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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2021

or

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

For the transition period from _____ to _____

Commission File Number 001-40860

Olaplex Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**87-1242679**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Address not applicable[1]
(Address of principal executive offices and zip code)

(310) 691-0776
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	**OLPX**	**Nasdaq Global Select Market**

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of October 31, 2021, registrant had 648,124,642 shares of common stock, par value $0.001 per share, outstanding.

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

OLAPLEX HOLDINGS, INC.

Quarterly Report on Form 10-Q
For the Quarterly Period Ended September 30, 2021

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the section "Management's Discussion and Analysis of Financial Condition and Results of Operations," 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 Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q are 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. You should understand that the following important factors, in addition to those discussed in the section "Risk Factors" in the Company's final prospectus, dated September 29, 2021, filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended, on October 1, 2021 (the "IPO

Prospectus"), 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, 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 and manage our supply chain, including obtaining and maintaining shipping distribution and raw materials at favorable pricing;
- our relationships with and the performance of distributors and retailers who sell our products to haircare professionals and other customers;
- impacts on our business due to the sensitivity of our business to unfavorable economic and business conditions;
- 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 in the "Risk Factors" section of the IPO 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 Quarterly Report on Form 10-Q as anticipated, believed, estimated, expected, intended, planned or projected. We discuss many of these risks in greater detail in the "Risk Factors" section of the IPO Prospectus. The forward-looking statements included in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q to conform these statements to actual results or to changes in our expectations.

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

OLAPLEX HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except shares)
(Unaudited)

	September 30, 2021	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	$ 121,479	$ 10,964
Accounts receivable, net of allowances of $ 6,867 and $ 1,362	59,283	14,377
Inventory	69,088	33,596
Other current assets	8,182	2,422
Total current assets	258,032	61,359
Property and equipment, net	806	34
Intangible assets, net	1,054,962	1,092,310
Goodwill	168,300	168,300
Deferred taxes	6,978	10,830
Investment in nonconsolidated entity	4,500	—
Total assets	$ 1,493,578	$ 1,332,833
Liabilities and stockholders' equity		
Current Liabilities:		
Accounts payable	$ 14,303	$ 16,815
Accrued expenses and other current liabilities	30,894	9,862
Current portion of long-term debt	20,112	20,112
Total current liabilities	65,309	46,789
Related Party payable pursuant to Tax Receivable Agreement	232,893	—
Long-term debt	742,371	755,371
Total liabilities	1,040,573	802,160
Contingencies (Note 14)		
Stockholders' equity (Notes 1 and 12):		
Common stock, $0.001 par value per share; 2,000,000,000 shares authorized, 648,124,642 and 647,888,387 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	648	648
Preferred stock, $0.001 par value per share; 25,000,000 shares authorized and no shares issued and outstanding	—	—
Additional paid-in capital	300,884	530,025
Retained earnings	151,473	—
Total stockholders' equity	453,005	530,673
Total liabilities and stockholders'equity	$ 1,493,578	$ 1,332,833

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

OLAPLEX HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(amounts in thousands, except per share and share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 161,624	$ 89,447	$ 431,867	$ 189,055
Cost of sales:				
Cost of product (excluding amortization)	32,462	24,569	83,859	79,236
Amortization of patented formulations	1,680	2,102	6,399	4,567
Total cost of sales	34,142	26,671	90,258	83,803
Gross profit	127,482	62,776	341,609	105,252
Operating expenses:				
Selling, general, and administrative	30,257	8,215	75,323	23,291
Amortization of other intangible assets	10,182	10,182	30,547	29,643
Acquisition costs	—	488	—	16,499
Total operating expenses	40,439	18,885	105,870	69,433
Operating income	87,043	43,891	235,739	35,819
Interest (expense)	(14,987)	(9,794)	(46,052)	(28,577)
Other (expense) income, net	(213)	(29)	(417)	(155)
Income before provision for income taxes	71,843	34,068	189,270	7,087
Income tax provision	15,252	5,753	37,797	1,197
Net income	$ 56,591	$ 28,315	$ 151,473	$ 5,890
Comprehensive income	$ 56,591	$ 28,315	$ 151,473	$ 5,890
Net income per share:				
Basic	$ 0.09	$ 0.04	$ 0.23	$ 0.01
Diluted	$ 0.08	$ 0.04	$ 0.22	$ 0.01
Weighted average common shares outstanding:				
Basic	648,124,642	647,888,387	648,082,081	631,143,589
Diluted	690,711,782	653,036,893	689,108,272	632,877,840

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

OLAPLEX HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(amounts in thousands, except number of shares)
(Unaudited)

	Shares (Note 1)	Amount	Additional Paid in Capital	Retained Earnings	Total Equity
Balance - December 31, 2020	647,888,387	$ 648	$ 530,025	$ —	$ 530,673
Issuance of common stock	236,255	—	633	—	633
Net income	—	—	—	94,882	94,882
Share-based compensation expense	—	—	1,174	—	1,174
Balance – June 30, 2021	648,124,642	$ 648	$ 531,832	$ 94,882	$ 627,362
Net income	—	—	—	56,591	56,591
Tax receivable agreement	—	—	(232,893)	—	(232,893)
Share-based compensation expense	—	—	1,945	—	1,945
Balance – September 30, 2021	648,124,642	$ 648	$ 300,884	$ 151,473	$ 453,005

	Shares (Note 1)	Amount	Additional Paid in Capital	Retained Earnings	Total Equity
Balance - January 1, 2020					
Issuance of common stock	647,888,387	$ 648	$ 959,220	$ —	$ 959,868
Net loss	—	—	—	(22,425)	(22,425)
Share-based compensation expense	—	—	421	—	421
Balance – June 30, 2020	647,888,387	$ 648	$ 959,641	$ (22,425)	$ 937,864
Net income	—	—	—	28,315	28,315
Share-based compensation expense	—	—	516	—	516
Balance – September 30, 2020	647,888,387	$ 648	$ 960,157	$ 5,890	$ 966,695

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

OLAPLEX HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2021	**2020**
Cash flows from operating activities:		
Net income	$ 151,473	$ 5,890
Adjustments to reconcile net income to net cash from operations provided by operating activities:		
Amortization of patent formulations	6,399	4,567
Amortization of other intangibles	30,547	29,643
Depreciation of fixed assets	87	—
Amortization of fair value of acquired inventory	—	44,519
Amortization of debt issuance costs	2,084	1,277
Deferred taxes	3,852	(3,321)
Share-based compensation expense	3,119	937
Changes in operating assets and liabilities, net of effects of acquisition:		
Accounts receivable, net	(44,906)	(13,198)
Inventory	(35,090)	(2,488)
Other current assets	(5,760)	(2,825)
Accounts payable	9,165	3,882
Accrued expenses and other current liabilities	9,355	15,626
Net cash provided by operating activities	130,325	84,509
Cash flows from investing activities:		
Purchase of property and equipment	(859)	(58)
Purchase of investment in nonconsolidated entity	(4,500)	—
Business acquisition, net of acquired cash	—	(1,381,582)
Net cash used in investing activities	(5,359)	(1,381,640)
Cash flows from financing activities:		
Proceeds from the issuance of stock	633	959,867
Proceeds from Revolver	—	50,000
Principal payments of Term Loan	(15,084)	(5,625)
Payments of Revolver	—	(25,000)
Proceeds from the issuance of Term Loan	—	450,000
Payments of debt issuance costs	—	(10,526)
Net cash (used in) provided by financing activities	(14,451)	1,418,716
Net increase in cash and cash equivalents	110,515	121,585
Cash and cash equivalents - beginning of period	10,964	—
Cash and cash equivalents - end of period	$ 121,479	$ 121,585
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 16,105	$ 976
Cash paid during the year for interest	43,968	25,500
Cash paid during the year for offering and strategic transition costs	3,840	—
Supplemental disclosure of noncash activities:		
Public offering and strategic transition costs included in accounts payable and accrued expenses	$ 4,542	$ —
Increase in Related Party payable pursuant to Tax Receivable Agreement and decrease in Additional paid-in capital	232,893	—

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

NOTE 1- NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Olaplex Holdings, Inc. ("Olaplex Holdings" together with its subsidiaries, the "Company" or "we") is a Delaware corporation that was incorporated on June 8, 2021 for the purpose of facilitating an initial public offering and to enter into other related Reorganization Transactions, as described below, in order to carry on the business of Penelope Holdings Corp., ("Penelope") together with its subsidiaries. Olaplex Holdings is organized as a holding company and operates indirectly through its wholly owned subsidiaries, Penelope and Olaplex, Inc., which conducts business under the name "Olaplex". Olaplex is an innovative, science-enabled, technology-driven beauty company that is focused on delivering its patent-protected premium hair care products to professional hair salons, retailers and everyday consumers. Olaplex develops, manufactures and distributes a suite of haircare products strategically developed to address three key uses: treatment, maintenance and protection.

On January 8, 2020 (the "Acquisition Date"), a group of third-party investors, through Penelope, acquired100% of the Olaplex LLC business, including the intellectual property operations of another affiliated business, LIQWD, Inc. (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.

In these financial statements, the term "Olaplex" is used to refer to either the operations of the business prior or after the Acquisition and prior to and after the initial public offering and Reorganization Transactions as discussed below, 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.

Initial Public Offering

On October 4, 2021, Olaplex Holdings completed an initial public offering of73,700,000 shares of its common stock (the "IPO"). All shares sold in the IPO were sold by certain existing stockholders of Olaplex Holdings at a public offering price of $21 per share. The selling stockholders received net proceeds of approximately $1,466,446, after deducting underwriting discounts and commissions. On October 8, 2021, the selling stockholders sold 11,055,000 additional shares of common stock pursuant to the full exercise by the underwriters of the IPO of their option to purchase additional shares at the initial public offering price of $21 per share. The selling shareholders received net proceeds of approximately $219,967, after deducting underwriting discounts and commissions, for the sale of these additional shares. The Company did not receive any proceeds from the IPO.

Reorganization Transactions

Prior to the IPO, Penelope Group Holdings, L.P. was the direct parent of Penelope, which is the indirect parent of Olaplex, Inc., the Company's primary operating subsidiary. In connection with the IPO, the Company completed the following transactions (collectively the "Reorganization Transactions"):

- The limited partners of Penelope Group Holdings, L.P. including Advent International GPE IX, LP ("Fund IX"), who also held100% of the equity interest in Penelope Group Holdings GP II, LLC ("Penelope Group Holdings GP II"), the general partner of Penelope Group Holdings, L.P., contributed 100% of their respective economic equity interests in Penelope Group Holdings, L.P. and Fund IX further contributed 100% of the equity interests in Penelope Group Holdings GP II to Olaplex Holdings in exchange for:
    - an aggregate of 648,124,642 shares of common stock of Olaplex Holdings; and
    - certain rights to payments under the Tax Receivable Agreement (as defined below);
- outstanding options to purchase shares of common stock of Penelope and outstanding cash-settled units of Penelope were converted into options to purchase shares of Olaplex Holdings and cash-settled units of Olaplex Holdings as follows:
    - outstanding vested time-based options to purchase shares of common stock of Penelope were converted into vested options to purchase an aggregate of 2,929,500 shares of common stock of Olaplex Holdings, with a corresponding adjustment to the exercise price that preserved the option's spread value;
    - outstanding unvested time-based options to purchase shares of common stock of Penelope were converted into time-based options to purchase an aggregate of 14,314,725 shares of common stock of Olaplex Holdings, with a corresponding adjustment to the exercise price that preserves the options' spread value and the same time-based vesting schedule that applied to the options prior to the conversion;
    - outstanding performance-based options to purchase shares of common stock of Penelope were converted into (i) vested options to purchase an aggregate of 4,315,275 shares of common stock of Olaplex Holdings, with a corresponding adjustment to the exercise price that preserved the options' spread value, and (ii) time-based options to purchase an aggregate of 25,363,800 shares of common stock of Olaplex Holdings, with a corresponding adjustment to the exercise price that preserves the options' spread value, that will be eligible to vest in equal installments on each of the first three anniversaries of the IPO;
    - outstanding time-based cash-settled units of Penelope were converted into an aggregate of621,000 time-based cash-settled units of Olaplex Holdings, with a corresponding adjustment to the base price per unit that preserves the units' spread value and the same time-based vesting schedule that applied to the unit prior to the conversion; and
    - outstanding performance-based cash-settled units of Penelope were converted into (i) an aggregate of318,600 time-based cash-settled units of Olaplex Holdings, with a corresponding adjustment to the base price per unit that preserves the units' spread value, that will be eligible to vest in equal installments on each of the first three anniversaries of the IPO, subject to (A) the unit holder's continued service through the applicable vesting date and (B) the weighted average closing price per share of Olaplex Holdings' common stock over the thirty consecutive trading days ending on the day immediately prior to the applicable vesting date equaling or exceeding $21 per share on each applicable vesting date, and (ii) an aggregate of 159,300 vested cash-settled units of Olaplex Holdings with a corresponding adjustment to the base price per unit that preserves the units' spread value;
- The Company entered into an income tax receivable agreement ("the Tax Receivable Agreement") under which the Company is required to pay to the former limited partners of Penelope Group Holdings, L.P. and holders of options to purchase shares of common stock of Penelope (collectively the "Pre-IPO Stockholders") that were vested prior to the Reorganization Transactions, 85% of the cash savings, if any, in U.S. federal, state or local tax that the Company actually realizes on its taxable income following the IPO as specified in the Tax Receivable Agreement.
- Olaplex Holdings and Olaplex Intermediate, Inc., which had received a portion of the equity interests of Penelope Group Holdings, L.P. from Olaplex Holdings, contributed 100% of the equity interests of Penelope Group Holdings, L.P. and100% of the equity interests of Penelope Group Holdings GP II to Olaplex Intermediate II, Inc., a direct subsidiary of Olaplex Intermediate Inc.; and
- Penelope Group Holdings, L.P. and Penelope Group Holdings GP II merged with and into Olaplex Intermediate II, Inc. with Olaplex Intermediate II, Inc. surviving each merger.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements present the results of operations, financial position and cash flows of the Company, and have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and with the instructions to Securities and Exchange Commission ("SEC") Article 10 of Regulation S-X. Accordingly, these financial statements do

not include all information and footnotes required by US GAAP for complete financial statements, and are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2021 or for any other interim period or for any other future fiscal year. The balance sheet as of December 31, 2020, included herein, was derived from the audited financial statements as of that date, but does not include all disclosures including certain notes required by US GAAP on an annual reporting basis. Certain information and note disclosures normally included in the financial statements prepared in accordance with US GAAP have been omitted pursuant to such rules and regulations. Therefore, these interim financial statements should be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2020 and in conjunction with the unaudited condensed consolidated financial statements for the June 30, 2021 period ended and notes included in the IPO Prospectus. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for fair presentation of the results of operations, financial position and cash flows for the periods presented have been reflected. The Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading.

The financial statements for prior periods give effect to the Reorganization Transactions discussed above, including the exchange of all 960,184 units of Penelope Group Holdings, L.P. for an aggregate of 648,124,642 shares of common stock of Olaplex Holdings, Inc., which is equivalent to an overall exchange ratio of one-for-675, and the conversion of options and cash-settled units of Penelope into options and cash-settled units of Olaplex Holdings at a conversion rate of one-for-675, with a corresponding adjustment to the exercise price and base price, respectively, as discussed above and in Note 11. All share and earnings per share amounts presented herein have been retroactively adjusted to give effect to the Reorganization Transactions as if they occurred in all prior periods presented.

For the periods prior to the Reorganization Transactions, Penelope and its subsidiaries, including Olaplex, Inc., are consolidated in the unaudited condensed consolidated financial statements of the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and cash-settled units; 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; allowance for promotions; estimated income tax and tax receivable payments; 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.

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 long-term 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 September 30, 2021 and December 31, 2020.

Accounting Policies

There have been no material changes in significant accounting policies as described in the Company's consolidated financial statements for the year ended December 31, 2020 and as described in the Company's unaudited condensed consolidated financial statements for the June 30, 2021 period in the IPO Prospectus, except as noted below.

Deferred Offering Costs

The Company incurred $702 of deferred offering costs as of June 30, 2021 in connection with the anticipated sale of the Company's common stock in an IPO including certain legal, accounting, and other IPO related costs. During the third quarter of 2021, the Company completed the IPO. The Company expensed in the third quarter the deferred offering costs plus additional IPO and related transition costs incurred during the third quarter of 2021 for a total of $6,118 in the statement of operations and comprehensive income under selling, general and administrative expenses.

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 this criteria, the Company manages its business on the basis of three operating segments that are aggregated into one reportable segment given the operating segments have similar economic characteristics, classes of consumers, products, production, distribution methods, and operate in the same regulatory environments.

Investment in Nonconsolidated Entity

The Company uses the cost method to account for its equity investment for which these equity securities do not have readily determinable fair values and for which the Company does not have the ability to exercise significant influence. Under the cost method of accounting, the Company's investment is carried at cost and is adjusted only for other-than-temporary declines in fair value, additional investments, plus or minus changes from observable price changes in orderly transactions or distributions deemed to be a return of capital. Earnings from cost method investments are recorded in the statement of operations and comprehensive income under other income. There are no earnings or fair value adjustments recorded to date.

Tax Receivable Agreement

As part of the IPO, we entered into the Tax Receivable Agreement under which generally we will be required to pay to the Pre-IPO Stockholders 85% of the cash savings, if any, in U.S. federal, state or local tax that we actually realize on our taxable income following the IPO (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 the IPO (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 equal to LIBOR ("London Interbank Offered Rate") (or if LIBOR ceases to be published, a replacement rate with similar characteristics) plus 3% 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 15% of the applicable tax savings.

Recently Adopted Accounting Pronouncements

The Company is an "emerging growth company" and as an emerging growth company, the Jumpstart Our Business Startups Act of 2012 (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.

Recent Accounting Guidance Not Yet Adopted

In February 2016, the Financial Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)." The guidance in this ASU supersedes the leasing guidance in "Leases (Topic 840)." 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 statement. The new standard is effective for the Company fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company will adopt this accounting standard on January 1, 2022 and does not believe this standard will have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 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 the Company 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 ASU 2020-04, 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 31, 2022 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 – NET SALES

The Company distributes products through national and international professional distributors and retailers as well as direct-to-consumer ("DTC") through e-commerce channels. The marketing and consumer engagement benefits that the Company's channels provide are integral to the Company's brand and product development strategy and drive sales across channels. As such, the Company's three business channels consist of professional, specialty retail and DTC as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net sales by Channel:				
Professional	$ 74,978	$ 47,573	$ 201,855	$ 103,768
Specialty retail	46,343	20,313	116,201	36,919
DTC	40,303	21,561	113,811	48,368
Total Net sales	$ 161,624	$ 89,447	$ 431,867	$ 189,055

Revenue by major geographic region is based upon the geographic location of customers who purchase our products.During the three and nine months ended September 30, 2021 and September 30, 2020, our net sales to consumers in the United States and International regions were as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net sales by Geography:				
United States	$ 93,611	$ 45,969	$ 252,224	$ 101,978
International	68,013	43,478	179,643	87,077
Total Net sales	$ 161,624	$ 89,447	$ 431,867	$ 189,055

United Kingdom ("U.K") net sales for the three and nine months ended September 30, 2021 and September 30, 2020 were 15% and 15% and 13% and 14% of total net sales, respectively. No other International country exceeds 10% of total net sales.

NOTE 4 - INVENTORY

Inventory as of September 30, 2021 and December 31, 2020 consisted of the following:

	September 30, 2021	December 31, 2020
Raw materials	$ 10,677	$ 7,773
Finished goods	58,411	25,823
Inventory	$ 69,088	$ 33,596

NOTE 5 - INVESTMENT IN NONCONSOLIDATED ENTITY

Our investment in and advances to our nonconsolidated entity as of September 30, 2021 represents our investment in a limited liability company. We do not control or have significant influence over the operating and financial policies of this affiliate.

We account for this investment using the cost method and adjust only for other than temporary declines in fair value, additional investments, plus or minus changes from observable price changes in orderly transactions or distributions deemed to be a return of capital. Our investment is classified as a long-term asset in our consolidated balance sheet and consists of the following:

	September 30, 2021	December 31, 2020
Capital contributions, net of distributions and impairments	$ 4,500	$ —
Total investments in and advances to nonconsolidated affiliate	$ 4,500	$ —

NOTE 6 - BUSINESS COMBINATIONS

On January 8, 2020, the Company completed the Acquisition to acquire the net assets of the Olaplex business and 100% of voting equity interests. The purchase price was $1,381,582 in net cash paid.

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		(2,977)
Net cash paid for acquisition	**$**	**1,381,582**
Purchase price is comprised of:		
Cash, net of acquired cash	$	1,381,582
Net cash paid for acquisition	**$**	**1,381,582**

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		(2,977)
Net tangible assets		72,282
Identifiable intangible assets:		
Brand name		952,000
Product formulations		136,000
Customer relationships		53,000
Total identifiable intangible assets		1,141,000
Goodwill		168,300
Net assets acquired	**$**	**1,381,582**

For this Acquisition, brand name, product formulations, and customer relationships 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 $488 and $16,499 for the three and nine months ended September 30, 2020, respectively, within the unaudited condensed consolidated statements of operations and comprehensive income.

NOTE 7 – GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets are comprised of the following:

		September 30, 2021		
	Estimated Useful Life	**Gross Carrying Amount**	**Accumulated amortization**	**Net carrying amount**
Brand name	25 years	$ 952,000	$ (65,794)	$ 886,206
Product formulations	15 years	136,000	(15,665)	120,335
Customer relationships	20 years	53,000	(4,579)	48,421
Total finite-lived intangibles		1,141,000	(86,038)	1,054,962
Goodwill	Indefinite	168,300	—	168,300
Total goodwill and other intangibles		$ 1,309,300	$ (86,038)	$ 1,223,262

Amortization expense on the finite-lived intangible assets were $11,862 and $36,946 for the three and nine months ended September 30, 2021, respectively, and $12,284 and $34,210 for the three and nine months ended September 30, 2020. The amortization of brand name and customer relationships of $10,182 and $10,182 and $30,547 and $29,643 for the three and

nine months ended September 30, 2021 and 2020, respectively, is recorded in the consolidated statements of operations and comprehensive income.

The amortization for patented formulations for the three and nine months ended September 30, 2021, respectively, is $2,267 and $6,800. The Company expensed $1,680 of patent amortization in cost of sales for the three months ended September 30, 2021 and capitalized $587 to inventory and expensed $6,399 in cost of sales for the nine months ended September 30, 2021 with $401 capitalized to inventory.

The amortization for patented formulations for the three and nine months ended September 30, 2020, respectively, is $2,267 and $6,598. The Company expensed $2,102 of patent amortization in cost of sales for the three months ended September 30, 2020 and capitalized $164 to inventory and expensed $4,567 in cost of sales for the nine months ended September 30, 2020 with $2,031 capitalized to inventory.

		December 31, 2020		
	Estimated Useful Life	Gross Carrying Amount	Accumulated amortization	Net carrying amount
Brand name	25 years	$ 952,000	$ (37,234)	$ 914,766
Product formulations	15 years	136,000	(8,865)	127,135
Customer relationships	20 years	53,000	(2,591)	50,409
Total finite-lived intangibles		1,141,000	(48,690)	1,092,310
Goodwill	Indefinite	168,300	—	168,300
Total goodwill and other intangibles		$ 1,309,300	$ (48,690)	$ 1,260,610

NOTE 8 - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses as of September 30, 2021 and December 31, 2020 consisted of the following:

	September 30, 2021	December 31, 2020
Deferred revenue	$ 5,652	$ 2,314
Accrued sales and income taxes	9,342	3,100
Accrued other	8,439	2,931
Payroll liabilities	7,461	1,517
Accrued expenses and other current liabilities	$ 30,894	$ 9,862

NOTE 9 - LONG-TERM DEBT

Debt consisted of the following on September 30, 2021:

	January 2020 Credit Agreement	December 2020 Amendment	Total
Long-term debt			
Original term loan borrowing	$ 433,125	$ 341,138	$ 774,263
Debt issuance costs	(7,434)	(4,346)	(11,780)
Total term loan debt	425,691	336,792	762,483
Less: Current portion	(11,250)	(8,862)	(20,112)
Long-term debt, net of current portion	$ 414,441	$ 327,930	$ 742,371

Debt consisted of the following on December 31, 2020:

	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	$ 421,502	$ 333,869	$ 755,371

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 Facility") and a $50,000 revolving facility (the "Revolver" and together with the Term Loan Facility, the "Credit Facilities"), 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 together with the Original Credit Agreement, 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 Original 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.

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 LIBOR rate at time of election plus an additional interest rate spread, or the Alternate Base Rate plus an additional interest rate spread. As of September 30, 2021 and December 31, 2020, there was no balance outstanding under the Revolver, including letters of credit and swingline loans. Interest expense, inclusive of debt amortization, was $14,987 and $9,794 for the three months ended September 30, 2021 and 2020, respectively, and $46,052 and $28,577 for the nine months ended September 30, 2021 and September 30, 2020, respectively, and was 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 September 30, 2021 and December 31, 2020. Substantially all the assets of the Company constitute collateral under the Term Loan and Revolver facilities.

NOTE 10 - INCOME TAXES

The Company computes its provision for income taxes by applying the estimated annual effective tax rate to pretax income and adjusts the provision for discrete tax items recorded in the period.

For the three months ended September 30, 2021 and 2020, the Company recorded income tax expense of $15,252 and $5,753, respectively, resulting in effective tax rates of 21.2% and 16.9%, respectively. For the nine months ended September 30, 2021 and 2020, the Company recorded income tax expense of $17,797 and $1,197, respectively, resulting in effective tax rates for the nine months ended September 30, 2021 and 2020 of 20.0% and 16.9%, respectively.

Compared to the U.S. federal statutory tax rate of 21%, the effective tax rates for the three and nine months ended September 30, 2021 and 2020 were reduced by the benefit associated with the foreign derived intangible income deduction (FDII), which results in income from the Company's sales to foreign customers being taxed at a lower effective tax rate. For the three and nine months ended September 30, 2021, the benefit of the FDII deduction was offset by the unfavorable impact of non-recurring IPO costs that were not deductible for tax purposes.

Tax Receivable Agreement

Based on current tax laws and assuming that the Company earns 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 certain tax benefits related to 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 the IPO (calculated by assuming the taxable year of the relevant entity closes on the date of the IPO), that are amortizable over a fixed period of time (including in tax periods beginning after this offering) and which are available to the Company and its wholly-owned subsidiaries could aggregate to $232,893 over the 14-year period under the Tax Receivable Agreement and (ii) we expect material payments to occur beginning in 2023. Payments under the Tax Receivable Agreement are not conditioned upon the parties' continued ownership of the company. The Tax Receivable payment obligation was recorded as a non-current liability on the unaudited condensed consolidated balance sheet with a corresponding decrease in Additional paid-in capital.

NOTE 11 – SHARE-BASED COMPENSATION

On September 17, 2021, the Company adopted the Olaplex Holdings 2021 Omnibus Equity Incentive Plan (the "2021 Plan"), which provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units, including restricted stock units, performance awards, and other stock-based awards to employees, directors and consultants of the Company and its subsidiaries. The number of shares of common stock available for issuance under the 2021 Plan (subject to adjustment as described below) is 45,368,725 shares of common stock, plus the number of shares of common stock underlying awards granted under the Penelope Holdings Corp. 2020 Omnibus Equity Incentive Plan (the "2020 Plan") that on or after September 17, 2021 expire or become unexercisable, are forfeited to, or repurchased for cash by, the Company are settled in cash, or otherwise become available again for grant under the 2020 Plan discussed below.

The total number of shares of common stock of the Company available for issuance under the 2021 Plan will increase automatically on January 1 of each year beginning in 2023 and continuing through and including 2031 by the lesser of (i) three percent (3%) of the number of shares of common stock outstanding as of such date and (ii) the number of shares of common stock determined by the Company's Board of Directors on or prior to such date for such year. The number of shares available for issuance under the 2021 Plan will not be increased by any shares of common stock delivered under the 2021 Plan that are subsequently repurchased using proceeds directly attributable to stock option exercises.

Prior to the IPO and the Reorganization Transactions, Penelope previously granted share-based options to purchase common stock of Penelope under the 2020 Plan with vesting based on either service or market (performance) conditions. Immediately prior to the Reorganization Transactions, each option to purchase shares of common stock of Penelope was converted into an option to purchase 675 shares of common stock of Olaplex Holdings, with a corresponding adjustment to the option's exercise price to preserve its spread value, and each cash-settled unit of Penelope was converted to 675 cash-settled units of Olaplex Holdings, with a corresponding adjustment to the unit's base price to preserve its spread value, as further described in this Note 11. No further awards will be made under the 2020 Plan.

