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

FORM 10-K

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from _____ to _____.

Commission File Number 001-37979

VERRA MOBILITY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**81-3563824**
(*State of Incorporation*)	(*I.R.S. Employer Identification No.*)
1150 North Alma School Road Mesa, Arizona	**85201**
(*Address of Principal Executive Offices*)	(*Zip Code*)

(480) 443-7000

(*Registrant's Telephone Number, Including Area Code*)

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

(Title of Each Class)	*(Trading Symbol)*	*(Name of Each Exchange on Which Registered)*
Class A Common Stock, par value $0.0001 per share	**VRRM**	**Nasdaq Capital Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 28, 2024, the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the closing price reported on the Nasdaq Capital Market on such date was $4,445,976,517 (163,455,019 shares at a closing price per share of $27.20).

As of February 21, 2025, the registrant had 159,593,852 shares of Class A Common Stock, par value $0.0001 per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement to be filed in connection with its annual meeting of stockholders to be held May 20, 2025 are incorporated by reference into Part III of this Form 10-K.

VERRA MOBILITY CORPORATION

FORM 10-K

For the Fiscal Year Ended December 31, 2024

INDEX

PART I	4
Item 1. Business	4
Item 1A. Risk Factors	12
Item 1B. Unresolved Staff Comments	34
Item 1C. Cybersecurity	35
Item 2. Properties	36
Item 3. Legal Proceedings	37
Item 4. Mine Safety Disclosures	37
PART II	38
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	38
Item 6. [Reserved]	40
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	41
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	55
Item 8. Financial Statements and Supplementary Data	56
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	97
Item 9A. Controls and Procedures	97
Item 9B. Other Information	98
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	98
PART III	99
Item 10. Directors, Executive Officers and Corporate Governance	99
Item 11. Executive Compensation	99
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	99
Item 13. Certain Relationships and Related Transactions, and Director Independence	99
Item 14. Principal Accountant Fees and Services	99
PART IV	100
Item 15. Exhibit and Financial Statement Schedules	100
Item 16. Form 10-K Summary	106
SIGNATURES	107
POWER OF ATTORNEY	108
Appendix A, Schedule II	109

As used in this Annual Report on Form 10-K ("***Annual Report***"), the terms "Verra Mobility," the "Company," "we," "us," or "our" refer to Verra Mobility Corporation and its consolidated subsidiaries.

PART I

Item 1. Business

Overview

We are a leading provider of smart mobility technology solutions, principally operating throughout the United States, Australia, Europe and Canada. Our goal is to make transportation safer, smarter and more connected through our integrated, data-driven solutions, including toll and violations management, title and registration services, automated safety and traffic enforcement and commercial parking management. We bring together vehicles, hardware, software, data and people to solve transportation challenges for customers around the world, including commercial fleet owners such as rental car companies ("***RACs***"), direct commercial fleet owner-operators ("***Direct Fleets***") and fleet management companies ("***FMCs***"), as well as governments, universities, parking operators, healthcare facilities, transportation hubs and other violation-issuing authorities.

Segments

Our solutions are offered through three segments: (i) Commercial Services, (ii) Government Solutions and (iii) Parking Solutions.

Commercial Services

Our Commercial Services segment generated approximately $407.7 million in revenue for 2024, or approximately 46% of our total revenue. Commercial Services provides automated toll and violations management and title and registration solutions to RACs, Direct Fleets, FMCs and other large fleet owners primarily in North America. Our toll and violations management solutions are designed to facilitate the timely payment of tolls and violations incurred by our customers' vehicles and perform timely transfers of liability on our customers' behalf, and driver billing and collections, as applicable. We also manage regional toll transponder installation and vehicle association—a critical and highly complex process for RAC, Direct Fleet and FMC customers—to ensure that the transponders (and corresponding toll transactions) are associated with the correct vehicle.

We have long-standing relationships with, among others, the three largest RACs in the United States, Avis Budget Group, Enterprise Mobility and The Hertz Corporation. We also have relationships with key European RACs and leading FMCs in the United States. Through our established relationships with more than 50 individual tolling authorities throughout the United States, we provide an automated and outsourced administrative solution for our customers while also providing convenience for vehicle drivers and benefits to tolling and issuing authorities. Toll management solutions accounted for approximately 41% of our 2024 total revenues.

Our violations management solutions processes violations incurred by the drivers of RAC, Direct Fleet and FMC vehicles by working with more than 8,700 domestic violation-issuing authorities as of December 31, 2024, to either pay the fine on behalf of the vehicle owner (for which we are able to bill the driver) or to transfer liability directly to the vehicle driver. Vehicle-issued violations include parking and photo enforcement violations. In Europe, we specialize in the identification, notification and collection of unpaid traffic, parking and public transport related fees, charges and penalties issued to foreign registered vehicles or persons on behalf of issuing authorities in 20 European countries as of December 31, 2024. Violation management solutions accounted for approximately 4% of our 2024 total revenues.

Our title and registration solutions provide RAC, Direct Fleet and FMC customers with an integrated, end-to-end solution for managing vehicle titles and registrations and annual renewals. We provide automated title and registration solutions by working with individual departments of motor vehicles for title and registration processing in 18 states as of December 31, 2024. Title and registration solutions accounted for approximately 1% of our 2024 total revenues.

Government Solutions

Our Government Solutions segment generated approximately $390.9 million in revenue for 2024, or approximately 44% of our 2024 total revenue. Our Government Solutions segment is a provider of automated safety solutions primarily in the United States, Canada and Australia to state and local governments. In the United States, we provide government agencies with road safety cameras to detect and process traffic violations for red-light, speed, school bus, and city bus lanes. These programs are designed to reduce traffic violations and resulting collisions, injuries and fatalities. The Company implements and administers traffic safety programs for municipalities, counties, school districts and law enforcement agencies of all sizes. Our proprietary hardware and software technologies are designed to provide government agencies the information, data and automated end-to-end administrative capabilities to enforce traffic violations through photo enforcement. On behalf of our customers, we install, maintain and manage automated safety solution hardware and software that processes event data, apply customer specific rules and connect a traffic violation to the responsible driver or vehicle owner. For customers of our end-to-end solutions, we automatically send captured events to the designated enforcement agency of the customer, where an authorized individual determines if a violation occurred. Upon law enforcement's determination that a violation occurred, we manage the citation mailing, billing and other administrative tasks on behalf of our customers. For many international customers, we design, engineer and maintain roadside photo enforcement technology, including both hardware and software, which is sold or licensed to government agencies and often maintained with maintenance contracts to support the technology. Service revenue from speed, red-light, school bus cameras and city bus lane cameras accounted for approximately 42% of our 2024 total revenues. Product sales to customers are not recurring and are dependent on our customers' needs, and account for approximately 2% of total revenue for 2024.

Parking Solutions

Our Parking Solutions segment generated approximately $80.6 million in revenue for 2024, or approximately 9% of our 2024 total revenue. Parking Solutions provides end-to-end commercial parking management solutions to approximately 2,000 customers in the university, municipal, healthcare and commercial operator markets, as of December 31, 2024. Our proprietary software, transaction processing and hardware technologies provide our customers with solutions to manage and monetize their parking and enforcement operations. In 2024, we processed over 190 million transactions using our various parking solutions systems, including parking access and revenue control ("***PARC***"), single- and multi-space pay stations, integrated physical and mobile payments, back-office parking rate management, permit issuance and management, online citation payment, event parking, and back-office management of violations.

