) the change by the Company of the Executive’s title to any title that does not contain “Chief Operating Officer”, (ii) the Company’s reduction of the Executive’s salary or the Executive’s bonus opportunity of 50% of her salary at any point during the period of her employment with the Company, (iii) the requirement by the Company prior to the date that is twelve (12) months following the Closing that the Executive physically relocate her primary residence to a location more than forty (40) miles from the Executive’s current residence or (iv) the Executive’s removal as a member of the Board of Managers of Penelope Group Holdings GP, LLC (the “Board”) other than a removal occurring in connection with the Executive’s termination of or resignation from employment or the Executive’s resignation from the Board or decision not to stand for reelection to the Board; provided, in each case, that (a) the Executive provides written notice to the Company, setting forth the nature of the condition giving rise to Good Reason, within thirty (30) days of the initial existence of such condition, (b) the condition remains uncured by the Company for a period of thirty (30) days following the provision of the notice referred to in the foregoing clause (a) and (c) the Executive terminates her employment, if at all, not later than thirty (30) days after the expiration of such cure period.

“Intellectual Property” means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) (collectively, “Inventions”) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive’s employment that relate either to the business of the Company or any of its Affiliates or to any prospective activity of the Company or any of its Affiliates or that result from any work performed by the Executive for the

Company or any of its Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates. Notwithstanding the foregoing, Intellectual Property does not include any Invention that qualifies fully under the provisions of California Labor Code Section 2870, the terms of which are set forth in Exhibit A to this Agreement.

“**Person**” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its Affiliates.

5. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company to the extent required by applicable law.

6. Assignment. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without the Executive’s consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of their respective successors, executors, administrators, heirs and permitted assigns.

7. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8. Miscellaneous. This Agreement sets forth the entire agreement between the Executive and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive’s employment, excluding only that certain employment letter agreement and that certain Employee Agreement, each by and between the Executive and that Company, and each of even date herewith; provided, however, that nothing contained in this Agreement limits or supersedes any prior assignment of intellectual property rights by the Executive to the Company or any of its Affiliates (or any of their predecessors). This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by the Executive and an expressly authorized representative of the Company. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a California contract and shall be governed and construed in accordance with the laws of the State of California, without regard to any conflict of laws principles that would result in the application of the laws of any other jurisdiction.

9. Cause and Good Reason Definitions. The Company agrees that, as applied to the Executive, the definitions of Cause and Good Reason set forth in this Agreement shall be used as the definitions for such terms or such similar terms in (i) the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan to be adopted after the Closing and any equity award agreement to be entered into with the Executive thereunder and (ii) the Amended and Restated Agreement of Limited Partnership of Penelope Group Holdings, L.P. to be entered into at the Closing.

[Signature Page Follows Immediately]

IN WITNESS WHEREOF, this Agreement has been executed by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE:

/s/ Tiffany M. Walden
Tiffany M. Walden

THE COMPANY:

By: /s/ James Westra
Name: James Westra
Title: President and General Counsel

[Signature Page to Termination Protection Agreement]

EXHIBIT A

INVENTION ASSIGNMENT NOTICE

You are hereby notified that the Termination Protection Agreement between you and Olaplex, Inc., dated as January 8, 2020, does not apply to any invention which qualifies fully for exclusion under the provisions of Section 2870 of the California Labor Code. Following is the text of California Labor Code § 2870:

CALIFORNIA LABOR CODE SECTION 2870

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
- (2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Olaplex, Inc.

By: /s/ James Westra
Name: James Westra
Title: President and General Counsel

I acknowledge receiving a copy of this Invention Assignment Notice:

/s/ Tiffany M. Walden
Tiffany M. Walden

Date: January 8, 2020

Olaplex, Inc.

April 28, 2020

James MacPherson

Dear James:

I am pleased to offer you employment with Olaplex, Inc. (the "Company") in the position of Chief Financial Officer, reporting directly to the Company's Chief Executive Officer. If you accept this offer, your first date of employment with the Company will be May 4, 2020. Your initial salary will be at the rate of \$400,000.00 per year, less taxes and other legally required - deductions, payable in accordance with the regular payroll practices of the Company.

Beginning with fiscal year 2020, for each fiscal year completed during your employment with the Company, you will be eligible to earn an annual bonus. Your target bonus will be 50% of your base salary, with the actual amount of any such bonus being determined by the Company in its discretion, based on your performance and that of the Company against goals established by the Company. You must be employed through the end of the applicable fiscal year in order to be eligible for the bonus. Any such bonus will be payable in the calendar year following the conclusion of the fiscal year for which the bonus is earned.

You will be eligible to participate in any and all employee benefit plans made available by the Company to employees generally from time to time, subject to plan terms and generally applicable Company policies as in effect from time to time.

You will work remotely from a location within the New York City area; *provided, however*, that you will spend a minimum of eight (8) working days each calendar month at the Company's corporate headquarters in Orange County, California (any such days, a "HQ Visit"). The Company will be responsible for booking and purchasing, and will be responsible for paying the cost of (i) round trip commercial airfare for travel between New York and the Company's headquarters for each HQ Visit and (ii) standard hotel accommodations for each HQ Visit. You will be responsible for all other miscellaneous commuting and living expenses incurred during each HQ Visit.

You will be expected to devote your full business time and your best professional efforts to the performance of your duties and responsibilities for the Company and its Affiliates (as defined below) and to abide by all policies and procedures of the Company as in effect from time to time. You will be expected to perform the duties of your position and such other duties as may reasonably be assigned to you from time to time. For the purposes of this letter agreement, "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

The Immigration Reform and Control Act requires the Company to verify your identity and employment eligibility within three business days of your commencement of employment with

the Company. Enclosed is a copy of the Form I-9 that you will be required to complete. Please bring the appropriate documents listed on that form with you when you report for work. We will not be able to employ you if you fail to comply with this requirement.

This offer of employment is also conditioned on your execution of the Company's standard Employee Agreement, a copy of which is enclosed. You must sign and return the Employee Agreement at the time you sign and return this letter agreement.

This letter and your response are not meant to constitute a contract of employment for a specific term. Employment with the Company is at-will. This means that, if you accept this offer, both you and the Company will retain the right to terminate your employment at any time, with or without notice or cause.

In accepting this offer, you give the Company assurance that you have not relied on any agreements or representations, express or implied, with respect to your employment that are not set forth expressly in this letter or the Employee Agreement.

If you wish to accept this offer, please sign, date and return this letter agreement and the Employee Agreement to JuE Wong by email (JuE@olaplex.com) no later than April 30, 2020. If you do accept as provided, this letter agreement will take effect as a binding agreement between you and the Company as of May 4, 2020, provided that you sign, date and return the Employee Agreement to the Company and satisfy the other conditions set forth above in a timely manner. Please retain a copy of this letter agreement and the Employee Agreement for your records.

[Signature Pages Follow]

Sincerely,

OLAPLEX, INC.

By: /s/ JuE Wong

Name: JuE Wong

Title: CEO

[Signature Page to Offer Letter]

Accepted and agreed:

Signature: /s/ James MacPherson
James MacPherson

Date: April 28, 2020

[Signature Page to Offer Letter]