Conversion of Shared-Based Options in Reorganization Transactions

As a result of the Reorganization Transactions, the options to purchase shares of common stock of Penelope were converted into options to purchase an aggregate of 46,923,300 shares of common stock of Olaplex Holdings, in each case with a corresponding adjustment to the exercise price that preserved the option's spread value, as follows:

- outstanding vested time-based options to purchase shares of common stock of Penelope were converted into vested options to purchase an aggregate of 2,929,500 shares of common stock of Olaplex Holdings;
- outstanding unvested time-based options to purchase shares of common stock of Penelope were converted into time-based options to purchase an aggregate of 14,314,725 shares of common stock of Olaplex Holdings that will be eligible to vest as described under "Converted Time-Based Options" below;
- outstanding performance-based options to purchase shares of common stock of Penelope were converted into (i) time-based options to purchase an aggregate of 25,363,800 shares of common stock of Olaplex Holdings that will be eligible to vest as described under "Converted Performance-Based Options" below, and (ii) vested options to purchase an aggregate of 4,315,275 shares of common stock of Olaplex Holdings;

Converted Time-Based Options

All converted outstanding time-based options are in the form of options to purchase common stock of Olaplex Holdings with vesting based on the option holder's continued service. The original time-based options that were converted are eligible to vest in five equal installments on the first five anniversaries from the vesting start date, subject to the option

holder's continued service through the applicable vesting date and are ratably expensed over a five-year service period from the original grant date.

Converted Performance-Based Options

The performance-based options that were converted to time-based options to purchase common stock of Olaplex Holdings are eligible to vest in three equal installments on the first three anniversaries of the consummation of the IPO, subject to the option holder's continued service through the applicable vesting date and are ratably expensed over a three-year service period from the consummation of the IPO.

IPO Option Grants

In connection with the IPO, the Company granted, under the 2021 Plan, time-based options to purchase an aggregate of 351,058 shares of common stock of the Company to certain employees. The options are eligible to vest in four equal installments on the first four anniversaries of the grant date, subject to the option holder's continued service through the applicable vesting date and are ratably expensed over a four-year service period from the grant date.

As of September 30, 2021, a total of 92,292,025 shares have been authorized for issuance under the 2020 Plan and 2021 Plan, with 45,017,667 remaining available to grant under the 2021 Plan and no shares available for issuance under the 2020 Plan. As of September 30, 2021, there were outstanding options to purchase an aggregate of 47,274,358 shares with 46,923,300 shares outstanding under the 2020 Plan and 351,058 shares outstanding under the 2021 Plan. As of September 30, 2021, there were options to purchase an aggregate of 2,362,500 shares forfeited under the 2020 Plan.
Share-based compensation expense for the three and nine months ended September 30, 2021 of $1,945 and $3,119, respectively, was recognized in selling, general, and administrative expenses in the consolidated statements of operations and comprehensive income. As of September 30, 2021, the Company had not recognized compensation costs on unvested share-based options of $11,908 with a weighted average remaining recognition period of 3.58 years.

Share-based compensation expense for the three and nine months ended September 30, 2020 of $516 and $937, respectively, was recognized in selling, general and administrative expenses in the consolidated statements of operations and comprehensive income. As of September 30, 2020, the Company had not recognized compensation costs on unvested share-based options of $10,018 with a weighted average remaining recognition period of 4.6 years for time-based and 3.75 years for performance-based 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 shown on a converted basis to reflect the Reorganization Transactions for all periods as follows:

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020	
	Options Outstanding	Weighted Average Exercise Price Per Share	Options Outstanding	Weighted Average Exercise Price Per Share
Outstanding at Beginning of Period	15,997,500	$ 0.88	—	$ —
Granted	2,947,783	5.30	15,803,775	0.87
Cancelled/Forfeited	(1,350,000)	(0.97)	—	—
Converted Performance to Time-Based	25,363,800	0.92	—	—
Outstanding at End of Period	42,959,083	$ 1.20	15,803,775	$ 0.87
Vested and Exercisable	2,929,500	$ 0.87	—	$ —

Additional information relating to time-based service options is as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Share-based compensation expense	$ 571	$ 370	$ 1,414	$ 667
Weighted-average grant date fair value of options granted (per share)	$ 6.03	$ 0.63	$ 1.65	$ 0.53

The fair value of time-based options granted were calculated using the following assumptions:

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Expected term (years)	6.50 - 7.00	6.50
Expected volatility (%)	25 - 30	30
Risk-free interest rate (%)	1.07 - 1.62	0.365 - 1.87
Expected dividend yield (%)	—	—

Performance-based options

The following table summarizes the activity for options that vest based upon the satisfaction of a performance condition as follows:

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020	
	Options Outstanding	Weighted Average Exercise Price Per Share	Options Outstanding	Weighted Average Exercise Price Per Share
Outstanding at Beginning of Period	28,732,050	$ 0.81	—	$ —
Granted	1,959,525	3.19	28,588,275	0.80
Cancelled/Forfeited	(1,012,500)	(0.97)	—	—
Converted Performance to Time-Based	(25,363,800)	(0.92)	—	—
Outstanding at End of Period	4,315,275	$ 1.23	28,588,275	$ 0.80
Vested and Exercisable	4,315,275	$ 1.23	—	$ —

Additional information relating to performance-based options is as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Share-based compensation expense	$ 1,374	$ 146	$ 1,705	$ 270
Weighted-average grant date fair value of options granted (per share)	$ —	$ 0.15	$ 0.74	$ 0.09

The fair value of performance-based options granted were calculated using the following assumptions:

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Expected term (years)	0.40	4.00
Expected volatility (%)	30	30
Risk-free interest rate (%)	1.48 - 1.62	1.87
Expected dividend yield (%)	49	—

Treatment of Cash-Settled Units in Reorganization Transactions

In addition, as a result of the Reorganization Transactions, the cash-settled units of Penelope were converted into an aggregate of1,098,900 cash-settled units of Olaplex Holdings, in each case with a corresponding adjustment to the base price per unit that preserves the units' spread value, as follows:

- outstanding time-based cash-settled units of Penelope were converted into an aggregate of621,000 time-based cash-settled units of Olaplex Holdings that will be eligible to vest as described under "Converted Time-Based Cash-Settled Units" below; and
- outstanding performance-based cash-settled units of Penelope were converted into (i) an aggregate of318,600 time-based cash-settled units of Olaplex Holdings that will be eligible to vest as described under "Converted Performance-Based Cash-Settled Units" below, and (ii) an aggregate of 159,300 vested cash-settled units of Olaplex Holdings.

Converted Time-Based Cash-Settled Units

The converted time-based cash-settled units are eligible to vest in five 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 time-based cash-settled units are liability awards and are fair valued at each reporting period and recognized as compensation expense over a five-year service period.

Converted Performance-Based Cash-Settled Units

Following the IPO, the converted performance cash-settled units are eligible to vest in three equal installments on the first three anniversaries of the consummation of the IPO, subject to (i) the unit holder's continued service through the applicable vesting date and (ii) the weighted average closing price per share over the thirty (30) consecutive trading days ending on the day immediately prior to the applicable vesting date equaling or exceeding the IPO price of $21 on each applicable vesting date. The performance-based cash-settled awards are liability awards and are fair valued at each reporting period and contingent upon achieving a market condition and not expensed until the market condition is achieved.

For the three and nine months ended September 30, 2021, $4,279 and $4,427 of compensation expense (and liability) was recognized for the time-based and vested cash-settled units, respectively, by the Company in selling, general, and administrative expenses in the consolidated statements of operations and comprehensive income. The Company subsequently paid an aggregate of $2,872 to the holders of the 159,300 performance-based cash-settled units that vested in connection with the Reorganization Transactions and IPO. As of September 30, 2021, the unrecognized compensation for time-based units is $11,848.

In the event the contingent market condition and continued service requirement for performance-based cash-settled units is achieved,33.33% of the cash-settled units shall vest on each of the first three anniversaries of October 4, 2021, with the Company paying an aggregate of $6,859 to holders of these units based on the September 30, 2021 assumptions noted below. The performance-based cash-settled units are liability awards and are fair valued at each reporting period.

The following table summarizes the activity for units that vest based upon the satisfaction of time and performance-based conditions as follows:

	Nine Months Ended September 30, 2021	
	Time-based	Performance-based
Outstanding at Beginning of Period	—	—
Granted	684,450	526,500
Cancelled/Forfeited	(63,450)	(48,600)
Outstanding at End of Period	621,000	477,900
Vested at September 30, 2021	—	159,300

The fair value of time-based cash-settled units granted were calculated using the following assumptions:

	Nine Months Ended September 30, 2021
Expected term (years)	0.40 – 4.40
Expected volatility (%)	25
Risk-free interest rate (%)	0.80
Expected dividend yield (%)	—

The unrecognized compensation expense for converted cash-settled units was calculated using the following assumptions:

	Nine Months Ended September 30, 2021
Stock Price at September 30, 2021	$ 24.50
Exercise Price per Unit	$ 2.97
Intrinsic Value per Unit	$ 21.53
Converted Units	318,600

NOTE 12 - EQUITY

In connection with the Reorganization Transactions, on September 29, 2021, Fund IX and the other former limited partners of Penelope Group Holdings, L.P. contributed100% of their respective economic equity interests in Penelope Group Holdings, L.P. and Fund IX contributed 100% of its equity interests in Penelope Group Holdings GP II, to Olaplex Holdings in exchange for an aggregate of 648,124,642 shares of common stock of Olaplex Holdings plus Tax Receivable Agreement payment rights. Penelope Group Holdings, L.P. directly held the shares of Penelope prior to the reorganization and following the mergers, Olaplex Intermediate II, Inc. currently holds the shares of Penelope.

With regard to the Reorganization Transactions, including the issuance of648,124,642 shares of Olaplex Holdings with a par value of $0.001 per share, the Company made a par value reclassification adjustment from Additional Paid in Capital in the consolidated statement of changes in equity to reflect the par value of the Company.

As part of the Reorganization Transactions, the Company entered into the Tax Receivable Agreement with the Pre-IPO Stockholders. See further discussion in Notes 2 and 10.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Company received $300 in the 2020 fiscal period from certain investment funds affiliated with Advent International Corporation (the "Advent Funds"), which are shareholders of the Company, to be expended as charitable donations of which $20 remains unpaid as of September 30, 2021 and December 31, 2020.

In July 2020, the Company entered into an agreement with CI&T, an information technology and software company, pursuant to which CI&T developed the Olaplex professional application. During the nine months ended September 30, 2021 and fiscal year ended December 31, 2020, the Company paid CI&T $189 and $25 respectively, for services related to the development, maintenance and enhancement of the application, all of which were negotiated on an arm's length basis and on market terms. The Advent Funds hold a greater than 10% equity interest in CI&T. CI&T continues to provide services to us for the maintenance and enhancement of the professional application.

Tax Receivable Agreement

In connection with the Reorganization, the Company entered into the Tax Receivable Agreement with the Pre-IPO Stockholders. See further discussion in Notes 2 and 10.

NOTE 14 - 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.

Pursuant to the purchase agreement between the Sellers, the Advent Funds and the other purchasers of the Olaplex business, the Company was required to pay the Sellers certain amounts in connection with the final settlement 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 expensed approximately $14,250 included in selling, general and administrative costs in the accompanying consolidated financial statements during the nine months ended September 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 were 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.

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 the Sellers and the Company associated with the LIQWD Matters have been resolved.

As of September 30, 2021 and December 31, 2020, the Company is not subject to any other currently pending legal matters or claims that could have a material adverse effect on its financial position, results of operations, or cash flows should such litigation be resolved unfavorably.

NOTE 15 – NET INCOME PER SHARE

The following is a reconciliation of the numerator and denominator in the basic and diluted net income per common share computations:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Numerator:				
Net Income	$ 56,591	$ 28,315	$ 151,473	$ 5,890
Denominator:				
Weighted average common shares outstanding – basic	648,124,642	647,888,387	648,082,081	631,143,589
Dilutive common equivalent shares from equity options	42,587,140	5,148,506	41,026,191	1,734,251
Weighted average common shares outstanding – diluted	690,711,782	653,036,893	689,108,272	632,877,840
Net income per share:				
Basic	$ 0.09	$ 0.04	$ 0.23	$ 0.01
Diluted	$ 0.08	$ 0.04	$ 0.22	$ 0.01

NOTE 16 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 10, 2021, the date these unaudited condensed consolidated financial statements were available to be issued.

Exercise of Underwriters' Option

On October 8, 2021, the selling stockholders sold 11,055,000 additional shares of common stock of the Company pursuant to the full exercise by the underwriters of the IPO of their option to purchase additional shares at the initial public offering price of $21 per share. The selling shareholders received net proceeds of approximately $219,967, after deducting underwriting discounts and commissions, for the sale of these additional shares. The Company did not receive any proceeds from the IPO.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in the IPO Prospectus.

Some of the information contained in this discussion and analysis, 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. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and those discussed in the section "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q and in the "Risk Factors" section in the IPO Prospectus.

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.

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 eleven 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 weekly self-care routine that our consumers look forward to and rely upon on a daily basis.

We have developed a distribution strategy that leverages the strength of each of our channels, including the specific attributes of each channel as described below, and our strong digital capabilities that we apply across our omni-channel sales platform. Our professional channel grew 95% from the nine months ended September 30, 2020 to the nine months ended September, 30, 2021, representing 47% of our total net sales for the period. Our specialty retail channel grew 215% from the nine months ended September 30, 2020 to the nine months ended September 30, 2021, representing 27% of our total net sales for the period. Our DTC channel, comprised of OLAPLEX.com and sales through third-party e-commerce platforms, grew 135% from the nine months ended September 30, 2020 to the nine months ended September 30, 2021, and represented 26% of our total net sales for the period. This channel also provides us with the opportunity to engage directly with our consumers to help power feedback 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. Our net sales increased from $189.1 million in the nine months ended September 30, 2020 to $431.9 million in the nine months ended September 30, 2021, representing a 128% increase. Our net income increased from $5.9 million in the nine months ended September 30, 2020 to $151.5 million in the nine months ended September 30, 2021, representing a 2,472% increase, and our adjusted net income (see "Non-GAAP Financial Measures") increased from $85.1 million in the nine months ended September 30, 2020, to $204.3 million in the nine months ended September 30, 2021, representing a 140% increase. We have also experienced robust adjusted EBITDA (see "Non-GAAP Financial Measures") growth over the past year, increasing our adjusted EBITDA from $133.5 million in the nine months ended September 30, 2020, to $298.1 million in the nine months ended September 30, 2021, representing a 123% increase, and a decrease in our adjusted EBITDA margins (see "Non-GAAP Financial Measures") from 71% in the nine months ended September 30, 2020, to 69% in the nine months ended September 30, 2021.

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 "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q and in the "Risk Factors" section of the IPO Prospectus.

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, we believe Olaplex still only has aided brand awareness of approximately 45% among prestige haircare consumers, which is lower than most haircare peers. We believe awareness among the broader market is lower still. 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.

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 meaningful new products and positions us to maintain a full new 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 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 under our Olaplex brand 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.

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 includes products sold to consumers for use at home. Net sales within this channel have 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 and improve 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. 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.

Interest (Expense)

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 9 of the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Other (Expense) Income, Net

Other (expense) income, net 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

We operate as a C-Corporation. The 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 FDII 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.

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 this criteria, the Company manages its business on the basis of three operating segments that are aggregated into one reportable segment given the operating segments have similar economic characteristics, classes of consumers, products, production, distribution methods, and operate in the same regulatory environments.

Results of operations

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

	Three Months Ended September 30,			
	2021		2020	
	(in thousands)	% of Net sales	(in thousands)	% of Net sales
Net sales	$ 161,624	100.0 %	$ 89,447	100.0 %
Cost of sales:				
Cost of product (excluding amortization)	32,462	20.1	24,569	27.5
Amortization of patented formulations	1,680	1.0	2,102	2.3
Total cost of sales	34,142	21.1	26,671	29.8
Gross profit	127,482	78.9	62,776	70.2
Operating expenses:				
Selling, general, and administrative	30,257	18.7	8,215	9.2
Amortization of other intangible assets	10,182	6.3	10,182	11.4
Acquisition costs	—	—	488	0.5
Total operating expenses	40,439	25.0	18,885	21.1
Operating income	87,043	53.9	43,891	49.1
Interest (expense)	(14,987)	(9.3)	(9,794)	(10.9)
Other (expense) income, net	(213)	(0.1)	(29)	—
Income before provision for income taxes	71,843	44.5	34,068	38.1
Income tax provision	15,252	9.4	5,753	6.4
Net income	$ 56,591	35.0	$ 28,315	31.7
Comprehensive income	$ 56,591	35.0 %	$ 28,315	31.7 %

Comparison of the Three Months Ended September 30, 2021 to the Three Months Ended September 30, 2020

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 Three Months Ended September 30,		$ Change	% Change
	2021	2020		
Net sales by Channel:				
Professional	$ 74,978	$ 47,573	$ 27,405	57.6 %
Specialty retail	46,343	20,313	26,030	128.1
DTC	40,303	21,561	18,742	86.9
Total Net sales	$ 161,624	$ 89,447	$ 72,177	80.7 %

Net sales increased $72.2 million, or 80.7%, to $161.6 million in the three months ended September 30, 2021, from $89.4 million in the three months ended September 30, 2020.

Professional net sales increased $27.4 million, or 57.6%, to $75.0 million in the three months ended September 30, 2021, from $47.6 million in the three months ended September 30, 2020. Growth for professional was driven by volume growth from increased velocity (sales per point of distribution) of existing products and the launch of new products (including

No.8 - Bond Intense Moisture Mask, No.4P – Blonde Enhancer Toning Shampoo, the Professional only 4-in-1 Moisture Mask).

Specialty retail net sales increased $26.0 million, or 128.1%, to $46.3 million in the three months ended September 30, 2021, from $20.3 million in the three months ended September 30, 2020. Growth for specialty retail was driven by volume growth from increased velocity of existing products, the launch of new products (including No.8 - Bond Intense Moisture Mask and No.4P -Blonde Enhancer Toning Shampoo) and the addition of new customers.

DTC net sales increased $18.7 million, or 86.9%, to $40.3 million in the three months ended September 30, 2021, from $21.6 million in the three months ended September 30, 2020. Growth for DTC was driven by volume growth from the increased velocity of existing products and the launch of new products (including No.8 - Bond Intense Moisture Mask and No.4P -Blonde Enhancer Toning Shampoo). Olaplex.com also saw strong growth as a result of increased traffic and higher average order value.

Cost of Sales and Gross Profit

(in thousands)	For the Three Months Ended September 30,			
	2021	2020	$ Change	% Change
Cost of sales	$ 34,142	$ 26,671	$ 7,471	28.0 %
Gross profit	$ 127,482	$ 62,776	$ 64,706	103.1 %

Our cost of sales increased $7.5 million or 28.0% to $34.1 million in the three months ended September 30, 2021 from $26.7 million in the three months ended September 30, 2020 due to a $15.6 million increase driven by increased sales volume, partially offset by a $7.7 million decrease as a result of the absence of the one-time fair value inventory adjustment due to the Acquisition in January 2020 and a $0.4 million decrease in the amortization of our acquired patented formulations.

Our gross profit increased $64.7 million, or 103.1%, to $127.5 million in the three months ended September 30, 2021 from $62.8 million in the three months ended September 30, 2020. Our gross profit margin, as a percentage of sales, increased from 70.2% in the three months ended September 30, 2020 to 78.9% in the three months ended September 30, 2021 as a result of the absence of the one-time fair value inventory adjustment due to the Acquisition in January 2020. Our adjusted gross profit margin (see "Non-GAAP Financial Measures") decreased from 81.2% in the three months ended September 30, 2020 to 79.9% in the three months ended September 30, 2021 due primarily to higher input costs, particularly for inbound distribution and increased sales of lower margin products.

Operating Expenses

(in thousands)	For the Three Months Ended September 30,			
	2021	2020	$ Change	% Change
Selling, general, and administrative expenses	$ 30,257	$ 8,215	$ 22,042	268.3 %
Amortization of other intangible assets	10,182	10,182	—	—
Acquisition costs	—	488	(488)	—
Total operating expenses	$ 40,439	$ 18,885	$ 21,554	114.1 %

Our operating expenses increased $21.6 million, or 114.1%, from $18.9 million in the three months ended September 30, 2020 to $40.4 million in the three months ended September 30, 2021.

Selling, general and administrative expenses increased by $22.0 million, or 268.3%, from $8.2 million in the three months ended September 30, 2020 to $30.3 million in the three months ended September 30, 2021. In the three months ended September 2021, there were increases of $6.1 million in non-capitalizable IPO and strategic transition costs, $4.3 million in cash-settled units compensation expense (see Note 11 to the unaudited condensed consolidated interim financial statements), $3.4 million in sales and marketing expense, $2.6 million in payroll driven by expansion of the workforce, $1.6 million in distribution and fulfillment costs related to the increase in product sales volume, $1.4 million in share-based compensation expense, and $2.6 million in other selling, general and administrative expenses pertaining to general business growth. We expect sales and marketing, research and development, payroll, and other selling, general and administrative

expenses to increase in the future as we continue to expand brand awareness, develop and introduce new products, build out infrastructure and implement new marketing strategies.

Amortization of intangible assets stayed flat. Acquisition costs decreased $0.5 million.

Interest (Expense)

(in thousands)	For the Three Months Ended September 30,			
	2021	2020	$ Change	% Change
Interest (expense)	$ (14,987)	$ (9,794)	$ (5,193)	53.0 %

Interest expense increased $5.2 million in the three months ended September 30, 2021 compared to the three months ended September 30, 2020. The increase is due to the Company entering into the Amendment to the Original Credit Agreement for additional borrowings on December 18, 2020. See "□Liquidity and Capital Resources Requirements□ Credit Facility".

Other (Expense) Income, Net

(in thousands)	For the Three Months Ended September 30,			
	2021	2020	$ Change	% Change
Other (expense) income, net	$ (213)	$ (29)	$ (184)	634.5 %

In the three months ended September 30, 2021, net other expense increased $0.2 million compared to the three months ended September 30, 2020, primarily due to a $0.21 million increase in foreign currency translation losses offset by a $0.03 million decrease in charitable contributions.

Income Tax Provision

(in thousands)	For the Three Months Ended September 30,			
	2021	2020	$ Change	% Change
Income tax provision	$ 15,252	$ 5,753	$ 9,499	165.1 %

The provision for income taxes increased to $15.3 million, or an effective tax rate of 21.2%, for the three months ended September 30, 2021 from $5.8 million, or an effective tax rate of 16.9%, for the three months ended September 30, 2020. The increase in the provision for income taxes from the comparative prior three months period is primarily due to the increase in the Company's income before taxes over this period. The Company's effective tax rate in the three months ended September 30, 2020 is lower than the statutory tax rate of 21% primarily due to the benefit associated with the foreign derived intangible income deduction ("FDII"), which results in income from the Company's sales to foreign customers being taxed at a lower effective tax rate. The increase in the effective tax rate from the comparative prior three months period is primarily due to the unfavorable impact of non-recurring IPO costs that were not deductible for tax purposes, which offsets the benefit from the FDII deduction for the three months ended September 30, 2021.

Comparison of the Nine Months Ended September 30, 2021 to the Nine Months Ended September 30, 2020

	Nine Months Ended September 30,			
	2021		2020	
	(in thousands)	% of Net sales	(in thousands)	% of Net sales
Net sales	$ 431,867	100.0 %	$ 189,055	100.0 %
Cost of sales:				
Cost of product (excluding amortization)	83,859	19.4	79,236	41.9
Amortization of patented formulations	6,399	1.5	4,567	2.4
Total cost of sales	90,258	20.9	83,803	44.3
Gross profit	341,609	79.1	105,252	55.7
Operating expenses:				
Selling, general, and administrative	75,323	17.4	23,291	12.3
Amortization of other intangible assets	30,547	7.1	29,643	15.7
Acquisition costs	—	—	16,499	8.7
Total operating expenses	105,870	24.5	69,433	36.7
Operating income	235,739	54.6	35,819	18.9
Interest (expense)	(46,052)	(10.7)	(28,577)	(15.1)
Other (expense) income, net	(417)	(0.1)	(155)	(0.1)
Income before provision for income taxes	189,270	43.8	7,087	3.7
Income tax provision	37,797	8.8	1,197	0.6
Net income	$ 151,473	35.1	$ 5,890	3.1
Comprehensive income	$ 151,473	35.1 %	$ 5,890	3.1 %

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 Nine Months Ended September 30,			
	2021	2020	$ Change	% Change
Net sales by Channel:				
Professional	$ 201,855	$ 103,768	$ 98,087	94.5 %
Specialty retail	116,201	36,919	79,282	214.7
DTC	113,811	48,368	65,443	135.3
Total Net sales	$ 431,867	$ 189,055	$ 242,812	128.4 %

Net sales increased $242.8 million, or 128.4%, to $431.9 million in the nine months ended September 30, 2021, from $189.1 million in the nine months ended September 30, 2020.

Professional net sales increased $98.1 million, or 94.5%, to $201.9 million in the nine months ended September, 30, 2021, from $103.8 million in the nine months ended September 30, 2020. Growth for professional was driven by volume growth from the increased velocity of existing products, the launch of new products (including No.0 - Intensive Bond Building Hair Treatment, No.8 - Bond Intense Moisture Mask, Professional only 4-in-1 Moisture Mask, No.4P- Blonde Enhancer Toning Shampoo) and the addition of new customers (primarily in the international professional market).

Specialty retail net sales increased $79.3 million, or 214.7%, to $116.2 million in the nine months ended September 30, 2021 from $36.9 million in the nine months ended September 30, 2020. Growth for specialty retail was driven by volume growth from the increased velocity of existing products, the launch of new products (including No.0 - Intensive Bond

Building Hair Treatment, No.8 - Bond Intense Moisture Mask, and No.4P- Blonde Enhancer Toning Shampoo) and the addition of new retail customers.

DTC net sales increased $65.4 million, or 135.3%, to $113.8 million in the nine months ended September 30, 2021 from $48.4 million in the nine months ended September 30, 2020. Growth for DTC was driven by volume growth from the addition of new pure-play e-commerce customers, increased velocity from existing products and the launch of new products (including No.0 - Intensive Bond Building Hair Treatment, No.8 - Bond Intense Moisture Mask, and No.4P- Blonde Enhancer Toning Shampoo) Olaplex.com also saw strong growth as a result of increased traffic and higher average order value.

Cost of Sales and Gross Profit

(in thousands)	**For the Nine Months Ended September 30,**			
	2021	**2020**	**$ Change**	**% Change**
Cost of sales	$ 90,258	$ 83,803	$ 6,455	7.7 %
Gross profit	$ 341,609	$ 105,252	$ 236,357	224.6 %

Our cost of sales increased $6.5 million or 7.7% to $90.3 million in the nine months ended September 30, 2021 from $83.8 million in the nine months ended September 30, 2020 due to a $49.1 million increase driven by increased sales volume and a $1.9 million increase in the amortization of our acquired patented formulations, partially offset by the absence of a $44.5 million expense as a result of the one-time fair value inventory adjustment due to the Acquisition in January 2020.

Our gross profit increased $236.4 million, or 224.6%, to $341.6 million in the nine months ended September 30, 2021 from $105.3 million in the nine months ended September 30, 2020. Our gross profit margin, as a percentage of sales, increased from 55.7% in the nine months ended September 30, 2020 to 79.1% in the nine months ended September 30, 2021 as a result of the absence of the one-time fair value inventory adjustment due to the Acquisition in January 2020. Our adjusted gross profit margin (see "Non-GAAP Financial Measures") decreased from 81.6% in the nine months ended September 30, 2020 to 80.6% in the nine months ended September 30, 2021 due primarily to higher input costs, particularly for inbound distribution, and increased sales of lower margin products.

Operating Expenses

(in thousands)	**For the Nine Months Ended September 30,**			
	2021	**2020**	**$ Change**	**% Change**
Selling, general, and administrative expenses	$ 75,323	$ 23,291	$ 52,032	223.4 %
Amortization of other intangible assets	30,547	29,643	904	3.0
Acquisition costs	—	16,499	(16,499)	—
Total operating expenses	$ 105,870	$ 69,433	$ 36,437	52.5 %

Our operating expenses increased $36.4 million, or 52.5%, from $69.4 million in the nine months ended September 30, 2020 to $105.9 million in the nine months ended September 30, 2021.

Selling, general and administrative expenses increased by $52.0 million, or 223.4%, from $23.3 million in the nine months ended September 30, 2020 to $75.3 million in the nine months ended September 30, 2021. In 2021, there were increases of $8.4 million in non-capitalizable IPO and strategic transition costs, $7.0 million in sales and marketing expense, $6.0 million in payroll driven by expansion of our workforce, $5.2 million in distribution and fulfillment costs related to the increase in product sales volume, $4.4 million in cash-settled units compensation expense (see Note 11 to the unaudited condensed consolidated interim financial statements), $2.2 million in share-based compensation expense and $4.5 million in other selling, general and administrative expenses pertaining to general business growth. Also included in selling, general and administrative costs for the nine months ended September 30, 2021, were costs incurred related to the LIQWD Matters of $14.3 million (see Note 14 to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report on Form 10-Q). We expect sales and marketing, research and development, payroll, and other selling, general and administrative expenses to increase in the future as we continue to expand brand awareness, develop and introduce new products, build out infrastructure and implement new marketing strategies.