Markets and Competition

The primary sectors in which we operate are automated safety, tolling, commercial fleet management and parking. We face competition in each of the sectors in which we operate, but there is no single company that provides a similarly broad suite of solutions and competes across all of our business segments. However, the markets for our solutions are increasingly competitive, rapidly evolving and fragmented, and are subject to changing technology, shifting customer needs, contract renewals and new laws and policies. A number of sector participants develop and market products and services that compete to varying extents with our offerings, and we expect this competition to intensify. The rapid rate of technological change in our industry could increase the likelihood that we will face competition from new products or services designed by companies with whom we do not currently compete. This includes advancements in the area of self-driving cars which may significantly reduce the frequency of vehicles illegally running red lights or exceeding posted speed limits. Moreover, we face competition from our own customers as they may choose to invest in developing their own internal solutions.

In our Commercial Services segment, we face competition from both our own customers, who may choose to invest in their own internal solutions, and vendors offering or seeking to offer new technologies or financial models. In our Government Solutions segment, we face competition with respect to certain automated safety solutions from other vendors in red-light, school bus, speed and bus lane photo enforcement. In Parking Solutions, we face competition from a variety of competitors in our markets in the United States and Canada.

Seasonality

Our Commercial Services business segment experiences seasonal fluctuations in usage and revenue. Historically, Commercial Services sees higher volumes in the second and third quarters of each fiscal year, driven by increases in travel demand during the summer driving season. Additionally, seasonal fluctuations can be influenced by weather conditions, economic conditions, and shifts in consumer preferences. Seasonality has not historically resulted in material fluctuations in our overall financial performance.

Technology

We utilize software and hardware to deliver our services. Our business unit teams have expertise in areas such as hardware, software and firmware development and testing, database design and data analytics, and both product and project management. In addition, we utilize external contractors to supplement our team in the areas of software and firmware development, digital design, test development and product-level testing. Generally, our research and development efforts are focused on expanding the capabilities of our products, differentiating our offerings, simplifying the implementation, support and utilization of our solutions, reducing the cost of our solutions, increasing the reliability of our solutions, expanding the functionality of our solutions to meet customer and market requirements, applying new advances in technology to enhance existing solutions, and building further competitive advantages through our intellectual property portfolio. We utilize artificial intelligence ("***AI***") to enhance our business process functions and select aspects of our solutions. Given the evolving nature and complexity of AI technologies, there remains inherent operational and legal risks. For more details, refer to Item 1A, Risk Factors, "*Our new products and services and changes to existing products and services may not succeed*."

Intellectual Property

We rely on a combination of patents, trademarks, trade secrets, copyrights and confidentiality agreements to protect our intellectual property. We take steps to protect new intellectual property to safeguard our ongoing technological innovations and strengthen our brand, and believe we take appropriate action against infringement or misappropriation of our intellectual property rights by others. We regularly review third-party intellectual property rights to help avoid infringement, and to identify strategic opportunities.

Our general policy is to seek patent protection for our inventions likely to be incorporated into our products and services or where obtaining such proprietary rights will improve our competitive position. As of December 31, 2024, we own approximately 87 U.S.- and foreign-issued patents and pending patent applications, including patents and rights to patent applications acquired through strategic transactions, which relate to various aspects of our products and technology. Our patent portfolio evolves as new patents are awarded to us and as older patents expire. Patents expire at various dates, generally 20 years from their original filing dates. While we believe that our portfolio of patents and applications has value, in general no single patent is essential to our business or any individual segment. In addition, any of our proprietary rights could be challenged, invalidated or circumvented, or may not provide significant competitive advantages.

Our business relies on both internally developed and externally licensed software, as well as internally, externally and co-developed hardware, to operate and provide our systems and deliver our services. We claim copyright on all internally developed software. We generally rely on common law protection for our copyrighted works. In addition, we rely on maintaining source code confidentiality to assure our market competitiveness. With respect to externally sourced software and hardware, we rely on contracts to retain our continued access for our business usage. From time to time, these agreements may expire or be subject to renegotiation.

We have approximately 220 registrations and pending applications in the United States and foreign jurisdictions for trademarks and service marks as of December 31, 2024, reflecting our many products and services. These registrations and applications include our historic and acquired brands, as well as "Verra Mobility." These marks may have a perpetual life, subject to periodic renewal and may be subject to cancellation or invalidation based on certain use requirements and third-party challenges, or on other grounds. We vigorously enforce and protect our marks.

Government Regulation

We are subject to various local, state and national laws, regulations and administrative practices regulating matters such as data privacy, photo enforcement, consumer protection, procurement, licensing requirements, anti-corruption, equal employment, minimum wages, workplace health and safety, human rights and the environment, among others. Our operations are subject to regulation by various U.S. federal agencies, including but not limited to the U.S. Department of Transportation, ("***USDOT***"), the Federal Trade Commission, ("***FTC***"), the Federal Communications Commission, the Consumer Product Safety Commission, the Consumer Financial Protection Bureau and the Environmental Protection Agency. We are also subject to laws, regulations and administrative practices addressing many of these same matters in Europe, Australia, Canada and New Zealand, including those specifically relating to accessing and use of information obtained from vehicle licensing authorities, traffic enforcement and collections, and financial and banking regulations.

Privacy and Data Security

As part of our business, we collect, receive, process, use, transmit, disclose, and retain information relating to identifiable individuals ("***personal information***") and, therefore, are subject to various laws protecting privacy and security of personal information, including but not limited to the U.S. Driver Privacy Protection Act, the General Data Protection Regulation (the "***GDPR***") in the European Union (the "***E.U.***"), the Data Protection Act of 2018 and the GDPR in the United Kingdom, the Canadian Personal Information Protection and Electronic Documents Act, the Australia Privacy Act of 1988, New Zealand's Privacy Act of 2020, the California Consumer Privacy Act (the "***CCPA***"), and other national and state privacy laws. We are also subject to similar restrictions and audit requirements pursuant to our contracts with the organizations from which we gain access to personal information, such as departments of motor vehicles and the National Law Enforcement Telecommunications System. Privacy and data security laws and regulations are constantly evolving and changing, are subject to differing interpretations and may be inconsistent among countries and state and local jurisdictions, or conflict with other rules.

As we expand our operations in foreign countries, or as U.S. federal or state law changes, our liability exposure and the complexity and cost of compliance with data and privacy requirements will increase. Laws and practices regarding handling and use of personal and other information by companies have also come under increased public scrutiny, and governmental authorities, consumer agencies and consumer advocacy groups have called for increased regulation, enforcement and changes in industry practices.

Photo Enforcement

Automated photo enforcement programs in the United States are typically regulated at the state and local level, under either state enabling legislation or under home rule authority established under the relevant state constitution. Where enabling legislation is not required, local ordinances impose further restrictions within a given jurisdiction.

In connection with the installation of photo enforcement systems, we or our customers routinely obtain permits from various permitting authorities. As a government contractor providing photo enforcement services directly or through subcontractors (including design, engineering, construction, installation, and maintenance) in various locations throughout the United States and internationally, we are at times required to obtain licenses regarding general contracting, performance of engineering services, performance of electrical work, performance of private investigative work and processing license plate and related personal information. We periodically receive notices from regulatory authorities regarding these matters and inquiring as to our compliance with the applicable state, local and foreign laws and regulations. In addition, our foreign photo enforcement programs are subject to regulation in the various countries in which we operate.