Amortization of intangible assets increased $0.9 million or 3.0%. Acquisition costs decreased $16.5 million due to the Acquisition (see Note 1 to the unaudited condensed consolidated interim financial statements) occurring in 2020.

Interest (Expense)

(in thousands)	For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change
Interest (expense)	$ (46,052)	$ (28,577)	$ (17,475)	61.2 %

Interest expense increased $17.5 million in the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. The increase is due to the Company entering into the Amendment to the Original Credit Agreement for additional borrowings on December 18, 2020. See "□Liquidity and Capital Resources Requirements□ Credit Facility".

Other (Expense) Income, Net

(in thousands)	For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change
Other (expense) income, net	$ (417)	$ (155)	$ (262)	169.0 %

In the nine months ended September 30, 2021, net other expense increased $0.26 million compared to the nine months ended September 30, 2020, primarily due to a $0.32 million increase in foreign currency translation losses offset by a $0.06 million decrease in charitable contributions.

Income Tax Provision

(in thousands)	For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change
Income tax provision	$ 37,797	$ 1,197	$ 36,600	3,057.6 %

The provision for income taxes increased to $37.8 million, or an effective tax rate of 20.0%, for the nine months ended September 30, 2021 from $1.2 million, or an effective tax rate of 16.9%, for the nine months ended September 30, 2020. The increase in the provision for income taxes is primarily due to the increase in the Company's income before taxes over this period. The Company's effective tax rate in both periods is lower than the statutory tax rate of 21% primarily due to the benefit associated with the FDII, which results in income from the Company's sales to foreign customers being taxed at a lower effective tax rate. The increase in the effective tax rate from the comparative prior nine months period is primarily due the unfavorable impact of non-recurring IPO costs that were not deductible for tax purposes.

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, 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 are financial measures that are not required by or presented in accordance with U.S. 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, when taken together with our financial results presented in accordance with U.S. 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) depreciation and amortization; (4) share-based compensation expense; (5) fair value inventory step-up adjustment amortization;(6) Acquisition costs and financing fees; (7) costs incurred for LIQWD Matters; (8) non-capitalizable IPO and strategic transition costs; and (9) 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) fair value inventory step-up adjustment amortization 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) fair value inventory step-up adjustment amortization; (4) Acquisition costs and financing fees;(5) costs incurred for LIQWD Matters; (6) non-capitalizable IPO and strategic transition costs; (7) as applicable, tax receivable agreement liability adjustments and (8) the tax effect of non-GAAP adjustments. Adjusted net income per share is defined as adjusted net income per share 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 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 U.S. 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 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 and other results stated in accordance with U.S. GAAP.

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

(in thousands)	For the Three Months Ended September 30, 2021	2020	For the Nine Months Ended September 30, 2021	2020
Reconciliation of Net Income to Adjusted EBITDA				
Net income	$ 56,591	$ 28,315	$ 151,473	$ 5,890
Interest expense	14,987	9,794	46,052	28,577
Income tax provision	15,252	5,753	37,797	1,197
Depreciation and amortization of intangible assets	11,949	12,284	37,033	34,210
Acquisition transaction costs and financing fees [1]	—	1,015	—	18,122
Costs incurred for LIQWD Matters [2]	—	—	14,250	—
Inventory fair value adjustment [3]	—	7,744	—	44,519
Share-based compensation	1,945	516	3,119	937
Non-capitalizable IPO and strategic transition costs [4]	6,118	—	8,382	—
Adjusted EBITDA	$ 106,842	$ 65,421	$ 298,106	$ 133,452
Adjusted EBITDA margin	66.1 %	73.1 %	69.0 %	70.6 %

(in thousands)	For the Three Months Ended September 30, 2021	2020	For the Nine Months Ended September 30, 2021	2020
Reconciliation of Gross Profit to Adjusted Gross Profit				
Gross profit	$ 127,482	$ 62,776	$ 341,609	$ 105,252
Inventory fair value adjustment [3]	—	7,744	—	44,519
Amortization of patented formulations	1,680	2,102	6,399	4,567
Adjusted gross profit	$ 129,162	$ 72,622	$ 348,008	$ 154,338
Adjusted gross profit margin	79.9 %	81.2 %	80.6 %	81.6 %

(in thousands)	For the Three Months Ended September 30, 2021	2020	For the Nine Months Ended September 30, 2021	2020
Reconciliation of Net Income to Adjusted Net Income				
Net income	$ 56,591	$ 28,315	$ 151,473	$ 5,890
Amortization of intangible assets	11,862	12,284	36,946	34,210
Acquisition transaction costs and financing fees [1]	—	1,015	—	18,122
Costs incurred for LIQWD Matters [2]	—	—	14,250	—
Inventory fair value adjustment [3]	—	7,744	—	44,519
Share-based compensation	1,945	516	3,119	937
Non-capitalizable IPO and strategic transition costs [4]	6,118	—	8,382	—
Tax effect of adjustments [5]	(2,082)	(4,094)	(9,913)	(18,570)
Adjusted net income	$ 74,434	$ 45,780	$ 204,257	$ 85,108
Adjusted net income per share:				
Basic	$ 0.11	$ 0.07	$ 0.32	$ 0.13
Diluted	$ 0.11	$ 0.07	$ 0.30	$ 0.13

(1) Includes acquisition costs related to the Acquisition of the Olaplex business and dividend financing costs.
(2) Includes costs incurred related to the resolution of the LIQWD Matters of $14.3 million as discussed in Note 14 to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report on Form 10-Q.
(3) Includes the non-cash, non-recurring fair value inventory step-up adjustment amortization as part of the purchase accounting on the Acquisition Date, utilizing the comparative sales method in accordance with ASC 820-10-55-21.

(4) Represents non-capitalizable professional fees and executive severance incurred in connection with the IPO and the Company's public company transition.
(5) 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 September 30, 2021, we had $121.5 million of cash and cash equivalents. In addition, as of September 30, 2021, we had borrowing capacity of $51.0 million under our Revolver, providing us with a liquidity position of $172.5 million plus $71.2 million of working capital excluding cash and cash equivalents for a combined $243.7 million liquidity position.

Although there is no current need, we primarily examine our options with respect to terms and sources ofexisting 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:

	For the Nine Months Ended September 30,	
(in thousands)	**2021**	**2020**
Net cash provided by (used in):		
Operating activities	$ 130,325	$ 84,509
Investing activities	(5,359)	(1,381,640)
Financing activities	(14,451)	1,418,716
Net increase in cash	$ 110,515	$ 121,585

Operating Activities

For the nine months ended September 30, 2021, net cash provided by operating activities was $130.3 million. This included net income of $151.5 million, plus $37.0 million in amortization of patents and other intangibles, $2.1 million in amortization of debt issuance costs, $3.9 million in deferred taxes, and $3.1 million in share-based compensation. Additionally, there was a $67.3 million increase in working capital excluding cash during the period. The increase in net working capital was largely driven by a $85.8 million increase in accounts receivable, inventory, and other current assets for customer deposits and prepaids, offset partly by an increase of $18.5 million in accounts payable, accrued expenses and other current liabilities caused by increased inventory and other purchases.

For the nine months ended September 30, 2020, net cash provided by operating activities was $84.5 million. This included net income of $5.9 million, plus $34.2 million in amortization of patents and other intangibles, $44.5 million for fair value

of acquired inventory, $1.3 million in amortization of debt issuance costs, $0.9 million in share-based compensation expense offset partly by a $3.3 million increase in deferred tax assets. Additionally, there was a $1.0 million decrease in working capital excluding cash during the period. The decrease in net working capital was largely driven by a $18.5 million increase in accounts receivable, inventory, and other current assets for customer deposits and prepaids, offset partly by an increase of $19.5 million in accounts payable, accrued expenses and other current liabilities caused by increased sales.

Investing Activities

For the nine months ended September 30, 2021, net cash used in investing activity was $5.4 million. This was due to $4.5 million in purchase of investments and $0.9 million in purchase of property and equipment.

For the nine months ended September 30, 2020 net cash used in investing activity was $1,381.6 million. This was due to the net cash outflow related to the Acquisition in January 2020.

Financing Activities

For the nine months ended September 30, 2021, net cash used in financing activities was $14.5 million. This was primarily driven by $15.1 million of principal payments on term debt, offset by $0.6 million of cash proceeds received from the issuance of common shares.

For the nine months ended September 30, 2020, net cash provided by financing activities was $1,418.7 million.This was primarily driven by $959.9 million from the issuance of common shares in connection with the Acquisition in January 2020 and additional issuance of shares 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 the Term Loan pursuant to the Original Credit Agreement and an additional $25.0 million from the Revolver. This was offset by $10.5 million of debt issuance costs and $5.6 million in principal payments related to the Original Credit Agreement.

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.

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 the IPO Prospectus. 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.

Credit Facility

On January 8, 2020, Olaplex, Inc. entered into the Original Credit Agreement consisting of a $450 million term loan and a $50 million revolving facility, which 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 September 30, 2021 and December 31, 2020 was $51 million, respectively.

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 LIBOR 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 September 30, 2021 and December 31, 2020, respectively. 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 during 2020. These fees, which were allocated between the Revolver and the Term Loan Facility and are 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, 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 September 30, 2021 and December 31, 2020, we were in compliance with our financial maintenance covenant.

Tax Receivable Agreement Obligations

Although the actual amount and timing of any payments under the Tax Receivable Agreement will vary depending upon a number of factors including the amount, character and timing of the Company's and its subsidiaries' taxable income in the future and the tax rates then applicable to us and our subsidiaries, we expect the payments that will be required to be made under the Tax Receivable Agreement will be substantial and to be funded out of working capital. See Note 10 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Contractual Obligations and Commitments

The following table summarizes our material cash requirements from known contractual and other obligations as of September 30, 2021 (in thousands):

	Total	Less Than One Year	1-3 Years	3-5 Years	More Than Five Years
Term Loan Facility debt [1]	$ 774,263	$ 20,112	$ 40,224	$ 713,927	$ —
Interest on Term Loan Facility debt [2]	241,615	58,300	112,288	71,027	—
Related party payable pursuant to the tax receivable agreement [3]	232,893	—	21,971	35,154	175,768
Total contractual obligations [4]	$ 1,248,771	$ 78,412	$ 174,483	$ 820,108	$ 175,768

(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 nine months ended September 30, 2021. Assumes annual interest rate of 7.5% on Term Loan Facility over the term of the loan.
(3) Represents 85% of the estimated cash savings in U.S. federal, state or local that the Company realizes in its taxable income as a result of certain existing tax attributes as per the tax receivable agreement. The Company has not considered financing costs that may be incurred with respect to when tax receivable payments are due from the Company's tax filing dates (with no extensions) to the actual filing of tax returns under extension. See Note 10 to the unaudited condensed consolidated interim financial statements included elsewhere in this Quarterly Report on Form 10-Q.
(4) Does not reflect any borrowings under the Revolver. As of September 30, 2021, 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

None.

Critical Accounting Policies and Estimates

Our unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect reported amounts. The estimates and assumptions are based on historical experience and on other factors that we believe to be reasonable. Actual results may differ from those estimates. We review these estimates on a periodic basis to ensure reasonableness. Although actual amounts may differ from such estimated amounts, we believe such differences are not likely to be material. For additional detail regarding our critical accounting policies including revenue recognition, inventory, business combinations, valuation of goodwill and long-lived assets and definite-lived intangible assets, share based compensation and income taxes, see our discussion for the year ended December 31, 2020 and in conjunction with the unaudited condensed consolidated financial statements for the June 30, 2021 period ended and notes included in the IPO Prospectus.There have been no material changes to these policies as of September 30, 2021.

New Accounting Pronouncements

See Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for information regarding new accounting pronouncements.

JOBS Act Accounting Election

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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions in the normal course of our business. This includes risk 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 September 30, 2021, we had $774.3 million of outstanding variable rate loans under the Term Loan Facility. Based on our September 30, 2021 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 $7.7 million over the next 12 months.

Foreign Exchange Risk

Our reporting currency including our U.K. foreign subsidiary, Olaplex UK Limited, 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.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934, as amended ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed under the Exchange Act is accumulated and communicated to management, including the principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, our management, including our Principal Executive Officer and Principal Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures, which are defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on this evaluation, management concluded that our disclosure controls and procedures were not effective as of September 30, 2021, as a result of the material weaknesses in our internal control over financial reporting discussed below.

Material Weaknesses

Prior to September 30, 2021, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. 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. Although we are 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 are not 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.

Although we are not yet subject to the attestation requirements of the Sarbanes-Oxley Act in connection with the preparation of our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, we 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.

As described in the IPO Prospectus, in connection with the audit of our financial statements as of and for the year ended December 31, 2020, we identified three material weaknesses: (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.

Nonetheless, management believes that our consolidated financial statements included in this Quarterly Report on Form 10-Q have been prepared in accordance with generally accepted accounting principles. Our Principal Executive Officer and Principal Financial Officer have certified that, based on such officer's knowledge, the financial statements and other financial information included in this Quarterly Report on Form 10-Q fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Quarterly Report on Form 10-Q. In addition, we developed and are implementing a remediation plan for the material weaknesses, which plan is described below.

Material Weakness Remediation Activities

We are currently in the process of remediating the material weakness and have taken and will continue to take steps that we believe will address the underlying causes of the material weakness. We are committed to continuing to improve our financial organization. We hired a Principal Financial Officer, VP of Finance, VP of Accounting, Controller, Assistant Controller, Accounting Manager and Staff Accountant while we continue to utilize additional support from external accounting consultants to assist with technical accounting questions and financial reporting, as well as the implementation of additional control processes.

The remediation efforts include:

- Implement additional internal reporting procedures including those designed to add depth to our review processes and improve our segregation of duties. We have been actively recruiting for open positions and have hired additional qualified accounting and financial reporting personnel in 2021 and will continue to recruit through early 2022.
- Develop and perform a formal scoping and risk assessment process to identify, evaluate and address business risks relevant to financial reporting objectives, including identification of significant accounts, relevant assertions, significant business locations, and significant processes and systems to determine scope of testing and sufficiency of evidence required.
- Design and document the Company's internal control framework, and implement entity level, business process and IT controls.

While progress has been made to enhance our internal control over financial reporting, we are still in the process of implementing, documenting and testing these processes, procedures and controls. We will continue to devote significant time and attention to these remediation efforts. However, the material weaknesses cannot be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control Over Financial Reporting

The changes in the aforementioned internal controls over financial reporting and the remediation efforts expected to be undertaken have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. No other changes in the Company's internal control over financial reporting occurred during the first nine months of its 2021 fiscal year.

PART II - OTHER INFORMATION

ITEM 1. 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.

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.

ITEM 1A. RISK FACTORS

An investment in our common stock involves risks. For a detailed discussion of the risks that affect our business please refer to the section titled “Risk Factors” in the IPO Prospectus.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On September 29, 2021, in connection with the Reorganization Transactions, Olaplex Holdings, Inc. issued an aggregate of 648,124,642 shares of its common stock in exchange for all outstanding Class A common units of Penelope Group Holdings, L.P. The issuance of the common stock described in this paragraph was made in reliance on Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description	Description of Exhibit Incorporated Herein by Reference				Provided Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Restated Certificate of Incorporation of Olaplex Holdings, Inc.					X
3.2	Amended and Restated Bylaws of Olaplex Holdings, Inc.					X
10.1	Registration Rights Agreement.					X
10.2	Income Tax Receivable Agreement.					X
10.3	Olaplex Holdings, Inc. 2021 Equity Incentive Plan	S-1	333-259116	10.15	9/20/2021	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2†	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					

† This certification will not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

SIGNATURES

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

OLAPLEX HOLDINGS, INC.

November 10, 2021

By: /s/ JuE Wong
Name: JuE Wong
Title: President and Chief Executive Officer
(Principal Executive Officer)

November 10, 2021

By: /s/ Eric Tiziani
Name: Eric Tiziani
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

RESTATED CERTIFICATE OF INCORPORATION

OF

OLAPLEX HOLDINGS, INC.

Olaplex Holdings, Inc., a Delaware corporation (the "Corporation"), hereby certifies that this Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL"), and that:

A. The name of the Corporation is: Olaplex Holdings, Inc.

B. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on June 8, 2021 (the "Original Certificate of Incorporation").

C. This Restated Certificate of Incorporation amends and restates the Original Certificate of Incorporation.

D. The Certificate of Incorporation upon the filing of this Restated Certificate of Incorporation, shall read as follows:

ARTICLE I -- NAME

The name of the corporation is Olaplex Holdings, Inc. (the "Corporation").

ARTICLE II -- REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, DE 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III -- PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV -- CAPITALIZATION

(a) Authorized Shares. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 2,025,000,000 shares of stock, consisting of (i) 2,000,000,000 shares of Common Stock, par value $0.001 per share ("Common Stock"), and (ii) 25,000,000 shares of Preferred Stock, par value $0.001 per share ("Preferred Stock"). Such stock may be issued from time to time by the Corporation for such consideration as may be fixed by the board of directors of the Corporation (the "Board of Directors").

(b) Common Stock. Subject to the powers, preferences and rights of any Preferred Stock, including any series thereof, having any preference or priority over, or rights superior to,

the Common Stock and except as otherwise provided by law and this Article IV, the holders of the Common Stock shall have and possess all powers and voting and other rights pertaining to the stock of the Corporation.

(i) *Voting*. Each holder of shares of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; provided, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Restated Certificate of Incorporation (including, but not limited to, any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation (including, but not limited to, any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL. There shall be no cumulative voting.

(ii) *Dividends*. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Preferred Stock. Except as otherwise provided by the DGCL or this Certificate of Incorporation, the holders of record of Common Stock shall share ratably in all dividends payable in cash, stock or otherwise and other distributions, whether in respect of liquidation or dissolution (voluntary or involuntary) or otherwise.

(iii) *No Preemptive Rights*. The holders of the Common Stock shall have no preemptive rights to subscribe for any shares of any class of stock of the Corporation whether now or hereafter authorized.

(iv) *No Conversion Rights*. The Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation's capital stock.

(v) *Liquidation Rights*. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential rights of any then outstanding Preferred Stock. A merger or consolidation of the Corporation with or into any other corporation or other entity or a sale or conveyance of all or any part of the assets of the Corporation, in any such case which shall not in fact result in the liquidation of the Corporation and the distribution of assets to its stockholders, shall not be deemed to be a voluntary or involuntary liquidation or dissolution or winding up of the Corporation within the meaning of this Article IV(b)(v).

(c) Preferred Stock. Shares of Preferred Stock may be issued in one or more series, from time to time, with each such series to consist of such number of shares and to have such voting powers relative to other classes or series of Preferred Stock, if any, or Common Stock, full or limited or no voting powers, and such designations, preferences and relative, participating,

optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors, and the Board of Directors is hereby expressly vested with the authority, to the full extent now or hereafter provided by applicable law, to adopt any such resolution or resolutions. Except as otherwise provided in this Restated Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be a prerequisite to the designation or issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Restated Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of the Corporation. Any shares of Preferred Stock that are redeemed, purchased or acquired by the Corporation shall be returned to the authorized but undesignated shares of Preferred Stock and may be reissued except as otherwise provided by law or this Restated Certificate of Incorporation. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors.

(d) No Class Vote on Changes in Authorized Number of Shares of Stock. Subject to the special rights of the holders of any series of a class of stock pursuant to the terms of this Restated Certificate of Incorporation, any certificate of designations or any resolution or resolutions providing for the issuance of such series of stock adopted by the Board of Directors, the number of authorized shares of a class of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V -- BOARD OF DIRECTORS

(a) Number of Directors; Vacancies and Newly Created Directorships. The holders of record of the shares of Common Stock and of any other class or series of voting stock, voting together as a single class, shall be entitled to elect the directors of the Corporation. The number of directors constituting the Board of Directors shall be not fewer than three (3) and not more than fifteen (15), each of whom shall be a natural person. Subject to the special rights of the holders of any series of Preferred Stock to elect directors, the precise number of directors shall be fixed exclusively pursuant to a resolution adopted by the Board of Directors. 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 Common Stock. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next election of the class for which such director shall have been chosen, subject to the election and qualification of his or her successor and to his or her earlier death, resignation or removal.

(b) Classified Board of Directors. Subject to the special rights of the holders of any series of Preferred Stock to elect directors, the Board of Directors (other than those directors elected by the holders of any series of Preferred Stock) shall be classified into three classes: Class I; Class II; and Class III. Each class shall consist, as nearly equal in number as possible, of one-third of the total number of directors constituting the entire Board of Directors and the allocation of directors among the three classes shall be determined by the Board of Directors. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders of the Corporation following the filing of this Restated Certificate of Incorporation; the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders following the filing of this Restated Certificate of Incorporation; and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders following the filing of this Restated Certificate of Incorporation. Each director in each class shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. At each annual meeting of stockholders beginning with the first annual meeting of stockholders following the filing of this Restated Certificate of Incorporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders to be held in the third year following the year of their election, with each director in each such class to hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal in number as possible and such apportionment shall be determined by the Board of Directors.

(c) Removal. Subject to the rights of the holders of any series of Preferred Stock to elect directors, the directors of the Corporation may be removed only for cause by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, at a meeting of the stockholders called for that purpose; provided, however, that prior to the first date (the "Trigger Date") on which investment funds or other entities affiliated with Advent International Corporation and its successors, Transferees and Affiliates (each a " Sponsor Entity," and collectively, the "Sponsor Entities") cease collectively to beneficially own (directly or indirectly) more than fifty percent (50%) of the outstanding shares of Common Stock, the directors of the Corporation may be removed for cause by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. "Affiliate" means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person; provided, however, that a portfolio company that a Sponsor Entity controls or that is controlled by or is under common control with a Sponsor Entity shall not be deemed to an "Affiliate" solely as a result thereof. The term "control," as used in the definition of "Affiliate," means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and "controlled" and "controlling" have meanings correlative to the foregoing. "Person" means an individual, any general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity. "Transferee" means any Person who (i) becomes a beneficial owner of Common

Stock upon having purchased such shares of Common Stock from a Sponsor Entity and (ii) is designated in writing by the transferor as a "Transferee" and a copy of such writing is provided to the Corporation at or prior to the time of such purchase; provided, however, that a purchaser of Common Stock in a registered offering or in a transaction effected pursuant to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), (or any similar or successor provision thereto) shall not be a "Transferee." For the purpose of this Restated Certificate of Incorporation "beneficial ownership" shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

ARTICLE VI -- LIMITAION OF DIRECTOR LIABILITY

To the fullest extent that the DGCL or any other law of the State of Delaware (as they exist on the date hereof or as they may hereafter be amended) permits the limitation or elimination of the liability of directors, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No amendment to, or modification or repeal of, this Article VI shall adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any state of facts existing or act or omission occurring, or any cause of action, suit or claim that, but for this Article VI, would accrue or arise, prior to such amendment, modification or repeal. If, after this Restated Certificate of Incorporation is filed with the Secretary of the State of Delaware, the DGCL or such other law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL or such other law, as so amended.

ARTICLE VII -- MEETINGS OF STOCKHOLDERS

(a) No Action by Written Consent. From and after the Trigger Date, any action required or permitted to be taken by the stockholders of the Corporation may be effected only at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

(b) Special Meetings of Stockholders. Subject to any special rights of the holders of any series of Preferred Stock, and to the requirements of applicable law, special meetings of stockholders of the Corporation may be called only (i) by or at the direction of the chairperson of the Board of Directors or (ii) by or at the direction of the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies; provided that, prior to the Trigger Date, special meetings of the stockholders of the Corporation shall also be called by the Secretary of the Corporation at the request of the holders of fifty percent (50%) or more of the outstanding shares of Common Stock. Any business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

(c) Election of Directors by Written Ballot. Election of directors need not be by written ballot.

ARTICLE VIII -- AMENDMENTS TO THE BYLAWS AND THE CERTIFICATE OF INCORPORATION

(a) Bylaws. In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized to make, alter, amend or repeal the bylaws of the Corporation subject to the power of the stockholders of the Corporation entitled to vote with respect thereto to make, alter, amend or repeal the bylaws both before and after the Trigger Date; provided, that with respect to the powers of stockholders entitled to vote with respect thereto to make, alter, amend or repeal the bylaws, from and after the Trigger Date, in addition to any other vote otherwise required by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote with respect thereto, voting together as a single class, shall be required to make, alter, amend or repeal the bylaws of the Corporation.

(b) Amendments to the Certificate of Incorporation. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation both before and after the Trigger Date, in the manner now or hereafter prescribed by the DGCL, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding anything to the contrary contained in this Restated Certificate of Incorporation, and notwithstanding that a lesser percentage may be permitted from time to time by applicable law, from and after the Trigger Date, no provision of Article V, Article VI, paragraphs (a) and (b) of Article VII, this Article VIII, Article IX, Article X and Article XI may be altered, amended or repealed in any respect, nor may any provision or bylaw inconsistent therewith be adopted, unless, in addition to any other vote required by this Restated Certificate of Incorporation or otherwise required by law, such alteration, amendment, repeal or adoption is approved by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, at a meeting of the stockholders called for that purpose.

ARTICLE IX -- BUSINESS COMBINATIONS

(a) Opt Out of Section 203 of the DGCL. The Corporation shall not be governed by Section 203 of the DGCL.

(b) Limitations on Business Combinations. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Section 12(b) or Section 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

(ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five percent (85%) of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested

stockholder) those shares owned by (i) persons who are directors of the Corporation and also officers of the Corporation or (ii) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(iii) at or subsequent to such time, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

(c) Definitions. For purposes of this Article IX, references to:

(i) "affiliate" means, with respect to any person, any other person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person.

(ii) "associate," when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a twenty percent (20%) beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(iii) "business combination," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(1) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation paragraph (b) of this Article IX is not applicable to the surviving entity;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(3) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the

Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a merger under Section 251(g) or Section 253 of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of such stock; or (e) any issuance or transfer of stock by the Corporation; provided, however, that in no case under clauses (c) through (e) of this subsection (3) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(4) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(5) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (1) through (4) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iv) "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract or otherwise. A person who is the record owner of twenty percent (20%) or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article IX, as an agent, bank, broker, nominee, custodian or trustee for one or more record or beneficial owners who do not individually or as a group have control of such person.

(v) "interested stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person; provided, however, that the term "interested stockholder" shall not include (a) the Sponsor Entities, (b) a stockholder that becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that such stockholder ceases to be an interested stockholder and (ii) would not, at any time within the three-year period immediately prior to a business combination between the Corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership, or (c) any person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of any action taken solely by the Corporation; provided that such person specified in this clause (c) shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(vi) "owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(1) beneficially owns such stock, directly or indirectly; or

(2) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

(3) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or

consent as described in item (b) of subsection (2) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(vii) "person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity.

(viii) "stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(ix) "voting stock" means stock of any class or series entitled to vote generally in the election of directors.

ARTICLE X -- RENOUNCEMENT OF CORPORATE OPPORTUNITY

(a) Scope. The provisions of this Article X are set forth to define, to the extent permitted by applicable law, the duties of Exempted Persons (as defined below) to the Corporation with respect to certain classes or categories of business opportunities. "Exempted Persons" means each of the Sponsor Entities (other than the Corporation and its subsidiaries) and all of their respective partners, principals, directors, officers, members, managers and/or employees, including any of the foregoing who serve as officers or directors of the Corporation, and Christine Dagousset, solely in her capacity as an officer or employee of Chanel Inc, US and as a member of the Executive Committee of Chanel Limited UK or any of its controlled affiliates ("Chanel").

(b) Competition and Allocation of Corporate Opportunities. The Exempted Persons shall not have any fiduciary duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as the Corporation or any of its subsidiaries. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, business opportunities that are from time to time available to the Exempted Persons, even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each such Exempted Person shall have no duty to communicate or offer such business opportunity to the Corporation (and there shall be no restriction on the Exempted Persons using the general knowledge and understanding of the Corporation and the industry in which it operates which it has gained as an Exempted Person in considering and pursuing such opportunities or in making investment, voting, monitoring, governance or other decisions relating to other entities or securities; provided, that in the case of Christine Dagousset such other entities are limited to investments made by Chanel and such other securities are limited to those made by Chanel) and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or stockholders for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such Exempted Person pursues or acquires such business opportunity, directs such business

opportunity to another person; provided, that in the case of Christine Dagousset that person is Chanel, or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries, it being understood that Christine Dagousset will not be required to offer the Corporation any corporate opportunity of which she becomes aware in her capacity as an officer or employee of Chanel, or uses such knowledge and understanding in the manner described herein.

(c) Certain Matters Deemed Not Corporate Opportunities. In addition to and notwithstanding the foregoing provisions of this Article X, a corporate opportunity shall not be deemed to belong to the Corporation if it is a business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

(d) Amendment of this Article. No amendment or repeal of this Article X in accordance with the provisions of paragraph (b) of Article VII shall apply to or have any effect on the liability or alleged liability of any Exempted Person for or with respect to any activities or opportunities of which such Exempted Person becomes aware prior to such amendment or repeal. This Article X shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Restated Certificate of Incorporation, the Corporation's bylaws or applicable law.

ARTICLE XI -- EXCLUSIVE JURISDICTION FOR CERTAIN CLAIMS

(a) Exclusive Forum. Unless the Board of Directors or one of its committees otherwise approves the selection of an alternate forum, 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) shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for any (i) derivative claim brought in the right of the Corporation, (ii) claim asserting a breach of a fiduciary duty to the Corporation or the Corporation's stockholders owed by any current or former director, officer or other employee or stockholder of the Corporation, (iii) claim against the Corporation arising pursuant to any provision of the DGCL, this Restated Certificate of Incorporation or the Amended and Restated Bylaws, (iv) claim to interpret, apply, enforce or determine the validity of this Restated Certificate of Incorporation or the Amended and Restated Bylaws, (v) claim against the Corporation governed by the internal affairs doctrine, or (vi) other claim, not subject to exclusive federal jurisdiction and not subject to paragraph (d) below, brought in any action asserting one or more of the claims specified in clauses (a)(i) through (v) herein above (each a "Covered Claim"); provided, however, that the provisions of this Article XI(a) will not apply to claims brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended.

(b) Personal Jurisdiction. If any person or entity (a "Claiming Party") files an action asserting a Covered Claim in a court other than one determined in accordance with paragraph (a) above (each a "Foreign Action") without the prior approval of the Board of Directors or one of its committees, such Claiming Party shall be deemed to have consented to (i) the personal jurisdiction of the court determined in accordance with paragraph (a) in connection with any such action brought in any such court to enforce paragraph (a) (an "Enforcement Action") and

(ii) having service of process made upon such Claiming Party in any such Enforcement Action by service upon such Claiming Party's counsel in the Foreign Action as agent for such Claiming Party.

(c) Federal Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this provision.

(d) Notice and Consent. Any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI and waived any argument relating to the inconvenience of the forums referenced above in connection with any Covered Claim.

ARTICLE XII -- SEVERABILITY

If any provision or provisions of this Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

* * *

IN WITNESS WHEREOF, the undersigned has caused this Restated Certificate of Incorporation to be executed by the officer below this 29th day of September, 2021.

OLAPLEX HOLDINGS, INC.

By: /s/ JuE Wong
Name: JuE Wong
Title: President and Chief Executive Officer

[Signature Page to Restated Certificate of Incorporation]

AMENDED AND RESTATED BYLAWS

OF

OLAPLEX HOLDINGS, INC.

SECTION 1 - STOCKHOLDERS

Section 1.1. Annual Meeting.

An annual meeting of the stockholders of Olaplex Holdings, Inc., a Delaware corporation (the "Corporation"), for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting shall be held at the place, if any, within or without the State of Delaware, on the date and at the time that the Board of Directors of the Corporation (the "Board of Directors") shall each year fix. The meeting may be held either at a place, within or without the State of Delaware as permitted by the General Corporation Law of the State of Delaware (the "DGCL"), or by means of remote communication in the manner authorized by Section 211 of the DGCL, including electronic transmission or telephonic means, as the Board of Directors in its sole discretion may determine.

Section 1.2. Advance Notice of Nominations and Proposals of Business.

(a) Nominations of persons for election to the Board of Directors and proposals for other business to be transacted by the stockholders at an annual meeting of stockholders may be made (i) pursuant to the Corporation's notice with respect to such meeting (or any supplement thereto), (ii) by or at the direction of the Board of Directors or any committee thereof or (iii) by any stockholder of record of the Corporation who (A) was a stockholder of record at the time of the giving of the notice contemplated in Section 1.2(b), (B) is entitled to vote at such meeting and (C) has complied with the notice procedures set forth in this Section 1.2. Subject to Section 1.2(i) and except as otherwise required by law, clause (iii) of this Section 1.2(a) shall be the exclusive means for a stockholder to make nominations or propose other business (other than nominations and proposals properly brought pursuant to applicable provisions of federal law, including the Securities Exchange Act of 1934 (as amended from time to time, the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission thereunder) before an annual meeting of stockholders.

(b) Except as otherwise required by law, for nominations or proposals to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 1.2(a), (i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation with the information contemplated by Section 1.2(c) including, where applicable, delivery to the Corporation of timely and completed questionnaires as contemplated by Section 1.2(c), and (ii) the business must be a proper matter for stockholder action under the DGCL. The notice requirements of this Section 1.2 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting.

(c) To be timely for purposes of Section 1.2(b), a stockholder's notice must be delivered to the Secretary of the Corporation on a date (i) not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the anniversary date of the prior year's annual meeting, (ii) with respect to the Corporation's 2022 annual meeting, during February 2022 or (iii) if there was no annual meeting in the prior year or if the date of the current year's annual meeting is more than thirty (30) days before or after the anniversary date of the prior year's annual meeting, on or before ten (10) days after the day on which the date of the current year's annual meeting is first disclosed in a public announcement. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the delivery of such notice. Such notice from a stockholder must state (i) as to each nominee that the stockholder proposes for election or reelection as a director, (A) all information relating to such nominee that would be required to be disclosed in solicitations of proxies for the election of such nominee as a director pursuant to Regulation 14A under the Exchange Act and such nominee's written consent to serve as a director if elected, and (B) a description of all direct and indirect compensation and other material monetary arrangements, agreements or understandings during the past three years, and any other material relationship, if any, between or concerning such stockholder, any Stockholder Associated Person (as defined below) or any of their respective affiliates or associates, on the one hand, and the proposed nominee or any of his or her affiliates or associates, on the other hand; (ii) as to each proposal that the stockholder seeks to bring before the meeting, a brief description of such proposal, the reasons for making the proposal at the meeting, the text of the proposal (including the text of any resolutions proposed for consideration and in the event that it includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment) and any material interest that the stockholder has in the proposal; and (iii) (A) the name and address of the stockholder giving the notice and the Stockholder Associated Persons, if any, on whose behalf the nomination or proposal is made, (B) the class (and, if applicable, series) and number of shares of stock of the Corporation that are, directly or indirectly, owned beneficially or of record by the stockholder or any Stockholder Associated Person, (C) any option, warrant, convertible security, stock appreciation right or similar instrument, right, agreement, arrangement or understanding with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class (or, if applicable, series) of shares of stock of the Corporation or with a value derived in whole or in part from the value of any class (or, if applicable, series) of shares of stock of the Corporation, whether or not such instrument, right, agreement, arrangement or understanding shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of stock of the Corporation (each, a "Derivative Instrument"), in each case that is directly or indirectly owned beneficially or of record by such stockholder or any Stockholder Associated Person, (D) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any securities of the Corporation, (E) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or beneficially owns, directly or indirectly, an interest in a general partner, (F) any performance-related fees (other than an asset-based fee) that such stockholder or any Stockholder Associated Person is entitled to based on any increase or decrease in the value of the shares of stock of the Corporation or Derivative Instruments, (G) any other information relating to such stockholder or any

Stockholder Associated Person, if any, required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations of the Securities and Exchange Commission thereunder, (H) a representation that the stockholder is a holder of record of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination and has complied with the provisions of this Section 1.2(c), (I) a certification as to whether or not the stockholder and all Stockholder Associated Persons have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and each Stockholder Associated Person's acquisition of shares of capital stock or other securities of the Corporation and the stockholder's and each Stockholder Associated Person's acts or omissions as a stockholder (or beneficial owner of securities) of the Corporation, and (J) whether the stockholder intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares reasonably believed by such stockholder to be sufficient to elect such nominee or nominees or otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination. For purposes of these bylaws, a "Stockholder Associated Person" of any stockholder means (i) any "affiliate" or "associate" (as those terms are defined in Rule 12b-2 under the Exchange Act) of such stockholder, (ii) any beneficial owner of any capital stock or other securities of the Corporation owned of record or beneficially by such stockholder, (iii) any person directly or indirectly controlling, controlled by or under common control with any such Stockholder Associated Person referred to in clause (i) or (ii) above, and (iv) any person acting in concert in respect of any matter involving the Corporation or its securities with either such stockholder or any beneficial owner of any capital stock or other securities of the Corporation owned of record or beneficially by such stockholder. In addition, in order for a nomination to be properly brought before an annual or special meeting by a stockholder pursuant to clause (iii) of Section 1.2(a), any nominee proposed by a stockholder shall complete a questionnaire, in a form provided by the Corporation, and deliver a signed copy of such completed questionnaire to the Corporation within ten (10) days of the date that the Corporation makes available to the stockholder seeking to make such nomination or such nominee the form of such questionnaire. The Corporation may require any proposed nominee to furnish such other information as may be reasonably requested by the Corporation to determine the eligibility of the proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of the nominee. The information required to be included in a notice pursuant to this Section 1.2(c) shall be provided as of the date of such notice and shall be supplemented by the stockholder not later than ten (10) days after the record date for the determination of stockholders entitled to notice of the meeting to disclose any changes to such information as of the record date. The information required to be included in a notice pursuant to this Section 1.2(c) shall not include any ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is directed to prepare and submit the notice required by this Section 1.2(c) on behalf of a beneficial owner of the shares held of record by such broker, dealer, commercial bank, trust company or other nominee and who is not otherwise affiliated or associated with such beneficial owner. For the purpose of these bylaws, "beneficial ownership" shall be determined in accordance with Rule 13d-3 promulgated under the Exchange Act.

(d) Subject to the certificate of incorporation of the Corporation (the "Certificate of Incorporation"), Section 1.2(i) and applicable law, only persons nominated in accordance with the procedures stated in this Section 1.2 shall be eligible for election as and to serve as members of the Board of Directors and the only business that shall be conducted at an annual meeting of stockholders is the business that has been brought before the meeting in accordance with the procedures set forth in this Section 1.2. The chairperson of the meeting shall have the power and the duty to determine whether a nomination or any proposal has been made according to the procedures stated in this Section 1.2 and, if any nomination or proposal does not comply with this Section 1.2, unless otherwise required by law, the nomination or proposal shall be disregarded.

(e) For purposes of this Section 1.2, "public announcement" means disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable news service or in a document publicly filed or furnished by the Corporation with or to the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(f) Notwithstanding the foregoing provisions of this Section 1.2, a stockholder shall also comply with applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 1.2. Nothing in this Section 1.2 shall affect any rights, if any, of stockholders to request inclusion of nominations or proposals in the Corporation's proxy statement pursuant to applicable provisions of federal law, including the Exchange Act.

(g) Notwithstanding the foregoing provisions of this Section 1.2, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business or does not provide the information required by Section 1.2(c), including any required supplement thereto, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.2, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(h) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 1.2 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting upon such election and who complies with the notice procedures set forth in this Section 1.2. In the event the Corporation calls a special meeting of stockholders

for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (b) of this Section 1.2 shall be delivered to the Secretary of the Corporation not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90^{th}) day prior to such special meeting or the tenth (10^{th}) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(i) All provisions of this Section 1.2 are subject to, and nothing in this Section 1.2 shall in any way limit the exercise, or the method or timing of the exercise of, the rights of any person granted by the Corporation to nominate directors, which rights may be exercised without compliance with the provisions of this Section 1.2.

Section 1.3. Special Meetings; Notice.

Special meetings of the stockholders of the Corporation may be called only to the extent and in the manner set forth in the Certificate of Incorporation. Notice of every special meeting of the stockholders of the Corporation shall state the purpose or purposes of such meeting. Except as otherwise required by law, the business conducted at a special meeting of stockholders of the Corporation shall be limited exclusively to the business set forth in the Corporation's notice of meeting, and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice.

Section 1.4. Notice of Meetings.

Notice of the place, if any, date and time of all meetings of stockholders of the Corporation, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present and vote at such meeting, and, in the case of all special meetings of stockholders, the purpose or purposes of the meeting, shall be given, not less than ten (10) nor more than sixty (60) days before the date on which such meeting is to be held (unless a different time is specified by law or applicable rule or regulation), to each stockholder entitled to notice of the meeting.

The Corporation may postpone or cancel any previously called annual or special meeting of stockholders of the Corporation by making a public announcement (as defined in Section 1.2(e)) of such postponement or cancellation prior to the meeting. When a previously called annual or special meeting is postponed to another time, date or place, if any, notice of the place (if any), date and time of the postponed meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present and vote at such postponed meeting, shall be given in conformity with this Section 1.4 unless such meeting is postponed to a date that

is not more than sixty (60) days after the date that the initial notice of the meeting was provided in conformity with this Section 1.4.

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting, or if after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting the Board of Directors shall fix a new record date for notice of such adjourned meeting in conformity herewith and such notice shall be given to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting. At any adjourned meeting, any business may be transacted that may have been transacted at the original meeting.

Section 1.5. Quorum.

At any meeting of the stockholders, the holders of shares of stock of the Corporation entitled to cast a majority of the total votes entitled to be cast by the holders of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors ("Voting Stock"), present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number is required by applicable law or the Certificate of Incorporation. If a separate vote by one or more classes or series is required, the holders of shares entitled to cast a majority of the total votes entitled to be cast by the holders of the shares of the class or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. A quorum, once established, shall not be deemed to cease to exist due to the subsequent withdrawal prior to the closing of the meeting of shares of Voting Stock that would result in less than a quorum remaining present in person or by proxy at such meeting. For the purposes of the immediately preceding sentence, an adjournment of a meeting shall not constitute the closing of such meeting.

If a quorum shall fail to attend any meeting, the chairperson of the meeting may adjourn the meeting to another place, if any, date and time. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the meeting originally called.

Section 1.6. Organization.

The chairperson of the Board of Directors or, in his or her absence, the person whom the Board of Directors designates or, in the absence of that person or the failure of the Board of Directors to designate a person, the President of the Corporation or, in his or her absence, the person chosen by the holders of a majority of the shares of capital stock entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders of the Corporation and act as chairperson of the meeting. In the absence of the Secretary or any Assistant Secretary of the Corporation, the secretary of the meeting shall be the person the chairperson appoints.

Section 1.7. Conduct of Business.

The chairperson of any meeting of stockholders of the Corporation shall determine the order of business and the rules of procedure for the conduct of such meeting, including the manner of voting and the conduct of discussion as he or she determines to be in order. The chairperson shall have the power to adjourn the meeting to another place, if any, date and time. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairperson of the meeting shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The chairperson of the meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a nomination or matter of business was not properly brought before the meeting and if such chairperson should so determine, such chairperson shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.8. Proxies; Inspectors.

(a) At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by applicable law, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.

(b) Prior to a meeting of the stockholders of the Corporation, the Corporation shall appoint one or more inspectors, who may be employees of the Corporation, to act at a meeting of stockholders of the Corporation and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by applicable law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before beginning the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict

impartiality and according to the best of his or her ability. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of inspectors. The inspectors shall have the duties prescribed by applicable law. Unless otherwise provided by the Board of Directors, the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto shall be accepted by the inspectors after the closing of the polls. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

Section 1.9. Voting

Except as otherwise required by applicable law, the Certificate of Incorporation or these bylaws, all matters other than the election of directors shall be determined by a majority of the votes cast on the matter affirmatively or negatively. All elections of directors shall be determined by a plurality of the votes cast.

Section 1.10. Stock List.

A complete list of stockholders of the Corporation entitled to vote at any meeting of stockholders of the Corporation, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any such stockholder, for any purpose germane to a meeting of the stockholders of the Corporation, for a period of at least ten (10) days before the meeting on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10^{th}) day before such meeting date. The stock list shall also be open to the examination of any such stockholder during the entire meeting in the manner required by the DGCL. Such list shall be the sole evidence of the identity of the stockholders entitled to vote at a meeting and the number of shares held by each stockholder.

SECTION 2 - BOARD OF DIRECTORS

Section 2.1. General Powers and Qualifications of Directors.

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities these bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by the DGCL, the Certificate of Incorporation or these bylaws required to be exercised or done by the stockholders. Directors need not be stockholders of the Corporation to be qualified for election or service as a director of the Corporation.

Section 2.2. Removal; Resignation.

The directors of the Corporation may be removed in accordance with the Certificate of Incorporation and the DGCL. Any director may resign at any time upon notice given in writing, including by electronic transmission, to the Corporation. A resignation shall be effective upon receipt, unless the resignation otherwise provides.

Section 2.3. Regular Meetings.

Regular meetings of the Board of Directors shall be held at the place (if any), on the date and at the time as shall have been established by the Board of Directors and publicized among all directors. A notice of a regular meeting, the date of which has been so publicized, shall not be required.

Section 2.4. Special Meetings.

Special meetings of the Board of Directors may be called by (i) the chairperson of the Board of Directors, (ii) the Chief Executive Officer of the Corporation, or (iii) two or more directors then in office, and shall be held at the place, if any, on the date and at the time as he, she or they shall fix. Notice of the place, if any, date and time of each special meeting shall be given to each director either (a) by mailing written notice thereof not less than five (5) days before the meeting, or (b) by telephone, e-mail or other means of electronic transmission providing notice thereof not less than twenty-four (24) hours before the meeting. Any and all business may be transacted at a special meeting of the Board of Directors.

Section 2.5. Quorum.

At any meeting of the Board of Directors, a majority of the total number of directors then in office shall constitute a quorum for all purposes; provided that for an action of the Board of Directors taken at a meeting to be valid, directors that constitute a quorum must be present (as described in Section 2.6 below) at the time that the vote on such action is taken. For the avoidance of doubt, if directors that constitute a quorum are not present (as described in Section 2.6 below) at the time that the vote on any action is taken, a quorum shall not be constituted with respect to such action, and any vote taken with respect to such action shall not be a valid action of the Board of Directors, notwithstanding that a quorum of the Board of Directors may have been present at the commencement of such meeting. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, if any, date or time, without further notice or waiver thereof.

Section 2.6. Participation in Meetings by Conference Telephone, Video Conference or Other Communications Equipment.

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of the Board of Directors or committee thereof by means of conference telephone, video conference or other communications equipment by means of which all directors participating in the meeting can hear each other director, and such participation shall constitute presence in person at the meeting.

Section 2.7. Conduct of Business.

At any meeting of the Board of Directors, business shall be transacted in the order and manner that the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, provided a quorum is present at the time such matter is acted upon, except as otherwise provided in the Certificate of Incorporation or these bylaws or required by applicable law. The Board of Directors or any committee thereof may take action without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings, or electronic transmission or electronic transmissions, are filed with the minutes of proceedings of the Board of Directors or any committee thereof. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.8. Compensation of Directors.

The Board of Directors shall be authorized to fix the compensation of directors. The directors of the Corporation shall be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be reimbursed a fixed sum for attendance at each meeting of the Board of Directors, paid an annual retainer or paid other compensation, including equity compensation, as the Board of Directors determines. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees shall have their expenses, if any, of attendance of each meeting of such committee reimbursed and may be paid compensation for attending committee meetings or being a member of a committee.

SECTION 3 - COMMITTEES

The Board of Directors may designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors, and shall, for those committees, appoint a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member. All provisions of this Section 3 are subject to, and nothing in this Section 3 shall in any way limit the exercise, or method or timing of the exercise, of the rights of any person granted by the Corporation with respect to the existence, duties, composition or conduct of any committee of the Board of Directors.

SECTION 4 - OFFICERS

Section 4.1. Generally.

The officers of the Corporation may consist of a Chief Executive Officer, President, one or more Executive Vice Presidents, one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Chief Financial Officer, a Treasurer, one or more Assistant Treasurers

and such other officers as the Board of Directors may from time to time determine, each of whom shall be elected by the Board of Directors and have such authority, functions or duties set forth in these bylaws or as determined by the Board of Directors. The Chief Executive Officer or President may also appoint such other officers (including without limitations one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their officers for such terms as may be provided in these bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer. Each officer shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly elected and qualified or until such person's earlier death, disqualification, resignation or removal. Any number of offices may be held by the same person unless the Certificate of Incorporation or these bylaws otherwise provide; provided, however, that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law to be executed, acknowledged or verified by two or more parties. Officers need not be stockholders or residents of the State of Delaware. The compensation of officers appointed by the Board of Directors shall be determined from time to time by the Board of Directors or a committee thereof or by the officers as may be designated by resolution of the Board of Directors.

Section 4.2. President.

Unless otherwise determined by the Board of Directors, the President shall be the Chief Executive Officer of the Corporation. Subject to the provisions of these bylaws and to the direction of the Board of Directors, he or she shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers that are commonly incident to the office of chief executive or which are delegated to him or her by the Board of Directors. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. He or she shall have the power to sign all stock certificates, contracts and other instruments of the Corporation that are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

Section 4.3. Executive Vice President and Vice President.

Each Executive Vice President and Vice President shall have the powers and duties delegated to him or her by the Board of Directors or the President. An Executive Vice President may be designated by the Board of Directors to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

Section 4.4. Secretary and Assistant Secretaries.

The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He or she shall have charge of the corporate books, shall perform other duties commonly incident to his or her office and as the Board of Directors may from time to time prescribe.

Any Assistant Secretary shall perform such duties and possess such powers commonly incident to his or her office and as the Board of Directors, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors), shall perform the duties and exercise the powers of the Secretary.

Section 4.5. Chief Financial Officer, Treasurer and Assistant Treasurers.

The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer shall perform other duties commonly incident to his or her office and shall also perform such other duties and have such other powers as the Board of Directors, the President or the Chief Financial Officer shall designate from time to time.

Section 4.6. Delegation of Authority.

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 4.7. Removal; Resignation.

The Board of Directors may remove any officer of the Corporation at any time, with or without cause, without prejudice to the rights, if any, of such officer under any contract to which the Corporation or any of its subsidiaries is a party. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly chosen and qualified. Any officer appointed by the President may also be removed, with or without cause, by the President, as the case may be. Any officer may resign by delivering his or her written or electronically transmitted resignation to the Corporation addressed to the President or the Secretary, and such resignation shall be effective upon receipt, unless the resignation otherwise provides. Any vacancy occurring in any office appointed by the President may be filled by the President, as the case may be, unless the Board of Directors then determines that such officer shall thereupon be elected by the Board of Directors, in which case the Board of Directors shall elect such officer.

Section 4.8. Action with Respect to Securities of Other Companies

Unless otherwise directed by the Board of Directors, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders or equityholders of, or

with respect to any action of, stockholders or equityholders of any other entity in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other entity.

SECTION 5 - STOCK

Section 5.1. Certificates of Stock.

Shares of the capital stock of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by any two authorized officers of the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose manual or facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 5.2. Transfers of Stock.

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation (within or without the State of Delaware) or by transfer agents designated to transfer shares of the stock of the Corporation.

Section 5.3. Lost, Stolen or Destroyed Certificates.

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to regulations as the Board of Directors may establish concerning proof of the loss, theft or destruction and concerning the giving of a satisfactory bond or indemnity, if deemed appropriate by the Board of Directors.

Section 5.4. Regulations.

The issue, transfer, conversion and registration of certificates of stock of the Corporation shall be governed by other regulations as the Board of Directors may establish.

Section 5.5. Record Date.

In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of

stockholders shall be at the close of business on the day preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 6 - INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.1. Indemnification.

The Corporation shall, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, indemnify, defend and hold harmless any person (an "Indemnitee") who was or is made, or is threatened to be made, a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director of the Corporation or an officer of the Corporation elected by the Board of Directors or, while a director of the Corporation or an officer of the Corporation elected by the Board of Directors, is or was serving at the request of the Corporation as a director, officer, employee, member, trustee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other enterprise (including, but not limited to, service with respect to employee benefit plans) (any such entity, an "Other Entity") (each such person, an "Indemnitee"), against all liability and loss suffered (including, but not limited to, expenses (including, but not limited to, attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnitee in connection with such Proceeding) by such Indemnitee in connection therewith. Notwithstanding the preceding sentence, the Corporation shall be required to indemnify an Indemnitee in connection with a Proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such Proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors or the Proceeding (or part thereof) relates to the enforcement of the Corporation's obligations under this Section 6.1.

Section 6.2. Advancement of Expenses.

The Corporation shall to the fullest extent not prohibited by applicable law pay, on an as-incurred basis, all expenses (including, but not limited to, attorneys' fees and expenses) actually and reasonably incurred by an Indemnitee in defending any Proceeding, which may be

indemnifiable pursuant to this Section 6, in advance of its final disposition. Such advancement shall be unconditional, unsecured and interest free and shall be made without regard to Indemnitee's ability to repay any expenses advanced; provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an unsecured undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified by the Corporation under this Section 6 or otherwise.

Section 6.3. Claims.

If a claim for indemnification (following the final disposition of such Proceeding) or advancement of expenses under this Section 6 is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the Corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Insurance.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, trustee, employee, member or agent of the Corporation, or was serving at the request of the Corporation as a director, officer, trustee, employee, member or agent of an Other Entity, against any liability asserted against the person and incurred by the person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Section 6 or the DGCL.

Section 6.5. Non-Exclusivity of Rights; Other Indemnification.

The rights conferred on any Indemnitee by this Section 6 are not exclusive of, and shall not be read to limit, restrict or modify in any respect, any other rights (or any limitations on any other rights) to which such Indemnitee may have or hereafter acquire under any bylaw, agreement, vote of directors or stockholders or otherwise, and shall inure to the benefit of the heirs and legal representatives of such Indemnitee. This Section 6 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to Indemnitees or persons other than Indemnitees when and as authorized by appropriate corporate action, including by separate agreement with the Corporation.

Section 6.6. Amounts Received from an Other Entity.

Subject to the terms of any written agreement between the Indemnitee and the Corporation, the Corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at the Corporation's request as a director, officer, employee or agent of an Other Entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such Other Entity.

Section 6.7. Amendment or Repeal.

Any right to indemnification or to advancement of expenses of any Indemnitee arising hereunder shall not be eliminated or impaired by an amendment to or repeal of this Section 6 after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit, proceeding or other matter for which indemnification or advancement of expenses is sought.

Section 6.8. Reliance.

Indemnitees who after the date of the adoption of this Section 6 become or remain an Indemnitee described in Section 6.1 will be conclusively presumed to have relied on the rights to indemnity, advancement of expenses and other rights contained in this Section 6 in entering into or continuing the service. The rights to indemnification and to the advancement of expenses conferred in this Section 6 will apply to claims made against any Indemnitee described in Section 6.1 arising out of acts or omissions that occurred or occur either before or after the adoption of this Section 6 in respect of service as a director or officer of the corporation or other service described in Section 6.1.

Section 6.9. Successful Defense.

In the event that any proceeding to which an Indemnitee is a party is resolved in any manner other than by adverse judgment against the Indemnitee (including, without limitation, settlement of such proceeding with or without payment of money or other consideration) it shall be presumed that the Indemnitee has been successful on the merits or otherwise in such proceeding for purposes of Section 145(c) of the DGCL. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 6.10. Merger or Consolidation.

For purposes of this Section 6, references to the "Corporation" shall include, in addition to any resulting corporation in any merger, consolidation or similar transaction involving the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Section 6 with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

Section 6.11. Continuation of Indemnification.

The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Section 6 shall continue notwithstanding that the person has ceased to be an Indemnitee and shall inure to the benefit of his or her estate, heirs, executors, administrators, legatees and distributes; provided, however, that the Corporation shall indemnify any such person seeking indemnity in connection with a proceeding (or part thereof) initiated by such

person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

Section 6.12. Indemnification Contracts.

The Board of Directors is authorized to cause the Corporation to enter into indemnification contracts with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefits plans, providing indemnification rights to such person. Such rights may be greater than those provided in this Section 6.

Section 6.13. Savings Clause.

If this Section 6 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify the advance expenses to each person entitled to indemnification under Section 6.1 to the fullest extent permitted by any applicable portion of this Section 6 that shall not have been invalidated and to the fullest extent permitted by applicable law.

SECTION 7 - NOTICES

Section 7.1. Notices.

Except as otherwise provided herein or permitted by applicable law, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. If mailed, notice to a stockholder of the Corporation shall be deemed given when deposited in the mail, postage prepaid, directed to a stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders of the Corporation may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

Section 7.2. Waivers.

A written waiver of any notice, signed by a stockholder or director, or a waiver by electronic transmission by such person or entity, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person or entity. Neither the business nor the purpose of any meeting need be specified in the waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 8 - MISCELLANEOUS

Section 8.1. Corporate Seal.

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary, Assistant Treasurer or the Chief Financial Officer.

Section 8.2. Reliance upon Books, Reports, and Records.

Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers, agents or employees, or committees of the Board of Directors so designated, or by any other person or entity as to matters which such director or committee member reasonably believes are within such other person's or entity's professional or expert competence and that has been selected with reasonable care by or on behalf of the Corporation.

Section 8.3. Fiscal Year.

The fiscal year of the Corporation shall be the calendar year or as otherwise fixed by the Board of Directors.

Section 8.4. Time Periods.

In applying any provision of these bylaws that requires that an act be done or not be done a specified number of days before an event or that an act be done during a specified number of days before an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

SECTION 9 - AMENDMENTS

These bylaws may be altered, amended or repealed in accordance with the Certificate of Incorporation and the DGCL.