Tolling

We are also subject to state and local regulations with respect to tolling. Over the past few years, bills have been introduced in multiple states to limit whether and how much RACs can charge their customers for the use of a toll transponder, limit the administrative penalties and fees that can be assessed for processing tolls, and/or impose increased disclosure requirements on RACs with respect to tolling or violation processing fees. In addition, there has been an increase in interest and greater focus on RAC tolling programs from state Attorneys General related to tolling issues from a consumer protection perspective.

Government Contracting

Our Government Solutions customers are typically government agencies, and our operations within this segment are therefore subject to various laws pertaining to procurement, gifts and entertainment, payments of commissions and contingency fees, conflicts of interest, licensing and permitting requirements and other matters. These laws are overseen by different government agencies, depending on the jurisdiction, including departments of procurement services, contracting offices and offices of inspector general.

To successfully navigate this complex statutory and regulatory landscape, we have a dedicated government relations team that works with national, state and local policymakers, often with the help of lobbyists and consultants, to track and help support favorable photo-enforcement safety and toll-related legislative outcomes. Through this network, we have a presence in most states in which our Government Solutions and Commercial Services segments do business. These lobbying activities are subject to state and local regulations and registration requirements.

We believe we are in substantial compliance with the laws and regulations that regulate our business. There are, however, significant uncertainties involving the application of various legal requirements, the violation of which could result in, among other things, fines, penalties, revocation of permits or licenses, cessation of operations in a given jurisdiction and other adverse consequences. See "*Risk Factors*" for a discussion of our regulatory risks.

Human Capital Management

Our employees are critical to our success as a leading provider of smart mobility solutions. To continue delivering high-quality solutions to our customers and succeed in our highly competitive and rapidly evolving market, it is critical that we continue to attract, retain and develop diverse groups of talented individuals at all levels of our organization.

As of December 31, 2024, we had 1,879 employees, comprised of 1,754 full-time employees and 125 part-time employees. Of our full-time employees, 1,228 were located in the United States and 526 were located internationally. None of our employees are represented by a labor union or covered by a collective bargaining agreement, except for our 26 employees in Staten Island, New York. We believe our relations with our employees are good, and we have not experienced a strike or other significant work stoppage.

Talent Acquisition and Development

Our success depends upon attracting, retaining and developing a diverse group of talented individuals who possess the knowledge and skills necessary to support our business objectives, assist in the achievement of our strategic goals, contribute their own unique perspective and skill set and create long-term value for our stockholders. We have implemented purposeful hiring strategies that include opportunities for internal mobility and promotion and an employee referral program, both of which we believe will further strengthen our growing employee base and promote retention. We have a multifaceted talent development framework that includes functional training, management training and targeted development programs. We also develop our employees through an annual performance review and assessment process that incorporates a dual-performance rating system and provides each employee with concrete, actionable feedback that will enable them to succeed.

Compensation and Benefits

Our compensation programs are designed to align the compensation of our employees with the performance of the Company and the individual employee, and to provide a compensation package that will attract, retain, motivate and reward employees to achieve superior results. The structure of our compensation programs balances incentives for both short-term and long-term performance. In addition to cash compensation, we offer employees benefits such as health (medical, dental and vision) insurance, health savings accounts, flexible spending accounts, life insurance, accident insurance, paid time off, paid parental leave and a company-sponsored 401(k) plan, and related benefits for non-U.S. employees. For key leadership positions, we also provide compensation packages that include annual incentive bonuses and long-term equity awards.

Employee Engagement

We seek employees who collaborate and value differences, think and act globally, foster an engaging climate, and recognize and develop others. We engage and survey our employee population to gather insight, feedback, and data about employees' engagement, workplace experiences, and manager effectiveness. Survey results inform and support corporate, business unit, department, and team action plans, with the goal of enhancing workplace satisfaction and overall employee well-being and effectiveness.

Corporate Information

Our principal executive office is located at 1150 North Alma School Road, Mesa, AZ 85201. Our telephone number is (480) 443-7000. Our website address is www.verramobility.com. The information on, or accessible through, our website does not constitute part of, and is not incorporated into, this Annual Report.

The trade names, trademarks, and service marks appearing in this Annual Report include registered marks and marks in which we claim common law rights, such as Verra Mobility and the Verra Mobility logo, all of which are our intellectual property. This Annual Report contains additional trade names, trademarks, and service marks of other companies that are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us, by these companies. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this Annual Report.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), are filed with the SEC. We are subject to the informational requirements of the Exchange Act, and we file or furnish reports, proxy statements and other information with the SEC. Such reports and other information we file with the Securities and Exchange Commission (the "***SEC***") are available free of charge at http://ir.verramobility.com/financial-information/sec-filings when such reports become available on the SEC's website. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. We periodically provide other information for investors on our corporate website, www.verramobility.com, and our investor relations website, ir.verramobility.com. This includes press releases and other information about financial performance, information on corporate governance and details related to our annual meeting of stockholders. The information contained on the websites referenced in this Annual Report is not incorporated by reference into this filing. Further, our references to website URLs are intended to be inactive textual references only.

Cautionary Note Regarding Forward-Looking Statements

The discussions in this Annual Report, as well as in our other filings with the SEC and other written and oral information we release, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "***Securities Act***"), and Section 21E of the Exchange Act. All statements contained in this Annual Report other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, products, services, technology offerings, market conditions, growth and trends, expansion plans and opportunities, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "preliminary," "likely" and similar expressions, and the negative of these expressions, are intended to identify forward-looking statements.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on them. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report and in our other filings with the SEC, which highlight, among other risks:

- the impact of negative industry and macroeconomic conditions on our customers or us may materially and adversely impact our business, financial condition and results of operations;
- customer concentration in our Commercial Services and Government Solutions segments, including risks impacting these segments such as travel demand and legislation, and risks relating to our contract with NYCDOT (defined below), which comprises a material portion of our revenue. We extended our current contract with NYCDOT through December 31, 2025 to allow NYCDOT to continue to operate its automated enforcement program. We are presently participating in a competitive procurement for a new NYCDOT automated enforcement program contract. If we are not successful in winning the competitive procurement for a new contract with NYCDOT, or if we win the competitive procurement at materially different terms and pricing as our current contract, it would have a material adverse effect on our business, financial condition and results of operations;
- our reliance on specialized third-party providers;
- risks and uncertainties related to our government contracts, including legislative changes, termination rights, delays in payments, audits and investigations;
- decreases in the prevalence or political acceptance of, or an increase in governmental restrictions regarding, automated and other similar methods of photo enforcement, parking solutions or the use of tolling;
- our ability to successfully implement our acquisition strategy or integrate acquisitions;
- our ability to maintain effective internal controls over financial reporting;
- failure in or breaches of our networks or systems, including as a result of cyber-attacks or other incidents;
- risks and uncertainties related to our international operations;
- our failure to acquire necessary intellectual property or adequately protect our intellectual property;
- risks and uncertainties related to litigation and other disputes and regulatory investigations; and
- our ability to manage our substantial level of indebtedness.