SECTION 10 - SEVERABILITY

If any provision or provisions of these bylaws shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of these bylaws (including, without limitation, each portion of any paragraph of these bylaws containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of these bylaws (including, without limitation, each such portion of any paragraph of these bylaws containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

REGISTRATION RIGHTS AGREEMENT

BY AND AMONG

OLAPLEX HOLDINGS, INC.

AND

CERTAIN STOCKHOLDERS

DATED AS OF SEPTEMBER 29, 2021

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This REGISTRATION RIGHTS AGREEMENT (as it may be amended from time to time in accordance with the terms hereof, the "Agreement"), dated as of September 29, 2021, is made by and among:

i. Olaplex Holdings, Inc., a Delaware corporation (the "Company"); and

ii. each Person executing this Agreement and listed as an "Investor" on the signature pages hereto (collectively, together with their Permitted Transferees that become party hereto, the "Investors").

RECITALS

WHEREAS, the Investors party to this Agreement as of the date hereof own shares of the Company's common stock, par value $0.001 per share (the "Common Stock");

WHEREAS, on the date hereof, the Company is consummating an initial public offering of shares of its Common Stock (the "IPO"); and

WHEREAS, the parties believe that it is in the best interests of the Company and the other parties hereto to set forth their agreements regarding registration rights.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Article I

EFFECTIVENESS

Section I.1. Effectiveness. This Agreement shall become effective upon the closing of the IPO.

Article II

DEFINITIONS

Section II.1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Adverse Disclosure" means public disclosure of material nonpublic information that, in the good faith judgment of the board of directors of the Company: (i) would be required to be made in any Registration Statement filed with the SEC by the Company so that such Registration Statement, from and after its effective date, does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such Registration Statement; and (iii) the Company has a bona fide business purpose for not disclosing publicly.

"Affiliate" means, with respect to any specified Person, (a) any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person, (b) a Member of the Immediate Family of such Person and (c) any investment fund advised or managed by, or under common control or management with, such specified Person; provided that the Company and each of its subsidiaries shall be deemed not to be Affiliates of any Investor. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" shall have the meaning set forth in the preamble.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of New York.

"Common Stock" shall have the meaning set forth in the recitals.

"Company Indemnitees" shall have the meaning set forth in Section 3.9.5.

"Demand Notice" shall have the meaning set forth in Section 3.1.3.

"Demand Registration" shall have the meaning set forth in Section 3.1.1(a).

"Demand Registration Request" shall have the meaning set forth in Section 3.1.1(a).

"Demand Registration Statement" shall have the meaning set forth in Section 3.1.1(c).

"Demand Suspension" shall have the meaning set forth in Section 3.1.6.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"FINRA" means the Financial Industry Regulatory Authority.

"Holders" means Investors who then hold Registrable Securities under this Agreement.

"Investor" shall have the meaning set forth in the preamble.

"IPO" shall have the meaning set forth in the recitals.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.

"Loss" shall have the meaning set forth in Section 3.9.1.

"Member of the Immediate Family" means, with respect to any Person who is an individual, (a) each parent, spouse (but not including a former spouse or a spouse from whom such Person is legally separated) or child (including those adopted) of such individual and (b)

each trustee, solely in his or her capacity as trustee, for a trust naming only one or more of the Persons listed in subclause (a) as beneficiaries.

"Participation Conditions" shall have the meaning set forth in Section 3.2.5(b).

"Permitted Transferee" means (i) any Affiliate of a Holder and (ii) such other Persons designated by the Holders of a majority of the Registrable Securities under this Agreement.

"Person" means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"Piggyback Notice" shall have the meaning set forth in Section 3.3.1.

"Piggyback Registration" shall have the meaning set forth in Section 3.3.1.

"Potential Takedown Participant" shall have the meaning set forth in Section 3.2.5(b).

"Pro Rata Portion" means, with respect to each Holder requesting that its shares be registered or sold in an Underwritten Public Offering, a number of such shares equal to the aggregate number of Registrable Securities to be registered or sold in such Public Offering (excluding any shares to be registered or sold for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Securities then held by such Holder, and the denominator of which is the aggregate number of Registrable Securities then held by all Holders requesting that their Registrable Securities be registered or sold.

"Prospectus" means (i) the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including posteffective amendments and supplements, and all other material incorporated by reference in such prospectus, and (ii) any Issuer Free Writing Prospectus.

"Public Offering" means the offer and sale of Registrable Securities for cash pursuant to an effective Registration Statement under the Securities Act (other than a Registration Statement on Form S4 or Form S8 or any successor form).

"Registrable Securities" means (i) all shares of Common Stock that are not then subject to forfeiture to the Company, (ii) all shares of Common Stock issuable upon exercise, conversion or exchange of any option, warrant or convertible security not then subject to vesting or forfeiture to the Company and (iii) all shares of Common Stock directly or indirectly issued or then issuable with respect to the securities referred to in clauses (i) or (ii) above by way of a stock dividend or stock split, or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (w) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such Registration Statement, (x) such securities shall have been Transferred pursuant to Rule 144, (y) such holder is able to immediately sell such securities under Rule 144 without any restrictions on transfer (including without application of paragraphs (c), (e), (f) and (h) of Rule 144), as reasonably determined by

the Holder (it being understood that a written opinion of the Company's outside legal counsel to the effect that such securities may be so sold shall be conclusive evidence this clause has been satisfied), or (z) such securities shall have ceased to be outstanding.

"Registration" means registration under the Securities Act of the offer and sale of shares of Common Stock under a Registration Statement. The terms "register", "registered" and "registering" shall have correlative meanings.

"Registration Expenses" shall have the meaning set forth in Section 3.8.

"Registration Statement" means any registration statement of the Company filed with, or to be filed with, the SEC under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre and posteffective amendments, and all exhibits and all material incorporated by reference in such registration statement other than a registration statement (and related Prospectus) filed on Form S4 or Form S8 or any successor form thereto.

"Representatives" means, with respect to any Person, any of such Person's officers, directors, employees, agents, attorneys, accountants, actuaries, consultants, equity financing partners or financial advisors or other Person associated with, or acting on behalf of, such Person.

"Advent Investors" means Advent International GPE IX Limited Partnership, Advent International GPE IXC Limited Partnership, Advent International GPE IXD SCSp, Advent International GPE IXG Limited Partnership, Advent International GPE IXI Limited Partnership, Advent Partners GPE IX Limited Partnership, Advent Partners GPE IXA Limited Partnership, Advent International GPE IX Strategic Investors SCSp, Advent Partners GPE IXB Cayman Limited Partnership, Advent International GPE IXA SCSp, Advent International GPE IXB Limited Partnership, Advent International GPE IXE SCSp, Advent International GPE IXF Limited Partnership, Advent International GPE IXH Limited Partnership, Advent Partners GPE IX Cayman Limited Partnership, and Advent Partners GPE IXA Cayman Limited Partnership, each a limited partnership under its jurisdiction of formation.

"Rule 144" means Rule 144 under the Securities Act (or any successor rule).

"SEC" means the Securities and Exchange Commission or any successor agency having jurisdiction under the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Selling Stockholder Information" shall have the meaning set forth in Section 3.9.1.

"Shelf Period" shall have the meaning set forth in Section 3.2.3.

"Shelf Registration" shall have the meaning set forth in Section 3.2.1(a).

"Shelf Registration Notice" shall have the meaning set forth in Section 3.2.2.

"Shelf Registration Request" shall have the meaning set forth in Section 3.2.1(a).

"Shelf Registration Statement" shall have the meaning set forth in Section 3.2.1(a).

"Shelf Suspension" shall have the meaning set forth in Section 3.2.4.

"Shelf Takedown Notice" shall have the meaning set forth in Section 3.2.5(b).

"Shelf Takedown Request" shall have the meaning set forth in Section 3.2.5(a).

"Transfer" means, with respect to any Registrable Security, any interest therein, or any other securities or equity interests relating thereto, a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition thereof, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily, by operation of law, pursuant to judicial process or otherwise. "Transferred" shall have a correlative meaning.

"Underwritten Public Offering" means an underwritten Public Offering, including any bought deal or block sale to a financial institution conducted as an underwritten Public Offering.

"Underwritten Shelf Takedown" means an Underwritten Public Offering pursuant to an effective Shelf Registration Statement.

"WKSI" means any Securities Act registrant that is a wellknown seasoned issuer as defined in Rule 405 under the Securities Act at the most recent eligibility determination date specified in paragraph (2) of that definition.

Section II.2. Other Interpretive Provisions. The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and any subsection and section references are to this Agreement unless otherwise specified.

(c) The term "including" is not limiting and means "including without limitation."

(d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

Article III

REGISTRATION RIGHTS

The Company will perform and comply, and cause each of its subsidiaries to perform and comply, with such of the following provisions as are applicable to it. Each Holder will perform and comply with such of the following provisions as are applicable to such Holder.

Section III.1. Demand Registration.

Section III.1.1.Request for Demand Registration.

(a) At any time after the consummation of the IPO, the Advent Investors shall have the right to make a written request from time to time (a "Demand Registration Request") to the Company for Registration of all or part of the Registrable Securities held by such Investors. Any such Registration pursuant to a Demand Registration Request shall hereinafter be referred to as a "Demand Registration."

(b) Each Demand Registration Request shall specify (x) the kind and aggregate amount of Registrable Securities to be registered, and (y) the intended method or methods of disposition thereof.

(c) Upon receipt of a Demand Registration Request, the Company shall as promptly as practicable file a Registration Statement (a "Demand Registration Statement") relating to such Demand Registration, and use its reasonable best efforts to cause such Demand Registration Statement to be promptly declared effective under the Securities Act.

Section III.1.2.Limitation on Demand Registrations. The Company shall not be obligated to take any action to effect any Demand Registration if a Demand Registration or Piggyback Registration was declared effective or an Underwritten Shelf Takedown was consummated within the preceding ninety (90) days (unless otherwise consented to by the Company).

Section III.1.3.Demand Notice. Promptly upon receipt of a Demand Registration Request pursuant to Section 3.1.1 (but in no event more than two (2) Business Days thereafter), the Company shall deliver a written notice (a "Demand Notice") of any such Demand Registration Request to all other Holders and the Demand Notice shall offer each such Holder the opportunity to include in the Demand Registration that number of Registrable Securities as each such Holder may request in writing. Subject to Section 3.1.7, the Company shall include in the Demand Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within three (3) Business Days after the date that the Demand Notice was delivered.

Section III.1.4.Demand Withdrawal. Each Advent Investor that has requested the inclusion of Registrable Securities in a Demand Registration pursuant to Section 3.1.3

may withdraw all or any portion of its Registrable Securities included in a Demand Registration from such Demand Registration at any time prior to the effectiveness of the applicable Demand Registration Statement. Upon receipt of a notice to such effect with respect to all of the Registrable Securities included in such Demand Registration by such Advent Investor, the Company shall cease all efforts to secure effectiveness of the applicable Demand Registration Statement. Any such withdrawn Demand Registration Statement shall count as a Demand Registration with respect to any participating Advent Investor unless such Advent Investor reimburses the Company its pro rata portion (based on shares requested to be included in such Registration) of the Registration Expenses incurred prior to the withdrawal.

Section III.1.5.Effective Registration. The Company shall use reasonable best efforts to cause the Demand Registration Statement to become effective and remain effective for not less than one hundred eighty (180) days (or such shorter period as will terminate when all Registrable Securities covered by such Demand Registration Statement have been sold or withdrawn), or, if such Demand Registration Statement relates to an Underwritten Public Offering, such longer period as in the opinion of counsel for the underwriter or underwriters a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer.

Section III.1.6.Delay in Filing; Suspension of Registration. If the filing, initial effectiveness or continued use of a Demand Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, the Demand Registration Statement (a "Demand Suspension"); provided, however, that the Company shall not be permitted to exercise a Demand Suspension more than once during any twelve (12)month period for a period not to exceed sixty (60) days. In the case of a Demand Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders in writing upon the termination of any Demand Suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company shall, if necessary, supplement or amend the Demand Registration Statement, if required by the registration form used by the Company for the Demand Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Holders of a majority of Registrable Securities that are included in such Demand Registration Statement.

Section III.1.7.Priority of Securities Registered Pursuant to Demand Registrations. If the managing underwriter or underwriters of a proposed Underwritten Public Offering of the Registrable Securities included in a Demand Registration advise the Company in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number that can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution

of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be, in the case of any Demand Registration, (x) first, allocated to each Holder that has requested to participate in such Demand Registration an amount equal to the lesser of (i) the number of such Registrable Securities requested to be registered or sold by such Holder, and (ii) a number of such shares equal to such Holder's Pro Rata Portion, and (y) second, and only if all the securities referred to in clause (x) have been included, the number of other securities that, in the opinion of such managing underwriter or underwriters can be sold without having such adverse effect.

Section III.1.8.Resale Rights. In the event that an Investor requests to participate in a Registration pursuant to this Section 3.1 in connection with a distribution of Registrable Securities to its partners or members, the Registration shall provide for resale by such partners or members, if requested by such Investor.

Section III.2. Shelf Registration.

Section III.2.1.Request for Shelf Registration.

(a) At such time as the Company is eligible to file a Registration Statement on Form S3, upon the written request of the Advent Investors from time to time (a "Shelf Registration Request"), the Company shall promptly file with the SEC a shelf Registration Statement pursuant to Rule 415 under the Securities Act ("Shelf Registration Statement") relating to the offer and sale of Registrable Securities by any Holders thereof from time to time in accordance with the methods of distribution elected by such Holders, and the Company shall use its reasonable best efforts to cause such Shelf Registration Statement to promptly become effective under the Securities Act. Any such Registration pursuant to a Shelf Registration Request shall hereinafter be referred to as a "Shelf Registration."

(b) If on the date of the Shelf Registration Request the Company is a WKSI, then the Shelf Registration Request may request Registration of an unspecified amount of Registrable Securities to be sold by unspecified Holders. If on the date of the Shelf Registration Request the Company is not a WKSI, then the Shelf Registration Request shall specify the aggregate amount of Registrable Securities to be registered. The Company shall provide to the Investors the information necessary to determine the Company's status as a WKSI upon request.

Section III.2.2.Shelf Registration Notice. Promptly upon receipt of a Shelf Registration Request (but in no event more than two (2) Business Days thereafter (or such shorter period as may be reasonably requested in connection with an underwritten "block trade")), the Company shall deliver a written notice (a "Shelf Registration Notice") of any such request to all other Holders, which notice shall specify, if applicable, the amount of Registrable Securities to be registered, and the Shelf Registration Notice shall offer each such Holder the opportunity to include in the Shelf Registration that number of Registrable Securities as each such Holder may request in

writing. The Company shall include in such Shelf Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within three (3) Business Days (or such shorter period as may be reasonably requested in connection with an underwritten "block trade") after the date that the Shelf Registration Notice has been delivered.

Section III.2.3.Continued Effectiveness. The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus forming part of the Shelf Registration Statement to be usable by Holders until the earlier of: (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another Registration Statement filed under the Securities Act (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder); and (ii) the date as of which no Holder holds Registrable Securities (such period of effectiveness, the "Shelf Period"). Subject to Section 3.2.4, the Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Shelf Period if the Company voluntarily takes any action or omits to take any action that would result in Holders of the Registrable Securities covered thereby not being able to offer and sell any Registrable Securities pursuant to such Shelf Registration Statement during the Shelf Period, unless such action or omission is required by applicable law.

Section III.2.4.Suspension of Registration. If the continued use of such Shelf Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, suspend use of the Shelf Registration Statement (a "Shelf Suspension"); provided, however, that the Company shall not be permitted to exercise a Shelf Suspension more than one time during any twelve (12)month period for a period not to exceed sixty (60) days. In the case of a Shelf Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders in writing upon the termination of any Shelf Suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company shall, if necessary, supplement or amend the Shelf Registration Statement, if required by the registration form used by the Company for the Shelf Registration Statement or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Holders of a majority of Registrable Securities that are included in such Shelf Registration Statement.

Section III.2.5.Shelf Takedown.

(a) At any time the Company has an effective Shelf Registration Statement with respect to a Holder's Registrable Securities, by notice to the Company specifying the intended method or methods of disposition

thereof, the Advent Investors may make a written request (a "Shelf Takedown Request") to the Company to effect a Public Offering, including an Underwritten Shelf Takedown, of all or a portion of such Holder's Registrable Securities that may be registered under such Shelf Registration Statement, and as soon as practicable the Company shall amend or supplement the Shelf Registration Statement as necessary for such purpose.

(b) Promptly upon receipt of a Shelf Takedown Request (but in no event more than two (2) Business Days thereafter (or such shorter period as may be reasonably requested in connection with an underwritten "block trade")) for any Underwritten Shelf Takedown, the Company shall deliver a notice (a "Shelf Takedown Notice") to each other Holder with Registrable Securities covered by the applicable Registration Statement, or to all other Holders if such Registration Statement is undesignated (each a "Potential Takedown Participant"). The Shelf Takedown Notice shall offer each such Potential Takedown Participant the opportunity to include in any Underwritten Shelf Takedown such number of Registrable Securities as each such Potential Takedown Participant may request in writing. The Company shall include in the Underwritten Shelf Takedown all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within three (3) Business Days (or such shorter period as may be reasonably requested in connection with an underwritten "block trade") after the date that the Shelf Takedown Notice has been delivered. Any Potential Takedown Participant's request to participate in an Underwritten Shelf Takedown shall be binding on the Potential Takedown Participant; provided that each such Potential Takedown Participant that elects to participate may condition its participation on the Underwritten Shelf Takedown being completed within ten (10) Business Days of its acceptance at a price per share (after giving effect to any underwriters' discounts or commissions) to such Potential Takedown Participant of not less than ninety percent (90%) (or such lesser percentage specified by such Potential Takedown Participant) of the closing price for the shares on their principal trading market on the Business Day immediately prior to such Potential Takedown Participant's election to participate (the "Participation Conditions"). Notwithstanding the delivery of any Shelf Takedown Notice, but subject to the Participation Conditions (to the extent applicable), all determinations as to whether to complete any Underwritten Shelf Takedown and as to the timing, manner, price and other terms of any Underwritten Shelf Takedown contemplated by this Section 3.2.5 shall be determined by the participating Advent Investors.

(c) The Company shall not be obligated to take any action to effect any Underwritten Shelf Takedown if a Demand Registration or Piggyback Registration was declared effective or an Underwritten Shelf Takedown

was consummated within the preceding ninety (90) days (unless otherwise consented to by the Company).

Section III.2.6.Priority of Securities Sold Pursuant to Shelf Takedowns. If the managing underwriter or underwriters of a proposed Underwritten Shelf Takedown pursuant to Section 3.2.5 advise the Company in writing that, in its or their opinion, the number of securities requested to be included in the proposed Underwritten Shelf Takedown exceeds the number that can be sold in such Underwritten Shelf Takedown without being likely to have an adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the number of Registrable Securities to be included in such offering shall be (x) first, allocated to each Holder that has requested to participate in such Underwritten Shelf Takedown an amount equal to the lesser of (i) the number of such Registrable Securities requested to be registered or sold by such Holder, and (ii) a number of such shares equal to such Holder's Pro Rata Portion, and (y) second, and only if all the securities referred to in clause (x) have been included, the number of other securities that, in the opinion of such managing underwriter or underwriters can be sold without having such adverse effect.

Section III.2.7.Resale Rights. In the event that an Investor elects to request a Registration pursuant to this Section 3.2 in connection with a distribution of Registrable Securities to its partners or members, the Registration shall provide for resale by such partners or members, if requested by such Investor.

Section III.3. Piggyback Registration.

Section III.3.1.Participation. If the Company at any time after the consummation of the IPO proposes to file a Registration Statement under the Securities Act or to conduct a Public Offering with respect to any offering of its equity securities for its own account or for the account of any other Persons (other than (i) a Registration under Sections 3.1 or 3.2 or (ii) a Registration on Form S4 or Form S8 or any successor form to such forms, then, as soon as practicable (but in no event less than ten (10) Business Days prior to the proposed date of filing of such Registration Statement or, in the case of a Public Offering under a Shelf Registration Statement, the anticipated pricing or trade date), the Company shall give written notice (a "Piggyback Notice") of such proposed filing or Public Offering to all Holders, and such Piggyback Notice shall offer the Holders the opportunity to register under such Registration Statement, or to sell in such Public Offering, such number of Registrable Securities as each such Holder may request in writing (a "Piggyback Registration"). Subject to Section 3.3.2, the Company shall include in such Registration Statement or in such Public Offering as applicable, all such Registrable Securities that are requested to be included therein within five (5) Business Days after the receipt by such Holder of any such notice; provided, however, that if at any time after giving written notice of its intention to register or sell any securities and prior to the effective date of the Registration Statement filed in connection with such Registration, or the pricing or trade date of a Public Offering under a Shelf Registration Statement, the Company determines for any reason not to register or sell or to delay the Registration or sale of such securities, the Company shall give written notice of such determination to each Holder and, thereupon, (i) in the case of a determination

not to register or sell, shall be relieved of its obligation to register or sell any Registrable Securities in connection with such Registration or Public Offering (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any Holders entitled to request that such Registration or sale be effected as a Demand Registration under Section 3.1 or an Underwritten Shelf Takedown under Section 3.2, as the case may be, and (ii) in the case of a determination to delay Registration or sale, in the absence of a request for a Demand Registration or an Underwritten Shelf Takedown, as the case may be, shall be permitted to delay registering or selling any Registrable Securities. Any Holder shall have the right to withdraw all or part of its request for inclusion of its Registrable Securities in a Piggyback Registration by giving written notice to the Company of its request to withdraw.

Section III.3.2.Priority of Piggyback Registration. If the managing underwriter or underwriters of any proposed offering of Registrable Securities included in a Piggyback Registration informs the Company and the participating Holders in writing that, in its or their opinion, the number of securities that such Holders and any other Persons intend to include in such offering exceeds the number that can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, one hundred percent (100%) of the securities that the Company proposes to sell, and (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated among the Holders that have requested to participate in such Registration based on an amount equal to the lesser of (i) the number of such Registrable Securities requested to be sold by such Holder, and (ii) a number of such shares equal to such Holder's Pro Rata Portion, and (iii) third, and only if all of the Registrable Securities referred to in clause (ii) have been included in such Registration, any other securities eligible for inclusion in such Registration.

Section III.3.3.No Effect on Other Registrations. No Registration of Registrable Securities effected pursuant to a request under this Section 3.3 shall be deemed to have been effected pursuant to Sections 3.1 and 3.2 or shall relieve the Company of its obligations under Sections 3.1 and 3.2.

Section III.4. LockUp Agreements. In connection with each Registration or sale of Registrable Securities pursuant to Section 3.1, 3.2 or 3.3 conducted as an Underwritten Public Offering, each Holder agrees, if requested, to become bound by and to execute and deliver a lockup agreement with the underwriter(s) of such Underwritten Public Offering restricting such Holder's right to (a) Transfer, directly or indirectly, any equity securities of the Company held by such Holder or (b) enter into any swap or other arrangement that transfers to another any of the economic consequences of ownership of such securities during the period commencing on the date of the final Prospectus relating to the Underwritten Public Offering and ending on the date specified by the underwriters (such period not to exceed ninety (90) days in the case of any Registration). The terms of such lockup agreements shall be negotiated among the Advent Investors, the Company and the underwriters and shall include customary carveouts from the restrictions on Transfer set forth therein; provided that no Holder shall be required to agree to a

lockup period longer than the lockup period for the Advent Investors, and each Holder's lockup agreement shall require equal treatment of all Holders in the event of any early release from the lockup. The Company shall, if asked by managing underwriter(s), cause its directors and executive officers to agree to become bound by and to execute and deliver a similar lockup agreement with the underwriter(s), provided no director or executive officer shall be required to agree to a lockup period longer than the lockup period for the Advent Investors.

Section III.5. Registration Procedures.

Section III.5.1.Requirements. In connection with the Company's obligations under Sections 3.1 – 3.4, the Company shall use its reasonable best efforts to effect such Registration and to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable, and in connection therewith the Company shall:

(a) As promptly as practicable prepare the required Registration Statement, including all exhibits and financial statements required under the Securities Act to be filed therewith and Prospectus, and, before filing a Registration Statement or Prospectus or any amendments or supplements thereto, (x) furnish to the underwriters, if any, and to the Holders of the Registrable Securities covered by such Registration Statement, copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriters and such Holders and their respective counsel, (y) make such changes in such documents concerning the Holders prior to the filing thereof as such Holders, or their counsel, may reasonably request and (z) except in the case of a Registration under Section 3.3 not file any Registration Statement or Prospectus or amendments or supplements thereto to which the Holders, in such capacity, or the underwriters, if any, shall reasonably object;

(b) prepare and file with the SEC such amendments and posteffective amendments to such Registration Statement and supplements to the Prospectus as may be (x) reasonably requested by any Holder with Registrable Securities covered by such Registration Statement, (y) reasonably requested by any participating Holder (to the extent such request relates to information relating to such Holder), or (z) necessary to keep such Registration Statement effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(c) notify the participating Holders and the managing underwriter or underwriters, if any, and (if requested) confirm such notice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (a) when the

applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or any amendment or supplement thereto has been filed, (b) of any written comments by the SEC, or any request by the SEC or other federal or state governmental authority for amendments or supplements to such Registration Statement or such Prospectus, or for additional information (whether before or after the effective date of the Registration Statement) or any other correspondence with the SEC relating to, or which may affect, the Registration, (c) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC or any other regulatory authority preventing or suspending the use of any preliminary or final Prospectus or the initiation or threatening of any proceedings for such purposes, (d) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects and (e) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(d) promptly notify each selling Holder and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus or any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, when any Issuer Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus in order to comply with the Securities Act and, as promptly as reasonably practicable thereafter, prepare and file with the SEC, and furnish without charge to the selling Holders and the managing underwriter or underwriters, if any, an amendment or supplement to such Registration Statement or Prospectus, which shall correct such misstatement or omission or effect such compliance;

(e) to the extent the Company is eligible under the relevant provisions of Rule 430B under the Securities Act, if the Company files any Shelf Registration Statement, the Company shall include in such Shelf Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders) in order to ensure that the Holders may be added to such Shelf

Registration Statement at a later time through the filing of a Prospectus supplement rather than a posteffective amendment;

(f) use its reasonable best efforts to prevent, or obtain the withdrawal of, any stop order or other order or notice preventing or suspending the use of any preliminary or final Prospectus;

(g) promptly incorporate in a Prospectus supplement, Issuer Free Writing Prospectus or posteffective amendment such information as the managing underwriter or underwriters and the Holders of a majority of Registrable Securities being sold agree should be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such Prospectus supplement, Issuer Free Writing Prospectus or posteffective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Issuer Free Writing Prospectus or posteffective amendment;

(h) furnish to each selling Holder and each underwriter, if any, without charge, as many conformed copies as such Holder or underwriter may reasonably request of the applicable Registration Statement and any amendment or posteffective amendment or supplement thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(i) deliver to each selling Holder and each underwriter, if any, without charge, as many copies of the applicable Prospectus (including each preliminary Prospectus) and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder or underwriter (it being understood that the Company shall consent to the use of such Prospectus or any amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto);

(j) on or prior to the date on which the applicable Registration Statement becomes effective, use its reasonable best efforts to register or qualify, and cooperate with the selling Holders, the managing underwriter or underwriters, if any, and their respective counsel, in connection with the Registration or qualification of such Registrable Securities for offer and sale under the securities or “Blue Sky” laws of each state and other jurisdiction as any such selling Holder or managing underwriter or underwriters, if any, or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such Registration or qualification in effect for such

period as required by Section 3.1 or Section 3.2, as applicable, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(k) cooperate with the selling Holders and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request prior to any sale of Registrable Securities to the underwriters;

(l) use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Securities;

(m) make such representations and warranties to the Holders being registered, and the underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in public offerings similar to the offering then being undertaken;

(n) enter into such customary agreements (including underwriting and indemnification agreements) and take all such other actions as the Holders of a majority of Registrable Securities being sold or the managing underwriter or underwriters, if any, reasonably request in order to expedite or facilitate the Registration and disposition of such Registrable Securities;

(o) obtain for delivery to the Holders being registered and to the underwriter or underwriters, if any, an opinion or opinions from counsel for the Company dated the most recent effective date of the Registration Statement or, in the event of an Underwritten Public Offering, the date of the closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such Holders or underwriters, as the case may be, and their respective counsel;

(p) in the case of an Underwritten Public Offering, obtain for delivery to the Company and the managing underwriter or underwriters, with copies to the Holders included in such Registration or sale, a comfort letter from the Company's independent certified public accountants or independent auditors (and, if necessary, any other independent certified public accountants or independent auditors of any subsidiary of the Company or any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) in customary form and covering such matters of the type

customarily covered by comfort letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the closing under the underwriting agreement;

(q) cooperate with each seller of Registrable Securities and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(r) use its reasonable best efforts to comply with all applicable securities laws and, if a Registration Statement was filed, make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(s) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement;

(t) use its reasonable best efforts to cause all Registrable Securities covered by the applicable Registration Statement to be listed on each securities exchange on which any of the Company's equity securities are then listed or quoted and on each interdealer quotation system on which any of the Company's equity securities are then quoted;

(u) make available upon reasonable notice at reasonable times and for reasonable periods for inspection by a representative appointed by the Holders of a majority of Registrable Securities being sold, by any underwriter participating in any disposition to be effected pursuant to such Registration Statement and by any attorney, accountant or other agent retained by such Holders or any such underwriter, all pertinent financial and other records and pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such Registration Statement;

(v) in the case of an Underwritten Public Offering, cause the senior executive officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters in any such offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(w) take no direct or indirect action prohibited by Regulation M under the Exchange Act;

(x) take all reasonable action to ensure that any Issuer Free Writing Prospectus utilized in connection with any Registration complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related Prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(y) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities in accordance with the terms of this Agreement.