You should not rely on forward-looking statements as predictions of future events. We operate in a very competitive and rapidly changing environment and new risks emerge from time to time. The forward-looking statements in this Annual Report represent our views as of the date hereof. Except as may be required by law, we undertake no obligation to update any of these forward-looking statements for any reason or to conform these statements to actual results or revised expectations.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports, are available free of charge on our website, verramobility.com, under the heading "Investors" immediately after they are filed with, or furnished to, the SEC. We use our investor relations website, ir.verramobility.com, as a means of disclosing information, which may be of interest or material to our investors and for complying with disclosure obligations under Regulation FD. Accordingly, investors should monitor our investor relations website, in addition to following our press releases, SEC filings, public conference calls, webcasts, and social media. Information contained on or accessible through, including any reports available on, our website is not a part of, and is not incorporated by reference into, this Annual Report or any other report or document we file with the SEC. Any reference to our website in this Annual Report is intended to be an inactive textual reference only.

Item 1A. Risk Factors

Risk Factor Summary

Investing in our common stock involves a high degree of risk. In addition to the other information set forth in this Annual Report, you should carefully consider the following factors, which could materially affect our business, financial condition and results of operations in future periods. The risks described below are not the only risks we face. Additional risks not currently known to us may adversely affect our business, financial condition or results of operations in future periods.

Risks Related to Our Customers, Industry, Competition and Vendors

- Negative industry and macroeconomic conditions impacting our customers or us may materially and adversely impact our business, financial condition and results of operations.
- Our Commercial Services and Government Solutions segments have customer concentration that could have a material adverse effect on our business.
- Our contract with NYCDOT, which comprises a material portion of our revenue, expired on December 31, 2024, and we are presently participating in a competitive procurement for a new NYCDOT automated enforcement program contract. We extended our current contract with NYCDOT through December 31, 2025 to allow NYCDOT to continue to operate its automated enforcement program until the competitive procurement process is completed. There can be no assurance that we will be successful in winning the competitive procurement. If we are not successful in winning the competitive procurement for a new contract with NYCDOT, or if we win the competitive procurement at materially different terms and pricing as our current contract, it would have a material adverse effect on our business, financial condition and results of operations.
- Our government contracts are subject to unique risks and uncertainties, including termination rights, delays in payment, audits and investigations, any of which could have a material adverse effect on our business.
- Any decreases in the prevalence or political acceptance of, or an increase in governmental restrictions regarding, automated and other similar methods of photo enforcement, the use of third-party tolling and violations processing service providers, the ability to charge service or other fees to customers for services provided, could have a material adverse effect on our business.
- Our reliance on specialized third-party providers could have a material adverse effect on our business.

Risks Related to Our Acquisitions

- Our inability to successfully implement our acquisition strategy could have a material adverse effect on our business.

Risks Related to Data Privacy and Cybersecurity

- A failure in or breach of our networks or systems, including as a result of cyber-attacks, could have a material adverse effect on our business.

Risks Related to our International Operations

- Our international operations expose us to additional risks, and failure to manage those risks could have a material adverse effect on our business.

Risks Related to Our Intellectual Property

- Failure to acquire necessary intellectual property or adequately protect our intellectual property could have a material adverse effect on our business.

Risks Related to Our Indebtedness

- Our substantial level of indebtedness could cause our business to suffer and incurring additional debt could intensify debt-related risks.

Due to the risk factors discussed below, as well as other factors affecting our business, operating results, financial condition, financial performance or prospects, our past financial performance should not be considered to be a reliable indicator of our future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Risks Related to Our Customers, Industry, Competition and Vendors

Negative industry and macroeconomic conditions impacting our customers or us may materially and adversely impact our business, results of operations and financial condition.

We provide smart mobility technology solutions to customers in our Commercial Services, Government Solutions and Parking Solutions business segments. Accordingly, the demand for our products in the past has been, and in the future may be, impacted by industry and macroeconomic trends and conditions impacting our customers, including seasonality, demand for business and leisure travel, reductions in the level of air travel, higher airfare costs, energy shortages and cost increases, international, national and local economic conditions and cycles, as well as other factors affecting travel levels, such as military conflicts, terrorist incidents, natural disasters and epidemic diseases. For example, our Commercial Services segment may be impacted by travel demand and extreme weather events which may impact overall travel demand in the United States. Our Government Solutions segment may be impacted to the extent our customers experience a reduction in political acceptance of or additional government restrictions on automated safety programs. Our Parking Solutions segment may be impacted to the extent our customers see an increase in usage of public transportation or rideshare, either of which may cause a decrease in parking usage. Furthermore, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry.

Government actions and regulations, such as tariffs and trade protection measures, may negatively impact our business. Political challenges between the United States and countries in which we operate, and changes to trade policies, including tariff rates and customs duties, trade relations between the United States and those countries and other macroeconomic issues could adversely impact our business. The United States administration has announced tariffs on certain products imported into the United States, and some countries have imposed tariffs in response to the actions of the United States. There is also a possibility of future tariffs, trade protection measures or other restrictions imposed by the United States or other countries.

In addition, consumer spending and activities may be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy prices, labor and healthcare costs and other economic factors, all of which may have a negative effect on our business and results of operations. Additionally, uncertainty about, or a decline in, global or regional economic conditions may have a significant impact on our suppliers, manufacturers, logistics providers, distributors and other partners. Potential effects on our suppliers and partners include financial instability, inability to obtain credit to finance operations, and insolvency.

Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, inflation, financial and credit market fluctuations, international trade relations, pandemics, political turmoil, natural catastrophes, warfare, and terrorist attacks on the United States or elsewhere, could negatively affect customer demand and the growth of our business.

Our Commercial Services and Government Solutions segments have several large customers, including the NYCDOT, that account for a significant portion of our revenue, and a reduction in demand or loss of one or more of such customers could have a material adverse effect on our business.

Our business experiences varying levels of customer concentration. For example, our Commercial Services segment is dependent on certain key customers, such as Avis Budget Group, Inc., Enterprise Mobility and The Hertz Corporation. These three customers accounted for 36.0% and 35.8% of our total revenue for the years ended December 31, 2024 and 2023, respectively. If any of these customers were to reduce their demand, the demand fluctuates, or one of more of these customers terminates their agreements with us, it would have a material adverse impact on our business and results of operations.

We also experience customer concentration in our Government Solutions segment. The New York City Department of Transportation ("***NYCDOT***") represented approximately 15.8% and 16.9% of our total revenues during the years ended December 31, 2024 and 2023, respectively, and 17.2% and 18.3% of total accounts receivable, net as of December 31, 2024 and 2023, respectively. Our contract with NYCDOT expired on December 31, 2024, and we are presently participating in a competitive procurement for a new NYCDOT automated enforcement program contract. We extended our current contract with NYCDOT through December 31, 2025 to allow NYCDOT to continue to operate its automated enforcement program until the competitive procurement process is completed. However, there is no assurance that we will be successful in winning the competitive procurement for the new automated enforcement contract. If we are unable to win the competitive procurement for a new contract with NYCDOT, or if we win the competitive procurement at materially different terms and pricing as our current contract, it would have a material adverse effect on our business, financial condition and results of operations. We may continue to rely on a small number of customers in our Government Solutions segment to represent a significant portion of our total revenues in any given period. The loss of any of our top Government Solutions customers could have a material adverse effect on our business, financial condition and results of operations.

Our government contracts are subject to unique risks and uncertainties, including termination rights, delays in payment, audits and investigations, any of which could have a material adverse effect on our business.