Section III.5.2.Company Information Requests. The Company may require each seller of Registrable Securities as to which any Registration or sale is being effected to furnish to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing and the Company may exclude from such Registration or sale the Registrable Securities of any such Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request. Each Holder agrees to furnish such information to the Company and to cooperate with the Company as reasonably necessary to enable the Company to comply with the provisions of this Agreement.

Section III.5.3.Discontinuing Registration. Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.5.1(d), such Holder will discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3.5.1(d), or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus, or any amendments or supplements thereto, and if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable Registration Statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended Prospectus contemplated by Section 3.5.1(d) or is advised in writing by the Company that the use of the Prospectus may be resumed.

Section III.6. Underwritten Offerings.

Section III.6.1.Shelf and Demand Registrations. If requested by the underwriters for any Underwritten Public Offering, pursuant to a Registration or sale under Sections 3.1 or 3.2, the Company shall enter into an underwriting agreement with such underwriters, such agreement to be reasonably satisfactory in substance and form to each of the Company, the participating Advent Investors and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type, including indemnities no less favorable to the recipient thereof than those provided in Section 3.9 of this Agreement. The Holders of the Registrable Securities proposed to be distributed by such underwriters shall cooperate with the Company in the negotiation of the underwriting agreement and shall give consideration to the reasonable suggestions of the Company regarding the form thereof, and such Holders shall complete and execute all questionnaires, powers of attorney and other documents reasonably requested by the underwriters and required under the terms of such underwriting arrangements. Any such Holder shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, such Holder's title to the Registrable Securities, such Holder's intended method of distribution and any other representations to be made by the Holder as are generally prevailing in agreements of that type, and the aggregate amount of the liability of such Holder under such agreement shall not exceed such Holder's proceeds from the sale of its Registrable Securities in the offering, net of underwriting discounts and commissions but before expenses.

Section III.6.2.Piggyback Registrations. If the Company proposes to register or sell any of its securities under the Securities Act as contemplated by Section 3.3 and such securities are to be distributed through one or more underwriters, the Company shall, if requested by any Holder pursuant to Section 3.3 and, subject to the provisions of Section 3.3.2, use its reasonable best efforts to arrange for such underwriters to include on the same terms and conditions that apply to the other sellers in such Registration or sale all the Registrable Securities to be offered and sold by such Holder among the securities of the Company to be distributed by such underwriters in such Registration or sale. The Holders of Registrable Securities to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and shall complete and execute all questionnaires, powers of attorney and other documents reasonably requested by the underwriters and required under the terms of such underwriting arrangements. Any such Holder shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, such Holder's title to the Registrable Securities, such Holder's intended method of distribution and any other representations to be made by the Holder as are generally prevailing in agreements of that type, and the aggregate amount of the liability of such Holder shall not exceed such Holder's proceeds from the sale of its Registrable Securities in the offering, net of underwriting discounts and commissions but before expenses.

Section III.6.3.Selection of Underwriters; Selection of Counsel. In the case of an Underwritten Public Offering under Sections 3.1 or 3.2, the managing underwriter or underwriters to administer the offering shall be determined by the participating Advent

Investors; provided that such underwriter or underwriters shall be reasonably acceptable to the Company. In the case of an Underwritten Public Offering under Section 3.3, the managing underwriter or underwriters to administer the offering shall be determined by the Company; provided that such underwriter or underwriters shall be reasonably acceptable to the participating Advent Investors. In the case of an Underwritten Public Offering under Sections 3.1, 3.2 or 3.3, legal counsel to the Holders shall be selected by the participating Advent Investors.

Section III.7. No Inconsistent Agreements; Additional Rights. Without the consent of the Advent Investors, neither the Company nor any of its subsidiaries shall hereafter enter into, and neither the Company nor any of its subsidiaries is currently a party to, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders by this Agreement. Neither the Company nor any of its subsidiaries shall enter into any agreement granting registration or similar rights to any Person, and the Company hereby represents and warrants that, as of the date hereof, no registration or similar rights have been granted to any other Person other than pursuant to this Agreement.

Section III.8. Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement shall be paid by the Company, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC or FINRA, (ii) all fees and expenses in connection with compliance with any securities or "Blue Sky" laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants or independent auditors of the Company and any subsidiaries of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with thencustomary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any interdealer quotation system, (viii) all reasonable fees and disbursements of legal counsel for the selling Holders, (ix) any reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (x) all fees and expenses incurred in connection with the distribution or Transfer of Registrable Securities to or by a Holder or its Permitted Transferees in connection with a Public Offering, (xi) all fees and expenses of any special experts or other Persons retained by the Company in connection with any Registration or sale, (xii) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties) and (xiii) all expenses related to the "road show" for any Underwritten Public Offering, including the reasonable outofpocket expenses of the Holders and underwriters, if so requested. All such expenses are referred to herein as "Registration Expenses". The Company shall not be required to pay any fees and disbursements to underwriters not customarily paid by the issuers of securities in an offering similar to the applicable offering, including underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of Registrable Securities.

Section III.9. Indemnification.

Section III.9.1.Indemnification by the Company. The Company shall indemnify and hold harmless, to the full extent permitted by law, each Holder, each shareholder, member, limited or general partner of such Holder, each shareholder, member, limited or general partner of each such shareholder, member, limited or general partner, each of their respective Affiliates, officers, directors, shareholders, employees, advisors, and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Persons and each of their respective Representatives from and against any and all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a "Loss" and collectively "Losses") arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities are registered or sold under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or any other disclosure document produced by or on behalf of the Company or any of its subsidiaries including any report and other document filed under the Exchange Act, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading or (iii) any violation or alleged violation by the Company or any of its subsidiaries of any federal, state, foreign or common law rule or regulation applicable to the Company or any of its subsidiaries and relating to action or inaction in connection with any such registration, disclosure document or other document or report; provided, that no selling Holder shall be entitled to indemnification pursuant to this Section 3.9.1 in respect of any untrue statement or omission contained in any information relating to such selling Holder furnished in writing by such selling Holder to the Company specifically for inclusion in a Registration Statement and used by the Company in conformity therewith (such information, "Selling Stockholder Information"). This indemnity shall be in addition to any liability the Company may otherwise have. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the Transfer of such securities by such Holder and regardless of any indemnity agreed to in the underwriting agreement that is less favorable to the Holders. The Company shall also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above (with appropriate modification) with respect to the indemnification of the indemnified parties.

Section III.9.2.Indemnification by the Selling Holders. Each selling Holder agrees (severally and not jointly) to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) from and against any Losses resulting from (i) any untrue statement of a material fact in any Registration Statement under which such Registrable Securities were registered or sold

under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or (ii) any omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission is contained in such selling Holder's Selling Stockholder Information. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the proceeds from the sale of its Registrable Securities in the offering giving rise to such indemnification obligation, net of underwriting discounts and commissions but before expenses, less any amounts paid by such Holder pursuant to Section 3.9.4 and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale.

Section III.9.3.Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that it is actually and materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (i) the indemnifying party has agreed in writing to pay such fees or expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (iii) the indemnified party has reasonably concluded (based upon advice of its counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, or (iv) in the reasonable judgment of any such Person (based upon advice of its counsel) a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If the indemnifying party assumes the defense, the indemnifying party shall not have the right to settle such action without the consent of the indemnified party. No indemnifying party shall consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation without the prior written consent of such indemnified party. If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its prior written consent, but such consent may not be unreasonably withheld. It is understood that the indemnifying party or parties shall not, except as specifically set forth in this Section 3.9.3, in connection with any proceeding or related proceedings in the same jurisdiction, be liable

for the reasonable fees, disbursements or other charges of more than one separate firm admitted to practice in such jurisdiction at any one time unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (y) an indemnified party has reasonably concluded (based on the advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (z) a conflict or potential conflict exists or may exist (based upon advice of counsel to an indemnified party) between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

Section III.9.4.Contribution. If for any reason the indemnification provided for in Section 3.9.1 and Section 3.9.2 is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein (other than as a result of exceptions or limitations on indemnification contained in Section 3.9.1 and Section 3.9.2), then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party or parties on the other hand in connection with the acts, statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. In connection with any Registration Statement filed with the SEC by the Company, the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 3.9.4 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 3.9.4. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an indemnified party as a result of the Losses referred to in Sections 3.9.1 and 3.9.2 shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 3.9.4, in connection with any Registration Statement filed by the Company, a selling Holder shall not be required to contribute any amount in excess of the dollar amount of the proceeds from the sale of its Registrable Securities in the offering giving rise to such contribution obligation, net of underwriting discounts and commissions but before expenses, less any amounts paid by such Holder pursuant to Section 3.9.2 and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale. If indemnification is available under this Section 3.9, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 3.9.1 and 3.9.2 hereof without regard to the provisions of this Section 3.9.4. The remedies provided for

in this Section 3.9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

Section III.9.5.Indemnification Priority. The Company hereby acknowledges and agrees that any of the Persons entitled to indemnification pursuant to Section 3.9.1 (each, a "Company Indemnitee" and collectively, the "Company Indemnitees") may have certain rights to indemnification, advancement of expenses and/or insurance provided by other sources. The Company hereby acknowledges and agrees (i) that it is the indemnitor of first resort (i.e., its obligations to a Company Indemnitee are primary and any obligation of such other sources to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Company Indemnitee are secondary) and (ii) that it shall be required to advance the full amount of expenses incurred by a Company Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement without regard to any rights a Company Indemnitee may have against such other sources. The Company further agrees that no advancement or payment by such other sources on behalf of a Company Indemnitee with respect to any claim for which such Company Indemnitee has sought indemnification, advancement of expenses or insurance from the Company shall affect the foregoing, and that such other sources shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Company Indemnitee against the Company.

Section III.10. Rules 144 and 144A and Regulation S. The Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Holder, make publicly available such necessary information for so long as necessary to permit sales that would otherwise be permitted by this Agreement pursuant to Rule 144, Rule 144A or Regulation S under the Securities Act, as such rules may be amended from time to time or any similar rule or regulation hereafter adopted by the SEC), and it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without Registration under the Securities Act in transactions that would otherwise be permitted by this Agreement and within the limitation of the exemptions provided by (i) Rule 144, Rule 144A or Regulation S under the Securities Act, as such rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements and, if not, the specifics thereof.

Section III.11. Existing Registration Statements. Notwithstanding anything herein to the contrary and subject to applicable law and regulation, the Company may satisfy any obligation hereunder to file a Registration Statement or to have a Registration Statement become effective by a specified date by designating, by notice to the Holders, a Registration Statement that previously has been filed with the SEC or become effective, as the case may be, as the relevant Registration Statement for purposes of satisfying such obligation, and all references to any such obligation shall be construed accordingly; provided that such previously filed Registration Statement may be, and is, amended or, subject to applicable securities laws, supplemented to add

the number of Registrable Securities, and, to the extent necessary, to identify as selling stockholders those Holders demanding the filing of a Registration Statement pursuant to the terms of this Agreement. To the extent this Agreement refers to the filing or effectiveness of other Registration Statements, by or at a specified time and the Company has, in lieu of then filing such Registration Statements or having such Registration Statements become effective, designated a previously filed or effective Registration Statement as the relevant Registration Statement for such purposes, in accordance with the preceding sentence, such references shall be construed to refer to such designated Registration Statement, as amended or supplemented in the manner contemplated by the immediately preceding sentence.

Article IV

MISCELLANEOUS

Section IV.1. Authority; Effect. Each party hereto represents and warrants to and agrees with each other party that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized on behalf of such party and do not violate any agreement or other instrument applicable to such party or by which its assets are bound. This Agreement does not, and shall not be construed to, give rise to the creation of a partnership among any of the parties hereto, or to constitute any of such parties members of a joint venture or other association. The Company and its subsidiaries shall be jointly and severally liable for all obligations of each such party pursuant to this Agreement.

Section IV.2. Notices. Any notices, requests, demands and other communications required or permitted in this Agreement shall be effective if in writing and (i) delivered personally, (ii) sent by email, or (iii) sent by overnight courier, in each case, addressed as follows:

If to the Company to:

Olaplex Holdings, Inc.
1187 Coast Village Rd., Suite 1520
Santa Barbara, CA 93108
Attention: Tiffany Walden, Chief Legal Officer
Email: tiffany@olaplex.com

with a copy (which shall not constitute notice) to:

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199
Attention: Craig Marcus, Esq.
Email: Craig.Marcus@ropesgray.com

If to any Advent Investor, to:

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 a copy (which shall not constitute notice) to:

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 02199
Attention: Craig Marcus, Esq.
Email: Craig.Marcus@ropesgray.com

If to any Investor other than an Advent Investor, to it at its address set forth in the most recent records of the Company.

Notice to the holder of record of any Registrable Securities shall be deemed to be notice to the holder of such securities for all purposes hereof.

Unless otherwise specified herein, such notices or other communications shall be deemed effective (i) on the date received, if personally delivered, (ii) on the date received if delivered by facsimile or email on a Business Day, or if not delivered on a Business Day, on the first Business Day thereafter and (iii) two (2) Business Days after being sent by overnight courier. Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto.

Section IV.3. Termination and Effect of Termination. This Agreement shall terminate upon the date on which no Holder holds any Registrable Securities, except for the provisions of Sections 3.9 and 3.10, which shall survive any such termination. No termination under this Agreement shall relieve any Person of liability for breach or Registration Expenses incurred prior to termination. In the event this Agreement is terminated, each Person entitled to indemnification rights pursuant to Section 3.9 hereof shall retain such indemnification rights with respect to any matter that (i) may be an indemnified liability thereunder and (ii) occurred prior to such termination.

Section IV.4. Permitted Transferees. The rights of a Holder hereunder may be assigned (but only with all related obligations as set forth below) in connection with a Transfer of Registrable Securities to a Permitted Transferee of that Holder. Without prejudice to any other or similar conditions imposed hereunder with respect to any such Transfer, no assignment permitted under the terms of this Section 4.4 will be effective unless the Permitted Transferee to which the assignment is being made, if not a Holder, has delivered to the Company a written acknowledgment and agreement in form and substance reasonably satisfactory to the Company that the Permitted Transferee will be bound by, and will be a party to, this Agreement. A

Permitted Transferee to whom rights are transferred pursuant to this Section 4.4 may not again transfer those rights to any other Permitted Transferee, other than as provided in this Section 4.4.

Section IV.5. Remedies. The parties to this Agreement shall have all remedies available at law, in equity or otherwise in the event of any breach or violation of this Agreement or any default hereunder. The parties acknowledge and agree that in the event of any breach of this Agreement, in addition to any other remedies that may be available, each of the parties hereto shall be entitled to specific performance of the obligations of the other parties hereto and, in addition, to such other equitable remedies (including preliminary or temporary relief) as may be appropriate in the circumstances. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any such delay, omission nor waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

Section IV.6. Amendments. This Agreement may not be orally amended, modified, extended or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be amended, modified, extended or terminated, and the provisions hereof may be waived, only by an agreement in writing signed by the Company and the Advent Investors; provided, however, that any amendment, modification, extension or termination that disproportionately and adversely affects any Holder shall require the prior written consent of such Holder. Each such amendment, modification, extension or termination shall be binding upon each party hereto. In addition, each party hereto may waive any right hereunder by an instrument in writing signed by such party.

Section IV.7. Governing Law. This Agreement and all claims arising out of or based upon this Agreement or relating to the subject matter hereof shall be governed by and construed in accordance with the domestic substantive laws of the State of New York without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

Section IV.8. Consent to Jurisdiction. Each party to this Agreement, by its execution hereof, (i) hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of New York for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof, (ii) hereby waives to the extent not prohibited by applicable law, and agrees not to assert, and agrees not to allow any of its subsidiaries to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the abovenamed courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the abovenamed courts is improper, or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court and (iii) hereby agrees not to commence or maintain any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before one of the abovenamed courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim,

cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the abovenamed courts whether on the grounds of inconvenient forum or otherwise. Notwithstanding the foregoing, to the extent that any party hereto is or becomes a party in any litigation in connection with which it may assert indemnification rights set forth in this Agreement, the court in which such litigation is being heard shall be deemed to be included in clause (i) above. Notwithstanding the foregoing, any party to this Agreement may commence and maintain an action to enforce a judgment of any of the abovenamed courts in any court of competent jurisdiction. Each party hereto hereby consents to service of process in any such proceeding in any manner permitted by New York law, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 4.2 hereof is reasonably calculated to give actual notice.

Section IV.9. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL 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 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 PARTIES HERETO THAT THIS SECTION 4.9 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 4.9 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section IV.10. Merger; Binding Effect, Etc. This Agreement constitutes the entire agreement of the parties with respect to its subject matter, supersedes all prior or contemporaneous oral or written agreements or discussions with respect to such subject matter, and shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective heirs, representatives, successors and permitted assigns. Except as otherwise expressly provided herein, no Holder or other party hereto may assign any of its respective rights or delegate any of its respective obligations under this Agreement without the prior written consent of the other parties hereto, and any attempted assignment or delegation in violation of the foregoing shall be null and void.

Section IV.11. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one instrument.

Section IV.12. Severability. In the event that any provision hereof would, under applicable law, be invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law. The provisions hereof are severable, and in the event

any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

Section IV.13. No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, the Company and each Holder covenant, agree and acknowledge that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, general or limited partner or member of any Holder or of any Affiliate or assignee thereof, as such, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Holder or any current or future member of any Holder or any current or future director, officer, employee, partner or member of any Holder or of any Affiliate or assignee thereof, as such, for any obligation of any Holder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement as of the date first above written.

Company:

OLAPLEX HOLDINGS, INC.

By: /s/ JuE Wong

Name: JuE Wong

Title: Chief Executive Officer

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement as of the date first above written.

Advent International GPE IX Limited Partnership
Advent International GPE IXB Limited Partnership
Advent International GPE IXC Limited Partnership
Advent International GPE IXF Limited Partnership
Advent International GPE IXG Limited Partnership
Advent International GPE IXH Limited Partnership
Advent International GPE IXI Limited Partnership
By:
GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner
Advent Partners GPE IX Cayman Limited Partnership
Advent Partners GPE IXA Cayman Limited Partnership
Advent Partners GPE IXB Cayman Limited Partnership
Advent Partners GPE IX Limited Partnership
Advent Partners GPE IXA Limited Partnership
By:
AP GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner
Advent International GPE IXA SCSP
Advent International GPE IXD SCSP
Advent International GPE IXE SCSP
Advent International GPE IX Strategic Investors SCSP
By:
GPE IX GP S.à r.l., General Partner
Advent International GPE IX, LLC, Manager
By:
Name: Justin Nuccio
Title: Manager
Advent International Corporation, Manager
By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

IN WITNESS WHEREOF, each of the undersigned has duly executed this Agreement as of the date first above written.

Advent International GPE IX Limited Partnership
Advent International GPE IXB Limited Partnership
Advent International GPE IXC Limited Partnership
Advent International GPE IXF Limited Partnership
Advent International GPE IXG Limited Partnership
Advent International GPE IXH Limited Partnership
Advent International GPE IXI Limited Partnership
By:
GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: _____
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner
Advent Partners GPE IX Cayman Limited Partnership
Advent Partners GPE IXA Cayman Limited Partnership
Advent Partners GPE IXB Cayman Limited Partnership
Advent Partners GPE IX Limited Partnership
Advent Partners GPE IXA Limited Partnership
By:
AP GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: _____
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner
Advent International GPE IXA SCSP
Advent International GPE IXD SCSP
Advent International GPE IXE SCSP
Advent International GPE IX Strategic Investors SCSP
By:
GPE IX GP S.à r.l., General Partner
Advent International GPE IX, LLC, Manager

By: /s/ Justin Nuccio
Name: Justin Nuccio
Title: Manager

Advent International Corporation, Manager

By: _____
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

LIMITED PARTNERS:
MOUSSERENA, L.P.

By: Serena Limited, its General Partner
By: /s/ Charles Heilbronn
Name: Charles Heilbronn
Title: Director

LIMITED PARTNERS:
ANTHOS CAPITAL IV, L.P.

By: Anthos Associates IV, L.P., its General Partner

By: Anthos Associates GP IV, LLC, its General Partner

By: /s/ Paul Farr
Name: Paul Farr
Title: Manager

ANTHOS TRIBE, L.P.

By: Anthos Tribe GP, LLC, its General Partner

By: /s/ Paul Farr
Name: Paul Farr
Title: Manager

LIMITED PARTNERS:

/s/ Tiffany Walden

Name: Tiffany Walden

LIMITED PARTNERS:

/s/ JuE Wong

Name: JuE Wong

LIMITED PARTNERS:

/s/ Paula Zusi

Name: Paula Zusi

LIMITED PARTNERS:

ODYS SPRL
By:

/s/ Isabelle Parize
Name: Isabelle Parize
Title: Partner

LIMITED PARTNERS:

/s/ Ali Kole

Name: Ali Kole

LIMITED PARTNERS:

/s/ Elizabeth Lempres

Name: Elizabeth Lempres

LIMITED PARTNERS:

By: **/s/** Janet Gurwitch

Name: Janet Gurwitch

[Signature Page to Registration Rights Agreement]

EXECUTION VERSION

INCOME TAX RECEIVABLE AGREEMENT

Dated as of September 29, 2021

This INCOME TAX RECEIVABLE AGREEMENT (as amended from time to time, this "Agreement"), dated as of September 29, 2021, is hereby entered into by and among Olaplex Holdings, Inc., a Delaware corporation (the "Corporation"), the persons listed on Annex A hereto (each a "TRA Party" and collectively the "TRA Parties") and each of the permitted successors and assigns thereto.

RECITALS

WHEREAS, prior to the IPO (as defined below), the TRA Parties transferred 100% of their equity interests in Penelope Group Holdings, L.P., a Delaware limited partnership, and 100% of their equity interests in Penelope Group Holdings GP II, LLC, a Delaware limited liability company, to the Corporation in exchange for capital stock of the Corporation and rights hereunder;

WHEREAS, pursuant to the IPO, the Corporation will become a public company;

WHEREAS, after the IPO, the Corporation and its Subsidiaries (collectively, the "Taxable Entities" and each a "Taxable Entity") will have the PreIPO Tax Assets;

WHEREAS, the PreIPO Tax Assets and the Imputed Interest may reduce the reported liability for Taxes that the Taxable Entities might otherwise be required to pay;

WHEREAS, the parties to this Agreement desire to make certain arrangements with respect to the effect of the PreIPO Tax Assets and Imputed Interest on the liability for Taxes of the Taxable Entities.

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

ARTICLE I

DEFINITIONS

Section I.01. Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings.

1 "Actual Tax Liability" means, with respect to any Taxable Year (or portion thereof), the actual liability of the Taxable Entities for U.S. federal, state and local income Taxes; provided, that, the actual liability for Taxes shall be calculated (i) assuming that Subsequently Acquired TRA Attributes do not exist, (ii) using the Blended Rate, solely for purposes of calculating the state and local Actual Tax Liability of the Taxable Entities, and (iii) assuming, solely for purposes of calculating the liability for U.S. federal income Taxes, in order to prevent double counting, that state and local income and franchise Taxes are not deductible by the Taxable Entities for U.S. federal income Tax purposes.

2 "Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

3 "Agreed Rate" means LIBOR plus 300 basis points.

4 "Agreement" is defined in the preamble of this Agreement.

5 "Amended Schedule" is defined in Section 2.03(b) of this Agreement.

6 "Applicable Percentage" means, with respect to any TRA Party, the percentage set forth opposite such TRA Party's name on Annex A, as amended from time to time to reflect any Permitted Assignment.

7 "Award Holder" means each Person who holds stock options or restricted stock units of the Corporation (each, a "Stock Award") issued pursuant to the plans set forth on Exhibit C to this Agreement, including the Persons set forth on Exhibit C to this Agreement.

8 "Bankruptcy Code" means Title 11 of the United States Code.

9 "Blended Rate" means, with respect to any Taxable Year (or portion thereof), the sum of the apportionmentweighted effective rates of Tax imposed on the aggregate net income of the Taxable Entities in each U.S. state or local jurisdiction in which the Taxable Entities file Tax Returns for such Taxable Year (or portion thereof), with the maximum effective rate in any state or local jurisdiction being equal to the product of (i) the apportionment factor on the income or franchise Tax Return in such jurisdiction for such Taxable Year (or portion thereof) and (ii) the maximum applicable corporate income Tax rate in effect in such jurisdiction in such Taxable Year. As an illustration of the calculation of Blended Rate for a Taxable Year, if the Taxable Entities solely file Tax Returns in State 1 and State 2 in a Taxable Year, the maximum applicable corporate income Tax rates in effect in such states in such Taxable Year are 6.5% and 5.5%, respectively, and the apportionment factors for such states in such Taxable Year are 60% and 40%, respectively, then the Blended Rate for such Taxable Year is equal to 6.10% (i.e., the sum of (a) 6.5% multiplied by 60%, plus (b) 5.5% multiplied by 40%).

10 "Board" means the board of directors of the Corporation.

11 "Business Day" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of New York shall not be regarded as a Business Day.

12 **"**Change of Control" means the occurrence of any of the following events or series of related events after the date hereof:

(i) a Person, or group of Persons acting together which would constitute a "group" for purposes of Section 13(d) of the Exchange Act, or any successor provisions, thereto, is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing more than 50% of the combined voting power of the Corporation's thenoutstanding voting securities (other a group comprised of the TRA Parties and their Affiliates);

(ii) there is consummated a merger, consolidation or similar business transaction involving the Corporation with any other Person or Persons, and either (x) the Board of the Corporation immediately prior to the merger or consolidation does not constitute at least a majority of the board of directors of the company surviving the merger or, if the surviving company is a subsidiary, the ultimate parent thereof, or (y) immediately after the consummation of such transaction, the voting securities of the Corporation immediately prior to such transaction do not continue to represent or are not converted into more than 50% of the combined voting power of the thenoutstanding voting securities of the Person resulting from such transaction or, if the surviving company is a subsidiary, the ultimate parent thereof;

(iii) the shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Corporation of all or substantially all of the Corporation's assets, other than such sale or other disposition by the Corporation of all or substantially all of the Corporation's assets to an entity at least fifty percent (50%) of the combined voting power of the voting securities of which are owned by shareholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such sale;

(iv) the following individuals cease for any reason to constitute a majority of the number of directors of the Board of the Corporation then serving: individuals who were directors of the Corporation on the IPO Date and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election to the Board of the Corporation or nomination for election by the Corporation's shareholders was approved or recommended by a vote of at least twothirds (2/3) of the directors then still in office who either were directors of the Corporation on the IPO Date or whose appointment, election or nomination for election was previously so approved or recommended by the directors referred to in this clause (iv);

(v) a "change of control" or similar defined term in any agreement governing indebtedness for borrowed money of the Corporation or any of its Subsidiaries with aggregate principal amount or aggregate commitments outstanding in excess of $100,000,000;

(vi) there is consummated a transaction or series of related transactions in which the Corporation, directly or indirectly, sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to another Person other than an Affiliate; or

(vii) there is consummated a sale of securities, merger, consolidation, reorganization, recapitalization or other transaction as a result of which the voting securities of the Corporation cease to be listed on the national securities exchange on which such securities were listed.

13 "Code" means the Internal Revenue Code of 1986, as amended.

14 "Compensatory Payment" means any payment hereunder made to an Award Holder in respect of any Applicable Percentage attributable to a Stock Award.

15 "Compensatory Payment Settlement Date" means the fifth anniversary of the date of this Agreement.

16 "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

17 "Corporation" is defined in the preamble of this Agreement.

18 "Credit Event" means the occurrence of any of the following events:

(i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (x) liquidation, reorganization or other relief in respect of the Corporation or any of its Subsidiaries or its debts, or of a substantial part of its assets, under any federal, state or nonU.S. bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (y) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Corporation or any of its Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed or unstayed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered, which order or decree has not been dismissed or stayed;

(ii) the Corporation or any of its Subsidiaries shall (u) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or nonU.S. bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (i) above, (w) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Corporation or any Subsidiary of the Corporation or for a substantial part of its assets, (x) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (y) make a general assignment for the benefit of creditors or (z) take any action for the purpose of effecting any of the foregoing; or

(iii) the Corporation or any of its Subsidiaries engages in any other action or fails to take any action that constitutes an 'event of default' (after the expiration of all grace periods and cure rights) under any indebtedness for borrowed money having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $350 million if such event of default (x) entitles the relevant creditors to immediately accelerate such indebtedness and (y) is not waived by the applicable creditors or cured by the Corporation within 30 days of an officer of the Corporation obtaining actual knowledge thereof.

19 "Credit Event Acceleration" is defined in Section 4.01(c) of this Agreement.

20 "Credit Event Notice" is defined in Section 4.01(c) of this Agreement.

21 "Default Rate" means LIBOR plus 500 basis points.

22 "Determination" shall (a) have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of state or local Tax law, as applicable, or (b) mean any other event (including the execution of a Form 870AD) that finally and conclusively establishes the amount of any liability for Tax.

23 "Divestiture" means the sale or other divestiture of any Taxable Entity, other than (x) any such sale that is or is part of a Change of Control or (y) a liquidation or merger of a Taxable Entity with and into another Taxable Entity so long as such other Taxable Entity inherits the PreIPO Tax Assets, if any, of such firstmentioned Taxable Entity as of the time of such transaction.

24 "Divestiture Acceleration Payment" is defined in Section 4.03(c) of this Agreement.

25 "Early Termination Date" means the date of delivery of an Early Termination Notice for purposes of determining the Early Termination Payment or such other date as may be agreed to by the TRA Representative and the Corporation.

26 "Early Termination Notice" is defined in Section 4.02 of this Agreement.

27 "Early Termination Payment" is defined in Section 4.03(b) of this Agreement.

28 "Early Termination Rate" means LIBOR plus 100 basis points.

29 "Early Termination Schedule" is defined in Section 4.02 of this Agreement.

30 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

31 "Expert" is defined in Section 7.08 of this Agreement.

32 "Hypothetical Tax Liability" means, with respect to any Taxable Year (or portion thereof), the liability for Taxes of the Taxable Entities, calculated in each case using the same methods, elections, conventions, and practices used on the relevant Tax Return, but (i) calculated without taking into account the PreIPO Tax Assets or the deduction attributable to Imputed Interest, if any, (ii) using the Blended Rate, solely for purposes of calculating the state and local Hypothetical Tax Liability of the Taxable Entities, and (iii) assuming, solely for purposes of calculating the liability for U.S. federal income Taxes, in order to prevent double counting, that state and local income and franchise Taxes are not deductible by the Taxable Entities for U.S. federal income Tax purposes. Furthermore, the Hypothetical Tax Liability shall be calculated assuming that the Subsequently Acquired TRA Attributes do not exist.

33 "Imputed Interest" means any interest imputed under Section 1272, 1274 or 483 or other provision of the Code and any similar provision of state and local tax law with respect to the Corporation's payment obligations under this Agreement.

34 "Initial Debt Documents" is defined in Section 5.02 of this Agreement.

35 "Interest Amount" is defined in Section 3.01(b) of this Agreement.

36 "IPO" means the initial public offering of common stock of the Corporation pursuant to the registration statement on Form S1 (File No. 333259116) of the Corporation.

37 "IPO Date" means the closing date of IPO.

38 "ITR Payment" means any Tax Benefit Payment, Early Termination Payment, or Divestiture Acceleration Payment required to be made by the Corporation to the TRA Parties under this Agreement.

39 "LIBOR" means, during any period, the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Corporation as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of such period as the London interbank offered rate for U.S. dollars having a borrowing date and a maturity comparable to such period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any LIBOR Alternate Source, a comparable replacement rate determined by the Corporation at such time, which determination shall be conclusive absent manifest error); provided, that, at no time shall LIBOR be less than 0%.

40 "Majority TRA Parties" means the subset of TRA Parties with Applicable Percentages that, when added together, collectively constitute at least 50.1% of the Applicable Percentages corresponding to all TRA Parties in the aggregate.

41 "Net Tax Benefit" is defined in Section 3.01(b) of this Agreement.

42 "NOLs" means, for applicable Tax purposes, net operating losses, capital losses, interest expense (including business interest subject to limitation under Section 163(j) of the Code), charitable deductions, alternative minimum tax credit carryforwards, any Tax attributes subject to carryforward under Section 381 of the Code, and federal and state tax credits.

43 "Objection Notice" is defined in Section 2.03(a) of this Agreement.

44 "Payment Date" means any date on which a payment is required to be made pursuant to this Agreement.

45 "Permitted Assignee" means any Person who receives rights under this Agreement pursuant to a Permitted Assignment.

46 "Permitted Assignment" means any assignment of all or a portion of the rights of a TRA Party in accordance with this Agreement.

47 "Permitted Debt Documents" is defined in Section 5.02 of this Agreement.

48 "Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

49 "PreIPO Tax Assets" means NOLs that have accrued or otherwise relate to taxable periods (or portions thereof) beginning prior to the IPO Date, any U.S. federal income amortization deductions, and the reduction of income and gain, attributable to any Tax basis in any "amortizable section 197 intangibles" (as defined in Code Sections 197(c) and (d)) owned by any of the Taxable Entities on the IPO Date (including, for the avoidance of doubt, any additional tax basis in such assets arising from payments made on or after the IPO Date that are intended to be treated for U.S. federal income tax purposes as adjustments to the purchase price for such assets), and any startup expenditures described in Code Section 195 incurred prior to the IPO Date (and associated amortization deductions), and any carryforwards or carrybacks of any losses arising from the foregoing (and any disallowed interest expense carryforwards under Section 163(j) of the Code); provided, that, in the case of a taxable period of a Taxable Entity beginning on or prior to the date of the IPO and ending after the date of the IPO (a "Straddle Period"), the NOLs included in the calculation of PreIPO Tax Assets of a Taxable Entity for such Straddle Period shall for purposes of this Agreement be calculated based on an interim closing of the books as of the close of the IPO Date (and for such purpose, the taxable period of any partnership or other passthrough entity or any "controlled foreign corporation" within the meaning of Section 957 of the Code in which the Taxable Entity owns a beneficial interest shall be deemed to terminate at such time), except that the amount of exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, with respect to such Straddle Period shall be treated as apportioned on a daily basis; provided, further, PreIPO Tax Assets shall not include NOLs of any corporation or other entity acquired by a Taxable Entity by purchase, merger, or otherwise (in each case, from a Person or Persons other than a Taxable Entity and whether or not such corporation or other entity survives) after the IPO that relate to periods (or portions thereof) ending on or prior to the date of such acquisition. For the avoidance of doubt, "PreIPO Tax Assets" includes amortization and other deductions that arise in a taxable period (or portions thereof) beginning on or after the IPO Date to the extent attributable to "amortizable section 197 intangibles" (including, for the avoidance of doubt, any additional tax basis in such assets arising from payments made on or after the IPO date that are intended to be treated for U.S. federal income tax purposes as adjustments to the purchase price for such assets) that any of the Taxable Entities own as of the IPO Date or to startup expenditures incurred by any of the Taxable Entities prior to the IPO Date.

50 "Realized Tax Benefit" means, for a Taxable Year, the excess, if any, of the Hypothetical Tax Liability over the Actual Tax Liability of the Taxable Entities assuming for purposes of calculating any actual liability that the Taxable Entities utilize the PreIPO Tax Assets and any deduction attributable to Imputed Interest to the maximum extent permitted by law as early as may be permitted by applicable law. If all or a portion of the Actual Tax Liability for the Taxable Year arises as a result of an audit or similar proceeding by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination.

51 "Reconciliation Dispute" is defined in Section 7.08 of this Agreement.

52 "Reconciliation Procedures" means those procedures set forth in Section 7.08 of this Agreement.

53 "Schedule" means, as applicable, any Tax Benefit Schedule and the Early Termination Schedule.

54 "Stock Award" is defined in the definition of "Award Holder".

55 "Straddle Period" is defined in the definition of "PreIPO Tax Assets".

56 "Subsequently Acquired TRA Attributes" means any net operating losses or other tax attributes to which any of the Taxable Entities or any entity in which they hold a direct or indirect equity interest become entitled as a result of a transaction after the IPO Date to the extent such net operating losses and other tax attributes are subject to a tax receivable agreement (or comparable agreement) entered into by any of the Taxable Entities or any of its Affiliates pursuant to which any Taxable Entity is obligated to pay over amounts with respect to tax benefits resulting from such net operating losses or other tax attributes.

57 "Subsidiaries" means, with respect to any Person, as of any date of determination, any other Person as to which such Person owns, directly or indirectly, or otherwise controls more than 50% of the voting power (or other similar interests) or the sole general partner interest or managing member or similar interest of such Person.

58 "Tax Benefit Payment" is defined in Section 3.01(b) of this Agreement.

59 "Tax Benefit Schedule" is defined in Section 2.02 of this Agreement.

60 "Tax Return" means any return, declaration, report or similar statement required to be filed with respect to Taxes (including any attached schedules), including any information return, claim for refund, amended return and declaration of estimated Tax.

61 "Taxable Entity" is defined in the recitals of this Agreement.

62 "Taxable Entity Return" means the federal income Tax Return of a Taxable Entity filed with respect to a federal Taxable Year and/or state and/or local income (or similar, including franchise, as applicable) Tax Return, as applicable, of the Taxable Entity filed with respect to a Taxable Year ending with or within such federal Taxable Year.

63 "Taxable Year" means a taxable year as defined in Section 441(b) of the Code or comparable section of state or local Tax law, as applicable (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made), ending on or after the date hereof.

64 "Tax" and "Taxes" means any and all U.S. federal, state and local taxes, assessments or similar charges measured with respect to net income or profits, and any interest, penalties or additions related to such taxes.

65 "Taxing Authority" means any domestic, federal, national, state, county or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasigovernmental body exercising any taxing authority or any other authority exercising Tax regulatory authority.

66 "TRA Party" and "TRA Parties" are defined in the preamble of this Agreement.

67 "TRA Representative" means Penelope Group Holdings GP, LLC or any Person selected by a majority of the TRA Parties pursuant to Section 7.12(a) of this Agreement.

68 "Transferred Tax Asset" means, in the event of a Divestiture, the PreIPO Tax Assets attributable to the Taxable Entities that are sold in such Divestiture to the extent such PreIPO Tax Assets are transferred with such Taxable Entities under applicable Tax law (including under Sections 381 and 1502 of the Code and the Treasury Regulations promulgated thereunder, and any corresponding provisions of state and local law) following the Divestiture (disregarding any limitation on the use of such PreIPO Tax Assets as a result of the Divestiture) and do not remain under applicable Tax law with the Corporation or any of its Subsidiaries (other than the Taxable Entities sold in such Divestiture).

69 "Valuation Assumptions" means, as of an Early Termination Date, the assumptions that:

(i) in each Taxable Year ending on or after such Early Termination Date (and each prior Taxable Year with respect to which the Tax Benefit Schedule has not become final in accordance with the terms of this Agreement), each Taxable Entity will generate an amount of taxable income sufficient to fully use the PreIPO Tax Assets and deductions or loss carryforwards with respect to any Imputed Interest that are available for use in such year (taking into account the rules and limitations under Section 382 of the Code and the Treasury Regulations promulgated thereunder as well as the rules relating to the treatment of "net unrealized builtin gain" and "net unrealized builtin loss," applying the principles described in Notice 200365, 20032 C.B. 747, and the "Section 338 approach" to the extent available as of the Early Termination Date; it being understood, for the avoidance of doubt, that any deductions that would have arisen as a result of a portion of a hypothetical Tax Benefit Payment being treated as Imputed Interest pursuant to this Agreement are not subject to such rules and limitations described in Section 382 of the Code and the Treasury Regulations promulgated thereunder or the rules relating to the treatment of "net unrealized builtin gain" and "net unrealized builtin loss" described in Notice 200365, 20032 C.B. 747);

(ii) the utilization of the PreIPO Tax Assets and the deductions or loss carryforwards with respect to any Imputed Interest for such Taxable Year or future Taxable Years, as applicable, will be determined based on the Tax laws in effect on the Early Termination Date;

(iii) the U.S. federal income tax rates that will be in effect for each Taxable Year will be those specified for such Taxable Year by the Code and other law as in effect on the Early Termination Date, except to the extent any change to such tax rates for such Taxable Year have already been enacted into law;

(iv) all taxable income of the Taxable Entities will be subject to the maximum applicable tax rate for U.S. federal income tax purposes throughout the relevant period, and the tax rate for U.S. state and local income taxes shall be the Blended Rate as in effect for the Taxable Year of the Early Termination Date; and

(v) any nonamortizable assets will be disposed of in a fully taxable transaction for an amount sufficient to fully utilize the adjusted basis for such assets, including any adjustments attributable to such assets under Sections 734 and 743 of the Code (and, in each case, the comparable sections of U.S. state and local tax law) on the fifteenth anniversary of the IPO Date; provided, that, in the event of a Change of Control that includes the sale of such asset (or the sale of equity interests in a partnership or disregarded entity for U.S. federal income tax purposes that directly or indirectly owns such asset), such nonamortizable assets shall be disposed of at the time of the direct or indirect sale of the relevant asset in such Change of Control (if earlier than such fifteenth anniversary) for such price.

Section I.02. Terms Generally. In this Agreement, unless otherwise specified or where the context otherwise requires:

(a) the headings of particular provisions of this Agreement are inserted for convenience only and will not be construed as a part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement;

(b) words importing any gender shall include other genders;

(c) words importing the singular only shall include the plural and vice versa;

(d) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation";

(e) the words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement;

(f) references to "Articles," "Exhibits," "Sections" or "Schedules" shall be to Articles, Exhibits, Sections or Schedules of or to this Agreement;

(g) references to any Person include the successors and permitted assigns of such Person;

(h) references to any agreement, contract or schedule, unless otherwise stated, are to such agreement, contract or schedule as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; and

(i) the parties hereto have participated collectively in the negotiation and drafting of this Agreement; accordingly, in the event an ambiguity or question of intent or interpretation arises, it is the intention of the parties that this Agreement shall be construed as if drafted collectively by the parties hereto, and that no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any provisions of this Agreement.

ARTICLE II

DETERMINATION OF REALIZED TAX BENEFIT

Section II.01. PreIPO Tax Assets. The Corporation, on the one hand, and the TRA Parties, on the other hand, acknowledge that the Taxable Entities may utilize the PreIPO Tax Assets to reduce the amount of Taxes that the Taxable Entities would otherwise be required to pay in the future.

Section II.02. Tax Benefit Schedule. Within ninety (90) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for any federal Taxable Year in which there is a Realized Tax Benefit, the Corporation shall provide to the TRA Representative a schedule showing, in reasonable detail, (i) the calculation of the Realized Tax Benefit for such federal Taxable Year, and (ii) the calculation of any payment to be made to the TRA Parties pursuant to Article III with respect to such federal Taxable Year (collectively a "Tax Benefit Schedule"). Concurrently, the Corporation shall also deliver to the TRA Representative all supporting information (including work papers and valuation reports) reasonably necessary to support the calculation of such payment. Each Schedule shall become final as provided in Section 2.03(a) and may be amended as provided in Section 2.03(b) (subject to the procedures set forth in Section 2.03(a)).

Section II.03. Procedures; Amendments.

(a) Procedure. Each time the Corporation delivers to the TRA Representative an applicable Schedule under this Agreement, including any Amended Schedule delivered pursuant to Section 2.03(b), and including any Early Termination Schedule or amended Early Termination Schedule, the Corporation shall also (x) deliver to the TRA Representative the schedules, valuation reports, if any, and work papers, as determined by the Corporation or as reasonably requested by the TRA Representative, providing reasonable detail regarding the preparation of the Schedule (the cost and expense of which shall be paid by the Corporation) and (y) allow the TRA Representative reasonable access at no cost to the appropriate representatives of the Corporation, as determined by the Corporation or as reasonably requested by the TRA Representative, in connection with a review of such Schedule. The applicable Schedule shall become final and binding on all parties unless the TRA Representative, within thirty (30) calendar days after receiving any Schedule or amendment thereto, provides the Corporation with notice of an objection to such Schedule (an "Objection Notice") made in good faith. A Schedule shall also become final and binding upon the TRA Representative confirming in writing that it shall not provide an Objection Notice with respect to such Schedule. If the parties, for any reason, are unable to successfully resolve the issues raised in any Objection Notice within thirty (30) calendar days of receipt by the Corporation of such Objection Notice, the Corporation and the TRA Representative shall employ the Reconciliation Procedures.

(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporation (i) in connection with a Determination affecting such Schedule, (ii) to correct inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was provided to the TRA Representative, (iii) to comply with the Expert's determination under the

Reconciliation Procedures, (iv) to reflect a change (relative to the amounts in the original Schedule) in the Realized Tax Benefit for the relevant federal Taxable Year attributable to a carryback or carryforward of a loss or other Tax item to a Taxable Year, or (v) to reflect a change (relative to the amounts in the original Schedule) in the Realized Tax Benefit for the relevant federal Taxable Year attributable to an amended Tax Return filed for a Taxable Year (such Schedule, an "Amended Schedule"); provided, however, that an amendment under clause (i) attributable to an audit of a Tax Return by an applicable Taxing Authority shall not be made on an Amended Schedule unless and until there has been a Determination with respect to such change. The Corporation shall provide any Amended Schedule to the TRA Representative within thirty (30) calendar days of the occurrence of an event referred to in clauses (i) through (v) of the preceding sentence, and any such Amended Schedule shall be subject to approval procedures similar to those described in Section 2.03(a).

(c) Projected Tax Benefit Schedule. At the request of the TRA Representative, the Corporation shall promptly provide a schedule showing in reasonable detail the Corporation's good faith projections of (i) its taxable income and gain for the current Taxable Year and the succeeding Taxable Years, (ii) the payments to be made to the TRA Representative and its Affiliates pursuant to this Agreement and (iii) such other information reasonably requested by the TRA Representative. Notwithstanding Section 7.11, the TRA Representative may provide such schedule to prospective transferees of its rights pursuant to this Agreement; provided, that, the Corporation may require a prospective transferee to execute a customary nondisclosure agreement prior to receiving such schedule.

ARTICLE III

TAX BENEFIT PAYMENTS

Section III.01. Payments.

(a) Timing of Payments. Within five (5) Business Days of a Tax Benefit Schedule with respect to a federal Taxable Year (for the avoidance of doubt, including, without duplication, any state or local Taxable Year ending with or within such Taxable Year) delivered to the TRA Representative becoming final in accordance with the terms hereof, the Corporation shall pay to each TRA Party for such Taxable Year(s) its share (based on such TRA Party's Applicable Percentage) of the Tax Benefit Payment for such federal Taxable Year determined pursuant to Section 3.01(b). Each such share of a Tax Benefit Payment shall be made by wire transfer of immediately available funds to a bank account of the applicable TRA Party previously designated by the TRA Party to the Corporation, or as otherwise agreed by the Corporation and the TRA Party. For the avoidance of doubt, no Tax Benefit Payment shall be made in respect of estimated Tax payments, including estimated federal income Tax payments.

(b) A "Tax Benefit Payment" for a federal Taxable Year means an amount, not less than zero, equal to eightyfive percent (85%) of the sum of the Net Tax Benefit (as defined below) for such Taxable Year and the Interest Amount (as defined below) for such Taxable Year. The "Net Tax Benefit" for a federal Taxable Year shall equal: (i) the Taxable Entities' Realized Tax Benefit, if any, for such Taxable Year *plus* (ii) the amount of the excess (if any) of the Realized Tax Benefit reflected on an Amended Schedule for a previous federal Taxable Year

over the Realized Tax Benefit reflected on the previous Tax Benefit Schedule for such previous Taxable Year, *minus* (iii) the excess (if any) of the Realized Tax Benefit reflected on a previous Tax Benefit Schedule for a previous federal Taxable Year over the Realized Tax Benefit reflected on an Amended Schedule for such previous Taxable Year; provided, however, that, to the extent the excess amounts described in clauses (ii) and (iii) of this definition were taken into account in determining any Tax Benefit Payment in a preceding federal Taxable Year, such amounts shall not be taken into account in determining a Tax Benefit Payment attributable to any other Taxable Year; provided, further, that the TRA Parties shall not be required to return any portion of any previously made Tax Benefit Payment. The "Interest Amount" for a federal Taxable Year shall equal the interest on any Net Tax Benefit for such Taxable Year calculated at the Agreed Rate from the due date (without extensions) for filing the Corporation's U.S. federal income Tax Return with respect to Taxes for the Taxable Year for which the Net Tax Benefit is being measured through the applicable Payment Date; provided, that, in the case of a state or local Taxable Year of a Taxable Entity that ends within and not with such federal Taxable Year, the interest on the portion of the Net Tax Benefit attributable to such state or local Taxable Year shall be calculated at the Agreed Rate from the due date (without extensions) for filing the Taxable Entity's corresponding state or local income Tax Return with respect to Taxes for such state or local Taxable Year through the applicable Payment Date.

Section III.02. **No Duplicative Payments**. It is intended that the provisions of this Agreement will not result in duplicative payment of any amount (including interest) required under this Agreement, and this Agreement shall be construed and interpreted in accordance with such intention. It is intended that 85% of all Realized Tax Benefits for all Taxable Years (in addition to the Interest Amounts contemplated by this Agreement) be paid by the Corporation (subject to the provisions of Article IV).

Section III.03. **Special Rule for Compensatory Payments**.

(a) General Rule. Notwithstanding any other provision of this Agreement, no Compensatory Payments shall, except as provided in Section 3.03(b) and Section 3.03(c), be made under this Agreement other than on the Compensatory Payment Settlement Date. On the Compensatory Payment Settlement Date, the Corporation shall pay to each Award Holder an amount equal to the sum of (x) all Compensatory Payments that, but for this Section 3.03, would have been made to such TRA Party prior to the Compensatory Payment Settlement Date, plus interest (at a rate of 120% of the applicable federal longterm rate (as prescribed under Section 1274(d) of the Code)) on each such Compensatory Payment from the date such payment would have been made (absent this Section 3.03) through the Compensatory Payment Settlement Date, (y) an amount equal to the Corporation's good faith estimate of the present value, discounted at the Early Termination Rate as of the Compensatory Payment Settlement Date, of all Compensatory Payments that would have been made hereunder (absent this Section 3.03) to the applicable TRA Party subsequent to the Compensatory Payment Settlement Date, and (z) the amount set forth in Section 3.03(e). No TRA Party shall have a right to receive any Compensatory Payments (other than the payment contemplated by the preceding sentence) with respect to any ITR Payments made subsequent to the Compensatory Payment Settlement Date.

(b) Change of Control. Notwithstanding any provision of Section 3.03(a), in the event of a Change of Control that constitutes a "change in control event" (within the meaning of

Section 409A of the Code) prior to the Compensatory Payment Settlement Date, the Compensatory Payment Settlement Date shall be deemed to be the date of such Change of Control.

(c) Limited Early Cashout. The Corporation, after obtaining the prior written consent of the TRA Representative, may deem the Compensatory Payment Settlement Date to be a date prior to the fifth anniversary of the date of this Agreement, but only to the extent permitted by Treasury Regulation Section 1.409A3(j)(4).

(d) Special Rules Affect Only Timing. For clarity, for purposes of determining amounts that would be payable pursuant to Article II, this Article III (other than this Section 3.03) and Article IV in respect of portions of the Applicable Percentage attributable to Stock Awards, all determinations shall be made as if all Compensatory Payments that would, absent this Section 3.03, have been made prior to the date of the applicable determination had in fact been made on the dates they would have been made absent this Section 3.03.

(e) Special Forfeiture Rule. In the event that a TRA Party forfeits all or any portion of a Stock Award subsequent to the date that, but for this Section 3.03, a Compensatory Payment in respect of such forfeited Stock Award or portion thereof, as applicable, would have been made to such TRA Party, such Compensatory Payment (and all interest thereon) shall be forfeited concurrently with the forfeiture of the underlying Stock Award and shall not be distributed pursuant to this Section 3.03; provided, that, such forfeited amount (and all interest thereon) shall be paid by the Corporation on the Compensatory Payment Settlement Date to the TRA Parties (excluding, for the avoidance of doubt, the TRA Party that incurred the forfeiture) on a pro rata basis based on each TRA Party's Attributable Percentage as of the Compensatory Payment Settlement Date.

ARTICLE IV

TERMINATION

Section IV.01. Termination, Early Termination and Breach of Agreement.

(a) The Corporation may terminate this Agreement (other than in respect of Award Holders) by paying each TRA Party its share (based on such TRA Party's Applicable Percentage) of the Early Termination Payment. Upon payment of the Early Termination Payment by the Corporation to the TRA Parties, no Taxable Entity shall have any further payment obligations under this Agreement, other than any Tax Benefit Payment agreed to by the Corporation and the TRA Representative as due and payable but unpaid as of the Early Termination Date (except to the extent that such amount is included in the Early Termination Payment) other than any Compensatory Payments subsequently due under Section 3.03; and any Tax Benefit Payment due for the Taxable Year ending prior to, with or including such date (except to the extent that such amount is included in the Early Termination Payment).

(b) In the event that the Corporation breaches any of its material obligations under this Agreement, whether as a result of failure to make any payment when due, a failure to honor any other material obligation required hereunder or by operation of law as a result of the rejection of this Agreement in a case commenced under the Bankruptcy Code or otherwise, then

all obligations hereunder shall accelerate, and such obligations shall be calculated and finalized pursuant to this Article IV as if an Early Termination Notice had been delivered on the date of such breach and shall include (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the date of such breach; (2) any Tax Benefit Payment agreed to by the Corporation and the TRA Representative as due and payable but as yet unpaid (except to the extent that such amount is included in the Early Termination Payment); and (3) any Tax Benefit Payment due for the Taxable Year ending prior to, with or including such date (except to the extent that such amount is included in the Early Termination Payment). Except as otherwise provided in the last sentence of Section 7.06(a), the TRA Representative is the only person that may assert the Corporation has breached any of its material obligations under this Agreement. Notwithstanding the foregoing, in the event that the Corporation breaches this Agreement, the TRA Representative shall be entitled to elect for the TRA Parties to receive the amounts set forth in (1), (2) and (3) above or to seek specific performance of the terms hereof. The parties agree that the failure to make any payment due pursuant to this Agreement within three months of the date such payment is due shall be deemed to be a breach of a material obligation under this Agreement for all purposes of this Agreement and that it will not be considered to be a breach of a material obligation under this Agreement to make a payment due pursuant to this Agreement within three months of the date such payment is due; provided, that, in the event that payment is not made within three months of the date such payment is due, the TRA Representative shall, prior to claiming a breach by the Corporation pursuant to this Section 4.01(b) for making untimely payments, be required to give written notice to the Corporation that the Corporation has breached its material obligations, and so long as such payment is made within five (5) Business Days of the delivery of such notice to the Corporation, the Corporation shall no longer be deemed to be in breach of its material obligations under this Agreement as a result of such untimely payments. The parties agree that any breach of Section 7.13 of this Agreement by the Corporation (without obtaining the advance written consent of the TRA Representative) shall be deemed to be a breach of a material obligation under this Agreement.

(c) Acceleration Upon a Credit Event. In the event that either party becomes aware that the circumstances described in clause (iii) in the definition of Credit Event exist and are continuing, such party shall provide written notice to the other party (the "Credit Event Notice"). In the event that any such Credit Event is continuing thirty days after delivery of such Credit Event Notice, or upon the occurrence of an event described in clauses (i) and (ii) in the definition of Credit Event, all obligations hereunder shall be accelerated (a "Credit Event Acceleration") and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of the Credit Event and shall include, (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the date of the Credit Event; (2) any Tax Benefit Payment agreed to by the Corporation and the TRA Representative as due and payable but unpaid as of such date; and (3) any Tax Benefit Payment due for the Taxable Year ending prior to, with or including such date (except to the extent that such amount is included in the Early Termination Payment).

(d) Change of Control. In the event of a Change of Control, all obligations hereunder shall accelerate, and such obligations shall (except as otherwise provided in this Section 4.01(d)) be calculated and finalized pursuant to this ARTICLE IV as if an Early Termination Notice had been delivered on the date of the Change of Control and shall include (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the effective date of

the Change of Control; (2) any Tax Benefit Payment agreed to by the Corporation and the TRA Representative as due and payable but as yet unpaid (except to the extent that such amount is included in the Early Termination Payment) and (3) any Tax Benefit Payment due for the Taxable Year ending prior to, with or including such date (except to the extent that such amount is included in the Early Termination Payment). In the event of a Change of Control, the Early Termination Payment shall be calculated utilizing the Valuation Assumptions, substituting in each case the phrase "closing date of a Change of Control" for the phrase "Early Termination Date." The Early Termination Payment arising as a result of a Change of Control shall be payable on the date of such Change of Control, and the Corporation shall use all reasonable efforts to provide to the TRA Representative an Early Termination Schedule with respect to an expected Change of Control as far in advance as is reasonably practicable of such Change of Control (but no more than thirty Business Days in advance) so as to enable the calculation of the Early Termination Payment to be finalized prior to the date of the Change of Control. Notwithstanding the foregoing, where the parties anticipate a Change of Control but are not certain of the date on which such Change of Control will occur, the Corporation and the TRA Representative may agree to base the calculations contemplated by this Section 4.01(d) on a date other than the Change of Control.