We enter into government contracts from time to time with customers that are subject to various uncertainties, restrictions and regulations, which could result in withholding or delay of payments to us. For example, as of December 31, 2024, NYCDOT had an open receivable balance of $35.6 million, which represented 17.2% of our total accounts receivable, net.

Government entities typically finance projects through appropriated funds. While these projects are often planned and executed as multi-year projects, government entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding or at their convenience. Furthermore, we may be required to perform work under expired or terminated government contracts and may be restricted from recognizing revenue from such contracts. Changes in government or political developments, including administrative hurdles, constitutional challenges, budget deficits, shortfalls or uncertainties, government spending reductions or other debt or funding constraints, could result in our government contracts being reduced in price or scope or terminated altogether, as well as limit our ability to win new government work in the future.

Moreover, if a government customer does not follow the requisite procurement or ordinance-specific administrative procedures, the contract may be subject to protest or voidable regardless of whether we bear any responsibility for the error. Our government contracts are subject to underlying laws and regulations related to government contractors, and often include other one-sided, customer-friendly provisions and certifications, including broad indemnification provisions and uncapped exposure or liquidated damages for certain liabilities, which can impose obligations, requirements and liabilities on us that are beyond those associated with a typical commercial arrangement. We may also be subject to differing or contrary policy preferences or requirements among our government customers which could result in a loss of government customers if we are unable to satisfy such potential differing requirements or preferences to the satisfaction of such customers.

In addition, government contracts are generally subject to audits and investigations by government agencies or higher-tier government contractors. If improper or illegal activities or contractual non-compliance are identified, including improper billing or vendor non-compliance, we may be subject to various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, the imposition of fines, penalties and sanctions, and suspensions or debarment from doing business for or on behalf of the government in the future. For example, in 2020, after we discovered issues in our system installation practices under our agreement with NYCDOT, NYCDOT investigated the matter and we undertook significant efforts to remediate past installations. If penalties or other restrictions are imposed in one jurisdiction, they could also implicate similar provisions of contracts with other government customers in other jurisdictions. Further, the negative publicity related to these penalties, sanctions or findings in government audits or investigations could harm our reputation and hinder our ability to compete for new contracts with government customers and in the private sector. Any of the foregoing or any other reduction in revenue from government customers could have a material adverse effect on our business, financial condition and results of operations.

Any decreases in the prevalence or political acceptance of, or an increase in governmental restrictions regarding, automated and other similar methods of photo enforcement, the use of third-party tolling service providers or the ability to charge service or other fees to customers for services provided, could have a material adverse effect on our business.

Our Government Solutions segment provides automated safety solutions to national, state and local government agencies, generating revenues through automated photo enforcement of red-light, school bus, speed limit and bus lane laws. We sometimes make significant capital and other investments to attract and retain these contracts, such as the cost of purchasing information technology equipment, constructing and installing photo enforcement systems and developing and implementing software and labor resources. In 2024, revenues from this segment represented approximately 44% of our total revenues. Therefore, we depend on national, state and local governments authorizing the use of automated photo enforcement and not otherwise materially restricting its use. In states that have enabling legislation, if that legislation is amended, not renewed or is otherwise repealed, use of automated enforcement technology can be suspended until new legislation is passed. In 2022, a North Carolina court of appeals issued a ruling limiting the ability of local authorities to make certain decisions with respect to funding automated enforcement programs, impacting the viability of automated enforcement in impacted jurisdictions.

Ballot initiatives, referendums, opinions of attorneys general and legal challenges can also be used to restrict the use of automated enforcement or to impose additional licensing requirements on its use. For example, the Attorneys General in the states of Arizona, Tennessee and Virginia have issued opinions that had the effect of limiting the use of these enforcement technologies or impacting the manner in which photo enforcement programs operate. Usage may also be affected if there is an unfavorable shift in political support for, or public sentiment towards, automated enforcement, or as a result of one or more scandals related to its use.

Similarly, our Commercial Services business may be materially impacted if there is an unfavorable shift in political support for or public sentiment towards tolling or its use is materially restricted or limited, including through the imposition of limits on the fees RAC companies can charge their customers for tolling or violation processing services. Any material restriction or limitation on the use of automated enforcement or material reduction in its use in the markets we serve, or any similar changes with respect to tolling, could have a material adverse effect on our ability to recoup our investments, and negatively impact our business, financial condition and results of operations. Further, our relationships and commercial account agreements with tolling authorities, issuing authorities, motor vehicle departments and other governmental agencies significantly enhances and enables our service offerings, and changes in those relationship or agreements could significantly adversely impact our business.

We face intense competition and any failure to keep up with technological developments, changing customer preferences and new laws and policies could have a material adverse effect on our business.

The markets for our solutions are increasingly competitive, rapidly evolving and fragmented, and are subject to changing technology, shifting customer needs, contract renewals and new laws and policies. A number of vendors develop and market products and services that compete to varying extents with our offerings, and we expect this competition to intensify. The rapid rate of technological change in our industry could increase the chances that we will face competition from new products or services designed by companies that we do not currently compete with. This includes advancements in the area of self-driving cars which may significantly reduce the frequency of vehicles illegally running red lights or exceeding posted speed limits. This also includes AI tools, which may allow for new or more efficient competing solutions. Moreover, we face competition from our own customers as they may choose to invest in developing their own internal solutions.

Some of our existing competitors and potential new competitors have longer operating histories, greater name recognition, less debt, more established customer bases or significantly greater financial, technical, research and development, marketing and other resources than we do. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies (including AI), standards or customer requirements. In some cases, our competitors may be better positioned to initiate or withstand substantial price competition, and we may have to reduce our pricing to retain existing business or obtain new business. If we are not able to maintain favorable pricing for our solutions, our profit margin and profitability could suffer. In addition, if a prospective customer is currently using a competing solution, the customer may be unwilling to switch to our solution without setup support services or other incentives. Certain existing and new competitors may be better positioned to acquire competitive solutions, develop new solutions, modify existing solutions, effectively negotiate third-party licenses and other strategic relationships, and take advantage of acquisition or other similar expansion opportunities. Any failure to achieve our target pricing levels, maintain existing customer relationships, generate additional customer wins or otherwise successfully compete would have a material adverse effect on our business, financial condition and results of operations.

Our new products and services and changes to existing products and services may not succeed.

Our ability to retain, increase and engage our customer base and to increase our revenue depends, in large part, on our ability to continue to evolve existing solutions and to create successful new solutions. We may introduce significant changes to our existing solutions or acquire or introduce new and unproven products and services, including using technologies (such as AI) or entering markets or industries in which we have little or no experience. For example, as Government Solutions customers increase their requirements related to data security, privacy and IT architecture, significant effort and expense may be required to develop new solutions to keep up with increasing requirements, and our efforts may not be entirely successful. Modifications or developments can be costly, may be restricted by regulatory requirements, involves significant research, development, time, expense and human capital and may not necessarily result in the successful commercialization or adoption by customers as expected. The failure of any new or enhanced solution to achieve customer adoption or our failure to otherwise successfully monetize our development efforts could have a material adverse effect on our business, financial condition and results of operations. Further, changes to the hardware solutions we offer to our government customers may require certification by a government agency, and failure to achieve such certification may result in an inability to sell or operate photo enforcement systems in a particular jurisdiction. Any failure to evolve existing solutions or create new successful solutions could have a material adverse effect on our business, financial condition and results of operations.

The use or integration of AI tools and technologies into existing and new solutions may present novel risks and challenges that could adversely affect our business. We are evaluating AI tools for, among other things, software development and back-end processing functions. In addition, our vendors may incorporate AI tools into their services and deliverables, at times without disclosing this to us, and the providers of such AI tools may not meet existing or rapidly evolving regulatory or industry standards with regard to privacy, security, IP, and data protection. Uncertainty in the regulatory environment related to AI may require significant resources to modify and maintain business practices to comply with applicable law, the nature of which continues to evolve and may prevent or limit our ability to use AI in our business, lead to regulatory fines or penalties, or require us to change our business practices. If we cannot use AI, or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage, which could adversely affect our business. Additionally, investments in AI may not realize the benefits that were anticipated.

We regularly pursue contracts and contract renewals that require competitive bidding, which can involve substantial costs and could have a material adverse effect on our business.

Many of the contracts and renewals for which we bid, particularly those for certain larger government customers, are extremely complex and require the investment for significant resources in order to prepare accurate bids and proposals. Further, a significant percentage of new customer growth opportunities and contract renewals or extensions in our business segments are only accessible through competitive bidding. Competitive bidding imposes substantial costs and presents several risks, including significant time and effort and the commitment of resources, regardless of whether the contract is ultimately won. For example, we invested significant time and resources to prepare our response for the competitive procurement for the new NYCDOT automated enforcement program contract. We may also be unable to meet the requirements of a solicitation or may have to incur substantial costs to be able to do so. These and other unanticipated costs related to the competitive bidding process, including advancing or defending bid protests, and any failure to win renewals or new customer accounts through the competitive bidding process, could have a material adverse effect on our business, financial condition and results of operations.

Our reliance on third-party providers could have a material adverse effect on our business.

We rely heavily on third-party providers, including subcontractors, manufacturers, software vendors, software application developers, and utility and network providers, to meet their obligations to us in a timely and high-quality manner. For example, we rely on third parties to provide data sourced from state departments of motor vehicles (and their European equivalents) and other governmental agencies with which we do not have direct relationships for the driver and other information we use in our business. Our ability to offer our solutions would be materially affected if this access was unavailable or materially restricted, or if the price we pay increased significantly. Our Government Solutions business also relies on a number of third-party manufacturers, including camera manufacturers and automated license plate recognition providers, and outsources some engineering, construction, maintenance, printing and mailing, call center, image review and event processing work. Further, if one or more tolling authorities cancels our accounts, or stops providing transponders and we are unable to obtain transponders through other sources, our Commercial Services business would be affected. Our Parking Solutions business also relies on a number of domestic and foreign third-party manufacturers in the production of our pay station, Parking Access and Revenue Control (PARCS) and parking enforcement hardware solutions, and our inability to access third-party providers could have a material adverse effect on our business.

We also outsource a meaningful percentage of our software development work to third parties. Some of our agreements with these third parties include termination rights, allowing the third party to terminate the arrangement in certain circumstances. For example, the agreements with our third-party payment processors give them the right to terminate the relationship if we fail to keep credit card chargeback and retrieval rates below certain thresholds. If any of our third-party providers are unable or unwilling to meet their obligations to us, fail to satisfy our expectations or those of our customers, including those imposed through flow-down provisions in prime contracts, or if they terminate or refuse to renew their relationships with us on substantially similar terms, we may be unable to find adequate replacements within a reasonable time frame, on favorable commercial terms or at all, and our business, financial condition and results of operations could be materially and adversely affected.

While we perform some due diligence on these third parties and take measures to ensure that they comply with applicable laws and regulations, we do not have an extensive screening or review process and ultimately cannot guarantee our third-party providers will comply with applicable laws, the terms of their agreements or flow-down requirements from our customers. Misconduct or performance deficiencies by any of our third-party providers may be perceived as misconduct or poor performance by us, cause us to fall short on our contractual obligations to our customers or harm our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

We rely on communications networks and information systems and any interruption could have a material adverse effect on our business.

We rely heavily on the satisfactory performance and availability of our information technology infrastructure and systems, including our websites and network infrastructure, to conduct our business. We rely on third-party communications service and system providers to provide technology services and link our systems with our customers' networks and systems, including a reliable network backbone with the necessary speed, data capacity and security. We also rely on third-party vendors, including data center, bandwidth and telecommunications equipment providers. A failure or interruption that results in the unavailability of any of our information systems or a major disruption of communications between a system and the customers we serve could disrupt the effective operation of our solutions and otherwise adversely impact our ability to manage our business effectively. We may experience system and service interruptions or disruptions for a variety of reasons, including as the result of network failures, power outages, cyber-attacks, employee errors, software errors, an unusually high volume of transactions, or localized conditions such as fire, explosions or power outages or broader geographic events such as earthquakes, storms, floods, epidemics, strikes, acts of war, civil unrest or terrorist acts. We have taken steps to mitigate our exposure to certain service disruptions by investing in redundant or blended circuits, although the redundant or blended circuits may also suffer disruption. Because we are dependent in part on independent third parties for the implementation and maintenance of certain aspects of our systems and because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all. Any interruption or delay in or cessation of these services and systems could significantly disrupt operations, impact customers, damage our reputation, result in litigation, decrease the overall use and acceptance of our solutions, result in lost data and be costly, time consuming and difficult to remedy, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our failure to properly perform under our contracts or otherwise satisfy our customers could have a material adverse effect on our business.

Our business model depends in large part on our ability to retain existing work and attract new work from existing customers. If a customer is not satisfied with our products, services or solutions or the timeliness or quality of our work, we may incur additional costs to address the problem, the profitability of that contract may be impaired, we may experience payment delays, it could do harm to our reputation and hinder our ability to win new work from prospective customers. Failure to properly transition new customers to our systems or existing customers to our different systems, properly budget transition costs or accurately estimate contract costs could also result in delays and general customer dissatisfaction. Many of our contracts may be terminated by the customer upon specified advance notice without cause. Any failure to properly perform under our contracts or meet our customers' expectations could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Acquisitions

Our inability to successfully implement our acquisition strategy could have a material adverse effect on our business.

We have grown in large part as a result of our acquisitions, and we anticipate continuing to grow in this manner. Although we expect to regularly consider additional strategic transactions in the future, we may not identify suitable opportunities or, if we do identify prospects, it may not be possible to consummate a transaction on acceptable terms. Competition laws or foreign investment controls may also limit our ability to acquire or work collaboratively with certain businesses or to fully realize the benefits of a prospective or completed acquisition. Furthermore, a significant change in our business or the economy, an unexpected decrease in our cash flows or any restrictions imposed by our indebtedness may limit our ability to obtain the necessary capital or otherwise impede our ability to complete a transaction. Regularly considering strategic transactions can also divert management's attention and lead to significant due diligence and other expenses regardless of whether we pursue or consummate any transaction. Failure to identify suitable transaction partners and to consummate transactions on acceptable terms, as well as the commitment of time and resources in connection with such transactions, could have a material adverse effect on our business, financial condition and results of operations.

The inability to successfully integrate our recent or future acquisitions could have a material adverse effect on our business.