(e) Divestiture Acceleration Payment. In the event of a Divestiture, the Corporation shall pay to the TRA Parties, in accordance with their Applicable Percentages, the Divestiture Acceleration Payment in respect of such Divestiture, which shall be calculated and finalized pursuant to this ARTICLE IV as if an Early Termination Notice had been delivered on the date of the Divestiture (but solely with respect to the Taxable Entities sold in the Divestiture). In the event of a Divestiture, the Divestiture Acceleration Payment shall be calculated utilizing the Valuation Assumptions, substituting in each case the phrase "closing date of the Divestiture" for the phrase "Early Termination Date."

Section IV.02.Early Termination Notice. If the Corporation chooses to exercise its right of early termination under Section 4.01 above, the Corporation shall deliver to the TRA Representative notice of such intention to exercise such right (an "Early Termination Notice") and a schedule (the "Early Termination Schedule") specifying the Corporation's intention to exercise such right and showing in reasonable detail the information required pursuant to Section 2.02 and the calculation of the Early Termination Payment. The Early Termination Schedule shall become final and binding on all parties unless the TRA Representative, within thirty (30) calendar days after receiving the Early Termination Schedule, provides the Corporation with an Objection Notice. An Early Termination Schedule will also become final and binding upon the TRA Representative confirming in writing that it will not provide an Objection Notice with respect to such Schedule. If the parties, for any reason, are unable to successfully resolve the issues raised in such Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Objection Notice, the Corporation and the TRA Representative shall employ the Reconciliation Procedures as described in Section 7.08 of this Agreement.

Section IV.03.Payment upon Early Termination.

(a) Within three (3) Business Days after agreement is reached between the TRA Representative and the Corporation concerning the Early Termination Schedule or such Schedule is finalized pursuant to the Reconciliation Procedures, the Corporation shall pay to each TRA

Party its share (based on such TRA Party's Applicable Percentage) of the Early Termination Payment or Divestiture Acceleration Payment. Such payment shall be made by wire transfer of immediately available funds to a bank account designated by the applicable TRA Parties, or as otherwise agreed by the Corporation and the TRA Party.

(b) The "Early Termination Payment" means, as of the Early Termination Date, the present value, discounted at the Early Termination Rate as of such date, of all Tax Benefit Payments (other than those payable in addition to the Early Termination Payment, where contemplated by Section 4.01) that would be required to be paid by the Corporation beginning from the Early Termination Date, assuming the Valuation Assumptions are applied, all as may be adjusted further in a manner agreed to by the Corporation and the TRA Representative. For purposes of calculating, pursuant to this Section 4.03(b), the present value of all Tax Benefit Payments that would be required to be paid (1) it shall be assumed that, absent the Early Termination Notice, all Tax Benefit Payments would be paid on the due date (without extensions) for filing the Corporation's U.S. federal income Tax Return with respect to Taxes for each Taxable Year (or the due date (without extensions) for filing the applicable Taxable Entity's state or local income Tax Returns, to the extent such Tax Benefit Payments are attributable to the portion of the Net Tax Benefit attributable to such corresponding state or local Taxable Year) and (2) any deductions that would have arisen as a result of a portion of any such hypothetical Tax Benefit Payment being treated as Imputed Interest shall be treated as PreIPO Tax Assets available for use in the taxable year in which such Tax Benefit Payment would have been paid based on the application of the provisions of this Section 4.03(b) and the Valuation Assumptions. A simplified example of the calculation of a TRA Party's Early Termination Payment will be included as Annex B to this Agreement upon the review and approval of such example by the TRA Representative.

(c) The "Divestiture Acceleration Payment" as of the date of any Divestiture means the present value, discounted at the Early Termination Rate as of such date, of the Tax Benefit Payment resulting solely from the Transferred Tax Assets that would be required to be paid by the Corporation beginning from the date of such Divestiture assuming the Valuation Assumptions are applied; provided, that, the Divestiture Acceleration Payment shall be calculated without giving effect to any limitation on the use of the Transferred Tax Assets resulting from the Divestiture, all as may be adjusted further in a manner agreed to by the Corporation and the TRA Representative. For purposes of calculating the present value pursuant to this Section 4.03(c) of all Tax Benefit Payments that would be required to be paid (1) it shall be assumed that absent the Divestiture all Tax Benefit Payments would be paid on the due date (without extensions) for filing the Corporation's U.S. federal income Tax Return with respect to Taxes for each Taxable Year (or the due date (without extensions) for filing the applicable Taxable Entity's state or local income Tax Returns, to the extent such Tax Benefit Payments are attributable to the portion of the Net Tax Benefit attributable to such corresponding state or local Taxable Year) and (2) any deductions that would have arisen as a result of a portion of any such hypothetical Tax Benefit Payment being treated as Imputed Interest shall be treated as PreIPO Tax Assets available for use in the taxable year in which such Tax Benefit Payment would have been paid based on the application of the provisions of this Section 4.03(c) and the Valuation Assumptions.

ARTICLE V

LATE PAYMENTS AND COMPLIANCE WITH INDEBTEDNESS

Section V.01. Late Payments by the Corporation. The amount of all or any portion of any ITR Payment not made to the TRA Parties when due under the terms of this Agreement shall be payable together with any interest thereon, computed at the Default Rate and commencing from the date on which such ITR Payment was due and payable.

Section V.02. Compliance with Indebtedness. Notwithstanding anything in this Agreement to the contrary, it shall not be a breach of this Agreement if the Corporation fails to make or cause to be made any Tax Benefit Payment (or portion thereof) when due (other than, for clarity, any Early Termination Payment payable in connection with a Change of Control) to the extent that the Corporation determines in good faith that the Corporation has insufficient funds (after using reasonable best efforts to obtain such funds (including by causing its Subsidiaries to distribute or lend funds and by accessing any revolving credit facilities or other sources of available credit to fund any such amounts), but not taking into account funds of its whollyowned Subsidiaries that are not permitted to be distributed or loaned pursuant to the terms of such agreements or documents and not taking into account funds reasonably reserved for reasonably expected liabilities or expenses) to make such payment; provided, that, the interest provisions of Section 5.01 shall apply to such late payment (unless the Corporation determines in good faith that (x) the Corporation does not have sufficient cash to make such payment as a result of limitations imposed by credit agreements or any other documents evidencing indebtedness to which the Corporation or its whollyowned Subsidiaries is a party, guarantor or otherwise an obligor as of the date of this Agreement (the "Initial Debt Documents") or any other document evidencing indebtedness to which the Corporation or its whollyowned Subsidiaries becomes a party, guarantor or otherwise an obligor thereafter to the extent the terms of such other documents are not materially more restrictive in respect of the Corporation's ability to receive from its direct or indirect Subsidiaries funds sufficient to make such payments compared to the terms of the Initial Debt Documents, as determined by the Corporation in good faith (any such document, collectively with the Initial Debt Documents, the "Permitted Debt Documents"), or (y) such payments could (I) be set aside as fraudulent transfers or conveyances or similar actions under fraudulent transfer laws or (II) could cause the Corporation and/or its whollyowned Subsidiaries to be undercapitalized, in which case Section 5.01 shall apply, but the Default Rate shall be replaced by the Agreed Rate); provided, however, that the failure to make any Tax Benefit Payment shall be a material breach of a material obligation under this Agreement upon the oneyear anniversary of the initial due date of such Tax Benefit Payment (i.e., if there was no deferral) and will be treated as if the Corporation elected there to be an Early Termination Notice on such oneyear anniversary.

ARTICLE VI

NO DISPUTES; CONSISTENCY; COOPERATION

Section VI.01.The TRA Representative's Participation in the Corporation's Tax Matters. Except as otherwise provided herein, the Corporation shall have full responsibility for, and sole discretion over, all Tax matters concerning the Corporation, including the preparation,

filing or amendment of any Tax Return and the defense, contest, or settlement of any issue pertaining to Taxes, subject to a requirement that the Corporation act in good faith in connection with its control of any matter which is reasonably expected to affect any TRA Party's rights and obligations under this Agreement. Notwithstanding the foregoing, the Corporation shall notify the TRA Representative of, and keep the TRA Representative reasonably informed with respect to, the portion of any audit of the Corporation or other Taxable Entity by a Taxing Authority the outcome of which is reasonably expected to affect any TRA Party's rights and obligations under this Agreement, and shall give the TRA Representative reasonable opportunity to provide information and participate in the applicable portion of such audit.

Section VI.02.Consistency. The Corporation and the TRA Parties agree to report and cause to be reported for all purposes, including federal, state, and local Tax purposes and financial reporting purposes, except upon a contrary final determination by an applicable Taxing Authority (i) the ITR Payments (other than any Compensatory Payments) as described in Section 351(b) of the Code as partial consideration to the TRA Parties for their transfer of equity interests in Penelope Group Holdings, L.P., to the Corporation, other than amounts required to be treated as Imputed Interest, and (ii) all other Taxrelated items in a manner consistent with that specified by the Corporation in any Schedule or statement required or permitted to be provided by or on behalf of the Corporation under this Agreement and agreed by the TRA Representative.

Section VI.03.Cooperation. Each of the Corporation and the TRA Parties (through the TRA Representative) shall (a) furnish to the other party in a timely manner such information, documents and other materials as the other party may reasonably request for purposes of making or approving any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (b) make itself available to the other party and its representatives to provide explanations of documents and materials and such other information as the requesting party or its representatives may reasonably request in connection with any of the matters described in clause (a) above, and (c) reasonably cooperate in connection with any such matter, and the Corporation shall reimburse each such TRA Party for any reasonable and documented outofpocket costs and expenses incurred pursuant to this Section 6.03. The Corporation shall not, and shall cause each of its Subsidiaries not to, without the prior written consent of the TRA Representative, take any action that has the principal purpose of avoiding the use of or reducing utilization of the PreIPO Tax Assets available to it.

ARTICLE VII

MISCELLANEOUS

Section VII.01. Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax, by electronic mail (delivery receipt requested) or by certified or registered mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be as specified in a notice given in accordance with this Section 7.01). All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Person to receive such notice:

If to the Corporation, to:

Olaplex Holdings, Inc.
1187 Coast Village Rd., Suite 1520
Santa Barbara, CA 93108
Attention: Tiffany Walden, Chief Operating Officer, Chief Legal Officer and Secretary
Email: tiffany@olaplex.com

with a copy (which shall not constitute notice) to:

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 021993600
Fax: (617) 2350514
Attention: Craig Marcus
Email: craig.marcus@ropesgray.com

If to the TRA Representative, to:

Penelope Group Holdings GP, LLC
c/o Advent International Corporation
Prudential Tower
800 Boylston Street
Boston, MA 021998069
Attention: Tricia Glynn and James Westra
Email: TGlynn@AdventInternational.com; jwestra@AdventInternational.com

with a copy (which shall not constitute notice) to:

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, MA 021993600
Fax: (617) 2350514
Attention: Craig Marcus
Email: craig.marcus@ropesgray.com

Any party may change its address, fax number or email by giving the other party written notice of its new address, fax number or email in the manner set forth above.

Section VII.02. **Counterparts**. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission (or similar electronic transmission) shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section VII.03. **Entire Agreement**. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns. Other than as provided in the preceding sentence, nothing in this Agreement, express or implied, is intended to, or shall, confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section VII.04. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section VII.05. **Severability**. If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced as a result of any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner, in order that the transactions contemplated hereby may be consummated as originally contemplated to the greatest extent possible.

Section VII.06. **Successors; Assignment; Amendments; Waivers**.

(a) Each TRA Party may freely assign or transfer its rights under this Agreement without the prior written consent of the Corporation to any Person as long as such transferee has executed and delivered, or, in connection with such transfer, executes and delivers, a joinder to this Agreement, in form and substance reasonably satisfactory to the Corporation, agreeing to be bound by all provisions of this Agreement.

(b) The Corporation may not assign any of its rights and obligations under this Agreement without the prior written consent of the TRA Representative.

(c) No provision of this Agreement may be amended unless such amendment is approved in writing by the Corporation and the TRA Representative. No provision of this Agreement may be waived unless such waiver is in writing and signed by the Corporation and the TRA Representative.

(d) All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives, including any Permitted Assignee pursuant to a Permitted Assignment. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

Section VII.07. **Resolution of Disputes**.

(a) Other than with respect to any disputes under Section 2.03, Section 4.02, or Section 4.03 (which are to be resolved pursuant to Section 7.08), any and all disputes which cannot be settled amicably between the Corporation and the TRA Representative, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or nonperformance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in accordance with the then existing Rules of Arbitration of the International Chamber of Commerce. The place of arbitration shall be New York, New York. The parties shall jointly select a single arbitrator who shall have the authority to hold hearings and to render a decision in accordance with the then existing Rules of Arbitration of the International Chamber of Commerce. If the Corporation and the TRA Representative fail to agree on the selection of an arbitrator within thirty (30) calendar days of the receipt of the request for arbitration, the arbitrator shall be selected by the International Chamber of Commerce. The arbitrator shall be a lawyer admitted to the practice of law in the State of New York and shall conduct the proceedings in the English language. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1, et seq., and judgment on the award may be entered by any court having jurisdiction thereof. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of Section 7.07(a), either the Corporation or the TRA Representative may bring an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this Section 7.07(b), the TRA Representative (i) expressly consents to the application of Section 7.07(c) to any such action or proceeding, and (ii) irrevocably appoints the Corporation as its agent for service of process in connection with any such action or proceeding and agrees that service of process upon such agent, who shall promptly advise the TRA Representative of any such service of process, shall be deemed in every respect effective service of process upon such TRA Party in any such action or proceeding.

(i) THE CORPORATION AND EACH TRA PARTY (THROUGH THE TRA REPRESENTATIVE) HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN NEW YORK AND AGREES THAT ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF Section 7.07(b) SHALL BE BROUGHT AND DETERMINED EXCLUSIVELY IN THE SUPREME COURT OF THE STATE OF NEW YORK AND ANY STATE APPELLATE COURT THEREFROM WITHIN THE STATE OF NEW YORK (OR, IF THE SUPREME COURT OF THE STATE OF NEW YORK REFUSES TO ACCEPT JURISDICTION OVER A PARTICULAR MATTER, ANY STATE OR FEDERAL COURT WITHIN THE STATE OF NEW YORK). The parties acknowledge that the forum designated by this Section 7.07(c) has a reasonable relation to this Agreement and to the parties' relationship with one another.

(ii) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in Section 7.07(c)(i) and such parties agree not to plead or claim the same.

(iii) AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT (WITH EACH PARTY HAVING HAD OPPORTUNITY TO CONSULT COUNSEL), EACH OF THE PARTIES EXPRESSLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS AGREEMENT OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY, REGARDLESS OF WHICH PARTY INITIATES SUCH ACTION OR PROCEEDING, AND ANY ACTION OR PROCEEDING UNDER THIS AGREEMENT OR ANY ACTION OR PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

Section VII.08. **Reconciliation Procedures**. In the event that the Corporation and the TRA Representative are unable to resolve a disagreement with respect to the matters governed by Section 2.03, Section 4.02, or Section 4.03 within the relevant period designated in this Agreement (or the amount of a payment in the case of an early termination, breach of agreement, Change of Control, Credit Event or Divestiture Acceleration Payment to which Section 4.01 applies) (a "Reconciliation Dispute"), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert in the particular area of disagreement (the "Expert") mutually acceptable to both parties. The Expert shall be a partner or principal in a nationally recognized accounting firm or a law firm, and the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with the Corporation or any of the TRA Parties or any other actual or potential conflict of interest. If the Reconciliation Dispute is not resolved before any payment that is the subject of the Reconciliation Dispute is due or any Tax Return reflecting the subject of the Reconciliation Dispute is due, such payment shall be made on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Corporation, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such Expert or the amendment of any Tax Return shall be borne by the Corporation, except as provided in the next sentence. Each of the Corporation and the TRA Parties shall bear their own costs and expenses of such proceeding. Any dispute as to whether a dispute is a Reconciliation Dispute, within the meaning of this Section 7.08 shall be decided by the Expert. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.08 shall be binding on the Corporation and the TRA Parties and may be entered and enforced in any court having jurisdiction.

Section VII.09. **Withholding**. The Corporation shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as the Corporation is required to deduct and withhold with respect to the making of such payment under the Code, or any applicable provision of state or local or foreign Tax law; provided, that, other than with respect to compensatory amounts subject to payroll reporting and withholding, the Corporation (i) gives 10 days advance written notice of its intention to make such withholding to the TRA Representative, (ii) identifies the legal basis requiring such withholding and (iii) gives the TRA Representative an opportunity to establish that such withholding is not legally required. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority by the Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the TRA Parties. The Corporation shall provide evidence of such payments to the TRA Parties (through the TRA Representative) to the extent that such evidence is available.

Section VII.10. Affiliated Corporations; Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets.

(a) If a Taxable Entity is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income Tax Return pursuant to Sections 1501 et seq. of the Code (other than if the Taxable Entity becomes a member of such a group as a result of a Change of Control or Divestiture, in which case the provisions of Article IV shall control), or a member of a consolidated, combined or unitary group of any corresponding provisions of state, local or foreign law, then: (i) the provisions of this Agreement shall be applied with respect to the group (or groups, as applicable) as a whole; and (ii) Tax Benefit Payments shall be computed with reference to the consolidated taxable income of the group (or groups, as applicable) as a whole.

(b) If any Person the income of which is included in the income of the Corporation's affiliated or consolidated group transfers one or more assets to a corporation with which such Person does not file a consolidated Tax Return pursuant to Section 1501 of the Code, for purposes of calculating the amount of any Tax Benefit Payment (e.g., calculating the gross income of the Corporation's affiliated or consolidated group and determining the Realized Tax Benefit) due hereunder, such Person shall be treated as having disposed of such asset in a fully taxable transaction on the date of such transfer. The consideration deemed to be received by such entity shall be equal to the greater of (i) the tax basis of such transferred assets and (ii) fair market value of the transferred asset, plus (x) the amount of debt to which such asset is subject, in the case of a transfer of an encumbered asset, or (y) without duplication, the amount of debt allocated to such asset, in the case of a transfer of a partnership interest.

Section VII.11. Confidentiality.

(a) Each TRA Party (through the TRA Representative) and each of its assignees acknowledges and agrees that the information of the Corporation is confidential and, except in the course of performing any duties as necessary for the Corporation and its Affiliates, as required by law or legal process or to enforce the terms of this Agreement, shall keep and retain in the strictest confidence and not disclose to any Person all confidential matters, acquired pursuant to this Agreement, of the Corporation or the TRA Parties. This Section 7.11 shall not apply to (i) any information that has been made publicly available by the Corporation or any of its Affiliates, becomes public knowledge (except as a result of an act of a TRA Party or affiliate in violation of this Agreement) or is generally known to the business community, (ii) the disclosure of information to the extent necessary for a TRA Party or the TRA Representative to prosecute or defend claims under this Agreement, or (iii) the disclosure of information to the extent necessary for any TRA Party or affiliate to prepare and file its Tax Returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any Taxing Authority with respect to such returns. Notwithstanding anything to the contrary herein, each TRA Party and each assignee (and each employee, representative or other agent of such TRA Party or assignee) may disclose to any and all Persons, without limitation of any kind, the Tax treatment and Tax structure of (w) the Corporation and its Subsidiaries, (x) the transactions entered into in connection with the IPO, (y) this Agreement and (z) any of the transactions of the Corporation and its Subsidiaries, and all

materials of any kind (including opinions or other Tax analyses) that are provided to such TRA Party or assignee relating to such Tax treatment and Tax structure.

(b) If the TRA Representative or any of its assignees commits a breach, or threatens to commit a breach, of any of the provisions of this Section 7.11, the Corporation shall have the right and remedy to have the provisions of this Section 7.11 specifically enforced by injunctive relief or otherwise by any court of competent jurisdiction without the need to post any bond or other security, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Corporation or any of its Subsidiaries and the accounts and funds managed by the Corporation, and that money damages alone shall not provide an adequate remedy to such Persons. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

Section VII.12. Appointment of TRA Representative.

(a) Appointment. The TRA Representative shall initially be Penelope Group Holdings GP, LLC; and, thereafter, the TRA Representative shall be any such Person that is selected, from time to time, by the Majority TRA Parties. Penelope Group Holdings GP, LLC is, and upon selection by the Majority TRA Parties of a Person to act as the successor TRA Representative pursuant to the immediately preceding sentence, such Person will thereby be, in each case without further action of any of the Corporation, the TRA Representative or any TRA Party, and as partial consideration of the benefits conferred by this Agreement, irrevocably constituted and appointed, with full power of substitution, to act in the name, place and stead of each TRA Party with respect to the taking by the TRA Representative of any and all actions and the making of any decisions required or permitted to be taken by the TRA Representative under this Agreement (and any potential agreement with the Corporation to terminate this Agreement earlier than such time as is provided in Section 4.01; provided, that, any payment made by the Corporation upon such an early termination shall be paid to each TRA Party based on such TRA Party's Applicable Percentage). The power of attorney granted herein is coupled with an interest and is irrevocable and may be delegated by the TRA Representative. No bond shall be required of the TRA Representative, and the TRA Representative shall receive no compensation for its services.

(b) Expenses. If at any time the TRA Representative shall incur outofpocket expenses in connection with the exercise of its duties hereunder, upon written notice to the Corporation from the TRA Representative of documented costs and expenses (including fees and disbursements of counsel and accountants) incurred by the TRA Representative in connection with the performance of its rights or obligations under this Agreement and the taking of any and all actions in connection therewith, the Corporation shall reduce any future payments (if any) due to the TRA Parties hereunder pro rata (based on their respective Applicable Percentages in the Corporation) by the amount of such expenses which it shall instead remit directly to the TRA Representative. In connection with the performance of its rights and obligations under this Agreement and the taking of any and all actions in connection therewith, the TRA Representative shall not be required to expend any of its own funds (though, for the avoidance of doubt, it may do so at any time and from time to time in its sole discretion).

(c) Limitation on Liability. The TRA Representative shall not be liable to any TRA Party for any act of the TRA Representative arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent any liability, loss, damage, penalty, fine, cost or expense is actually incurred by such TRA Party as a proximate result of the bad faith or willful misconduct of the TRA Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such action or omission being made in good faith and with reasonable judgment). The TRA Representative shall not be liable for, and shall be indemnified by the TRA Parties (on a several but not joint basis) for, any liability, loss, damage, penalty or fine incurred by the TRA Representative (and any cost or expense incurred by the TRA Representative in connection therewith and herewith and not previously reimbursed pursuant to subsection (b) above) arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent that any such liability, loss, damage, penalty, fine, cost or expense is the proximate result of the bad faith or willful misconduct of the TRA Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such action or omission being made in good faith and with reasonable judgment); provided, however, in no event shall any TRA Party be obligated to indemnify the TRA Representative hereunder for any liability, loss, damage, penalty, fine, cost or expense to the extent (and only to the extent) that the aggregate amount of all liabilities, losses, damages, penalties, fines, costs and expenses indemnified by such TRA Party hereunder is or would be in excess of the aggregate payments under this Agreement actually remitted to such TRA Party. Each TRA Party's receipt of any and all benefits to which such TRA Party is entitled under this Agreement, if any, is conditioned upon and subject to such TRA Party's acceptance of all obligations, including the obligations of this Section 7.12(c), applicable to such TRA Party under this Agreement.

(d) Actions of the TRA Representative. Any decision, act, consent or instruction of the TRA Representative shall constitute a decision of all TRA Parties and shall be final, binding and conclusive upon each TRA Party, and the Corporation may rely upon any decision, act, consent or instruction of the TRA Representative as being the decision, act, consent or instruction of each TRA Party. The Corporation is hereby relieved from any liability to any Person for any acts done by the Corporation in accordance with any such decision, act, consent or instruction of the TRA Representative.

Section VII.13. Conflicting Agreements. Other than with respect to the Permitted Debt Documents, the Corporation shall not, and shall cause its Subsidiaries not to, enter into any agreement or indenture or any amendment or other modification to any agreement or indenture (including, in each case, in connection with any refinancing) that would, directly or indirectly, restrict or otherwise encumber (or in the case of amendments or other modifications, further restrict or encumber) its ability to make payments under this Agreement in accordance with its terms, including any agreement that would, directly or indirectly, restrict or otherwise encumber (or in the case of amendments or other modifications, further restrict or encumber) the ability of the Corporation's Subsidiaries to upstream cash (by dividend or loan) to the Corporation to fund amounts payable by the Corporation under this Agreement.

[Signatures pages follow]

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

OLAPLEX HOLDINGS, INC.

By: /s/ JuE Wong

Name: JuE Wong

Title: President and Chief Executive Officer

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

OLAPLEX HOLDINGS, INC.

By: _____
Name:
Title:

Penelope Group Holdings GP, LLC,
as TRA Representative

By: Advent International Corporation
its Sole Member

By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel,
and Managing Partner

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

LIMITED PARTNERS:

Advent International GPE IX Limited Partnership
Advent International GPE IXB Limited Partnership
Advent International GPE IXC Limited Partnership
Advent International GPE IXF Limited Partnership
Advent International GPE IXG Limited Partnership
Advent International GPE IXH Limited Partnership
Advent International GPE IXI Limited Partnership
By:
GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

Advent Partners GPE IX Cayman Limited Partnership
Advent Partners GPE IXA Cayman Limited Partnership
Advent Partners GPE IXB Cayman Limited Partnership
Advent Partners GPE IX Limited Partnership
Advent Partners GPE IXA Limited Partnership
By:
AP GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

Advent International GPE IXA SCSP
Advent International GPE IXD SCSP
Advent International GPE IXE SCSP
Advent International GPE IX Strategic Investors SCSP
By:
GPE IX GP S.à.r.l., General Partner
Advent International GPE IX, LLC, Manager
By:
Name: Justin Nuccio
Title: Manager

Advent International Corporation, Manager

By: /s/ James Westra
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

LIMITED PARTNERS:

Advent International GPE IX Limited Partnership
Advent International GPE IXB Limited Partnership
Advent International GPE IXC Limited Partnership
Advent International GPE IXF Limited Partnership
Advent International GPE IXG Limited Partnership
Advent International GPE IXH Limited Partnership
Advent International GPE IXI Limited Partnership
By:
GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: _____
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

Advent Partners GPE IX Cayman Limited Partnership
Advent Partners GPE IXA Cayman Limited Partnership
Advent Partners GPE IXB Cayman Limited Partnership
Advent Partners GPE IX Limited Partnership
Advent Partners GPE IXA Limited Partnership
By:
AP GPE IX GP Limited Partnership, General Partner
Advent International GPE IX, LLC, General Partner
Advent International Corporation, Manager
By: _____
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

Advent International GPE IXA SCSP
Advent International GPE IXD SCSP
Advent International GPE IXE SCSP
Advent International GPE IX Strategic Investors SCSP
By:

GPE IX GP S.à.r.l., General Partner
Advent International GPE IX, LLC, Manager

By: /s/ Justin Nuccio
Name: Justin Nuccio
Title: Manager

Advent International Corporation, Manager

By:
Name: James Westra
Title: Chief Legal Officer, General Counsel, and Managing Partner

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

MOUSSERENA, L.P.

By: Serena Limited, its General Partner

By: /s/ Charles Heilbronn

Name: Charles Heilbronn

Title: Director

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

ANTHOS CAPITAL IV, L.P.

By: Anthos Associates IV, L.P., its General Partner

By: Anthos Associates GP IV, LLC, its General Partner

By: /s/ Paul Farr

Name: Paul Farr

Title: Manager

ANTHOS TRIBE, L.P.

By: Anthos Tribe GP, LLC, its General Partner

By: /s/ Paul Farr

Name: Paul Farr

Title: Manager

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

/s/ Tiffany Walden

Name: Tiffany Walden

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

/s/ JuE Wong

Name: JuE Wong

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

By: /s/ Paula Zusi
Name: Paula Zusi

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:
ODYS SPRL

By: /s/ Isabelle Parize
Name: Isabelle Parize
Title: Partner

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

/s/ Ali Kole

Name: Ali Kole

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

/s/ Elizabeth Lempres

Name: Elizabeth Lempres

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

LIMITED PARTNERS:

By: /s/ Janet Gurwitch

Name: Janet Gurwitch

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

By: /s/ Christine Dagousset

Name: Christine Dagousset

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

By: /s/ Heather Harper
Name: Heather Harper

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

By: /s/ Tracey Cunningham
Name: Tracey Cunningham

IN WITNESS WHEREOF, the Corporation, TRA Representative, and each TRA Party have duly executed this Agreement as of the date first written above.

By: /s/ Deirdre Findlay
Name: Deirdre Findlay

Annex A

List of TRA Parties (and Applicable Percentages)

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, JuE Wong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Olaplex Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2021

By: /s/ JuE Wong
JuE Wong
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Tiziani, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Olaplex Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2021

By: /s/ Eric Tiziani
Eric Tiziani
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, JuE Wong, Chief Executive Officer of Olaplex Holdings, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2021

By: /s/ JuE Wong
JuE Wong
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Tiziani, Chief Financial Officer of Olaplex Holdings, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2021

By: /s/ Eric Tiziani

Eric Tiziani

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)