We have integrated, and may in the future integrate, certain acquired businesses into our existing operations, which requires significant time and exposes us to significant risks and additional costs. Further, we may have difficulty integrating the operations, systems, controls, procedures or products of such acquired businesses and may not be able to do so in a timely, efficient and cost-effective manner. These difficulties could include but are not limited to:

- combining management teams, strategies and philosophies;
- merging or linking different accounting and financial reporting systems and systems of internal controls;
- assimilating personnel, human resources and other administrative departments and potentially contrasting corporate cultures;
- merging computer, technology and other information networks and systems;
- disrupting our relationship with or losing key customers, suppliers or personnel; and
- interference with, or loss of momentum in, our ongoing business or that of the acquired business.

Any integration-related issues could cause significant disruption to our business, divert the attention of management and lead to substantial additional costs and delays. For example, between February 2022 and April 2022, our Audit Committee devoted significant time and resources into an accounting investigation of Redflex Holdings Limited, an acquired subsidiary, and we were unable to timely file our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Our inability to successfully integrate acquired businesses could have a material adverse effect on our business, financial condition and results of operations.

Any failure to realize the anticipated benefits of an acquisition, including unanticipated expenses and liabilities related to acquisitions, could have a material adverse effect on our business.

We pursue each acquisition with the expectation that the transaction will result in various benefits, including growth opportunities and synergies from increased efficiencies. However, we may not realize some or all of the anticipated benefits of our acquisitions within our anticipated timeframes or at all. Furthermore, we may experience increased competition that limits our ability to expand our business, we may not be able to capitalize on expected business opportunities, and general industry and business conditions may deteriorate. Acquisitions also expose us to significant risks and costs, and business and operational overlaps may lead to hidden costs. These costs can include unforeseen pre-acquisition liabilities, the impairment of customer relationships, acquired assets, or goodwill, or exposure to oversight, operational and business control risks associated with a newly acquired business. We may also incur costs and inefficiencies to the extent an acquisition expands the industries, markets or geographies in which we operate due to our limited exposure to and experience in a given industry, market or region. Significant acquisitions may also require us to incur additional debt to finance the transactions, which could limit our flexibility in using our cash flow from operations for other purposes. Acquisitions often involve post-transaction disputes with the counterparty regarding a number of matters, including disagreements over the amount of a purchase price or other working capital adjustment or disputes regarding whether certain liabilities are covered by the indemnification provisions of the transaction agreement. We may underestimate the level of certain costs or the exposure we may face as a result of acquired liabilities. If any of these or other factors limit our ability to achieve the anticipated benefits of a transaction, or we encounter other unexpected transaction-related costs and liabilities, our business, financial condition and results of operations could be materially and adversely affected.

Our goodwill has been subject to impairment and may be subject to further impairment in the future, which could have a material adverse effect on our results of operations, financial condition, or future operating results.

We perform a goodwill impairment test for each reporting unit annually, or more frequently if indicators for potential impairment exist. Indicators that are considered include significant changes in performance relative to expected operating results, significant negative industry or economic trends, or a significant decline in our stock price and/or market capitalization for a sustained period of time. In addition, we assess the current and future economic outlook for our reporting units during the fiscal year. While we believe the assumptions used in determining whether there was impairment and the amount of any resulting impairment were reasonable and commensurate with the views of a market participant, changes in key assumptions in the future, including increasing the discount rate, lowering forecasts for revenue and operating margin, or lowering the long-term growth rate, could result in additional charges; similarly, one or more changes in these assumptions in future periods due to changes in circumstances could result in future impairments in one or more reporting units. We have incurred impairment charges in the current period, and we cannot predict if or when additional future goodwill impairments may occur. We recorded a $97.1 million impairment to goodwill in our Parking Solutions segment during fiscal year 2024, which is presented in a separate line item on the consolidated statements of operations. This was in connection with our 2024 assessment of goodwill impairment where the Parking Solutions reporting unit's carrying value exceeded the estimated fair value. Any future goodwill impairments could have material adverse effects on our operating income, net assets, or our cost of, or access to, capital, which could harm our business. See Note 2*, Significant Accounting Policies,* in Item 8*, Financial Statements and Supplementary Data*, for additional information.

Risks Related to Data Privacy and Cybersecurity

A failure in or breach of our networks or systems, including as a result of cyber-attacks, could have a material adverse effect on our business.

We act as a trusted business partner in both front office and back office platforms, interacting with our customers and other third parties. Our customers include large, multinational corporations and government agencies who depend upon our operational efficiency, non-interruption of service, and accuracy and security of information. We receive, process, transmit and store substantial volumes of information relating to identifiable individuals, both in our role as a back-end or direct-to-consumer service provider and as an employer, and receive, process and implement financial transactions, and disburse funds, which requires us to receive debit and credit card information. We also use third-party providers such as subcontractors, software vendors, utility providers and network providers, upon whom we rely, to offer our products, services and solutions. As a result of these and other aspects of our business, the integrity, security and accuracy of our systems and information technology, and that of the third parties with which we interact, including our customers and other government agencies with which we work, are extremely important.

Our cybersecurity and processing systems, as well as those of the third parties with which we interact, may be damaged, disrupted or otherwise breached for a number of reasons, including power outages, computer and telecommunication failures, computer viruses, malware or other destructive software, internal design, manual or usage errors, cyber-attacks, terrorism, workplace violence or wrongdoing, catastrophic events, natural disasters and severe weather conditions. Our visibility and role as a processor of transactions containing personally identifiable information may also put us at a greater risk of being targeted by hackers. In the normal course of our business, we have been the target of malicious cyber-attack attempts. We have in place insurance designed to provide coverage in connection with cybersecurity breaches, provided, however, that such insurance coverage may be insufficient to cover all insured losses or all types of claims that may arise.

In addition, numerous and evolving cybersecurity threats, including advanced and persistent cyber-attacks, phishing and social engineering schemes could compromise our systems and the confidentiality, availability and integrity of data in our systems, as well as the systems and data of the third parties with which we interact. The security measures and procedures we and the third parties with which we interact have in place to protect sensitive consumer data and other information may not be successful or sufficient to counter all data breaches, cyber-attacks, or system failures. Further, employee error or malfeasance, faulty password management or other irregularities may result in a defeat of security measures or a system breach. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and data, and to prevent, detect and respond to data security incidents, in each case that we believe are reasonable and appropriate, these efforts, and the efforts of third parties with which we interact, may not prevent these or other threats.

Moreover, because the techniques used to obtain unauthorized access, or to disable or degrade systems change frequently, have become increasingly more complex and sophisticated, and may be difficult to detect for periods of time, we and the third parties with which we interact may not anticipate these acts or respond adequately or timely. As these threats continue to evolve and increase, we may be required to devote significant additional resources in order to modify and enhance our security controls and to identify and remediate any security vulnerabilities or conduct due diligence of those of third parties.

If we are sued in connection with any data security breach or system failure, we could be involved in protracted litigation. In addition, a breach could lead to unfavorable publicity and significant damage to our brand, the loss of existing and potential customers, allegations by customers that we have not performed or have breached our contractual obligations, or decreased use and acceptance of our solutions. A breach or failure may also subject us to additional regulations or governmental or regulatory scrutiny, which could result in significant compliance costs, fines or enforcement actions, or potential restrictions imposed by regulators on our ability to operate our business. A security breach would also likely require us to devote significant management and other resources to address the problems created by the security breach. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We are subject to laws and regulations of the United States and foreign jurisdictions relating to personal information, privacy and data security, and failure to comply with these laws and regulations, whether or not inadvertent, could have a material adverse effect on our business.

Personal information is used both as part of our business and in our role as an employer. In addition, as part of our Government Solutions, Commercial Services and Parking Solutions businesses, we process other data which may be considered personal information or sensitive personal information in certain jurisdictions, such as photographs and video recordings. As a result, we are subject to various laws and regulations regarding personal information, privacy and data security, including those promulgated by the United States federal government and its agencies, and state, local and foreign governments, agencies, and public authorities. In addition, our handling of personal information is subject to our published privacy policies and notices, contractual obligations and industry standards.

Laws, regulations and industry standards relating to privacy are rapidly evolving, can be subject to significant change and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. These laws and regulations may also be subject to new or different interpretations. For example, in June 2018, California enacted the CCPA, which took effect on January 1, 2020. The CCPA was amended and expanded (including to apply to employee and business-to-business data) by the California Privacy Rights Act, which took effect on January 1, 2023. The CCPA created several new obligations for companies which process personal information. It also gives California residents expanded rights to access, delete and obtain a copy of their personal information; opt out of certain personal information disclosures; and receive detailed information about how their personal data is processed. The law provides for civil penalties against companies that fail to comply.

Several other states have enacted privacy laws. These states include Virginia (effective January 1, 2023); Colorado and Connecticut (both effective July 1, 2023); Utah (effective December 31, 2023); Oregon, Texas, and Florida (all effective July 1, 2024); Montana (effective October 1, 2024); Delaware, Nebraska, New Hampshire, and Iowa (all effective January 1, 2025); New Jersey (effective January 16, 2025); Tennessee (effective July 1, 2025); Minnesota (effective July 31, 2025); Maryland (effective October 1, 2025); and Indiana, Kentucky, and Rhode Island (all effective January 1, 2026). Additional states have introduced privacy bills, and Congress has considered several privacy bills at the federal level. Regulations implementing the CCPA and Colorado have also been published, though many questions remain as to how all of the new statutes will be interpreted and enforced. In addition, the FTC uses its consumer protection authority to initiate enforcement actions against companies relating to their use and disclosure of personal information, particularly in response to actual or perceived unfair or deceptive acts or practices.

Various U.S. state laws and regulations may also require us to notify affected individuals and state agencies in the event of a data breach involving personal information. Penalties for failure to adequately protect personal information, notify as required, or provide timely notice vary by jurisdiction. In the United States, most state data breach notification laws consider violations to be unfair or deceptive trade practices and give the relevant state attorneys general the authority to levy fines or bring enforcement actions. Some laws, such as the CCPA, also grant affected individuals a private right of action for certain data breaches, with the CCPA also providing for statutory damages. Class action lawsuits against companies which experience a data breach involving personal information are also increasingly common and for larger awards. Foreign laws concerning personal information, privacy and data security may be more restrictive and burdensome than those of the United States. Given that data is highly mobile and transferable, many data protection and privacy laws of foreign nations seek to have wide extraterritorial jurisdiction over conduct occurring outside geographical boundaries of the relevant jurisdiction. For example, the GDPR extends the scope of E.U. data protection law to non-E.U. companies processing data of E.U. residents when certain conditions are satisfied. The GDPR contains numerous, more stringent requirements and changes from prior E.U. law, including more robust privacy and compliance obligations for both companies and their service providers, greater rights for individuals, heavier documentation requirements for data protection compliance programs, restrictions on transfers of personal data to non-E.U. countries, and prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances. The GDPR fine framework can be up to €20 million, or up to 4% of the company's total global turnover of the preceding fiscal year, whichever is higher. Further, our customers, through contractual requirements, could require us to comply with certain of these stringent requirements regardless of whether our business is actually subject to the GDPR.

The costs could be high and deadlines short for compliance with these privacy- and data security-related laws, regulations, contractual requirements and industry standards, each of which may limit our ability to compete for new business, do business with certain government agencies, including our existing customers, or continue to access certain data, and may limit the use or adoption of our smart mobility technology solutions and services, reduce overall demand for our solutions and services, slow the pace at which we generate revenue, subject us to fines or penalties, or cause us to breach contractual commitments to our customers. As these laws, regulations, and standards continue to develop in the United States and internationally, we may be required to expend significant time and resources in order to update existing processes or implement additional mechanisms as necessary to ensure compliance. Moreover, if our policies, procedures or measures relating to these issues fail to comply, or regulators assert we have failed to comply, with applicable laws, regulations or industry standards, we may be subject to governmental enforcement actions, litigation, regulatory investigations, fines, algorithmic disgorgement, the inability to use previously-collected personal information or the inability to collect new personal information, other penalties and negative publicity, and our application providers, customers and partners may lose trust in or stop doing business with us entirely. We expect that there will continue to be new proposed laws, regulations and industry standards concerning personal information, privacy and data retention in the United States, the E.U. and other jurisdictions, and we cannot yet determine the impact of such future laws, regulations and industry standards may have on our business. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We are subject to domestic and foreign laws relating to processing certain financial transactions, including debit or credit card transactions, and failure to comply with those laws, even if inadvertent, could have a material adverse effect on our business.

We process, support and execute financial transactions as part of our business and disburse funds on behalf of certain of our customers. This activity includes receiving debit and credit card information, processing payments for and due to our customers and disbursing funds on payment or debit cards to payees of our customers. As a result, we may be subject to numerous U.S. federal and state and foreign jurisdiction laws and regulations, including the Electronic Fund Transfer Act, the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act) and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "***Patriot Act***").

We have implemented policies and procedures to preserve and protect credit card and other payment data against loss, corruption, misappropriation caused by systems failures, unauthorized access or misuse. Notwithstanding these policies and procedures, we could be subject to liability claims by individuals and customers whose data resides in our databases for the misuse of that information. If we fail to meet appropriate compliance levels, this could negatively impact our ability to utilize credit cards as a method of payment, or collect and store credit card information, which could disrupt our business. Failure to comply with these laws may subject us to, among other things, additional costs or changes to our business practices, liability for monetary damages, fines or criminal prosecution, unfavorable publicity, restrictions on our ability to process and support financial transactions and allegations by customers that we have not performed our contractual obligations, any of which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Human Capital Management

We depend on the services of key executives and any inability to attract and retain key management personnel could have a material adverse effect on our business.

Our future success depends upon the continued services of our executive officers, including our Chief Executive Officer and Chief Financial Officer, who have critical experience and relationships that we rely on to implement our business plan and growth strategy. Additionally, as our business grows, we may need to attract and hire additional management personnel. We have employment agreements with some members of senior management that include non-competition provisions; however, we cannot prevent our executives from terminating their employment and may not be able to fully enforce non-competition provisions limiting former executives or key personnel from competing with us following any departure. Moreover, we do not carry "key-man" life insurance on the lives of our executive officers, employees or advisors. Our ability to retain our key management personnel or to identify and attract additional management personnel or suitable replacements should any members of the management team leave or be terminated is dependent on a number of factors, including the competitive nature of the employment market and our industry. Any failure to retain key management personnel or to attract additional or suitable replacement personnel could cause uncertainty among investors, employees, customers and others concerning our future direction and performance and could have a material adverse effect on our business, financial condition and results of operations.

A failure to attract and retain necessary skilled personnel and qualified subcontractors could have a material adverse effect on our business.

Our business depends on highly skilled technical, managerial, engineering, sales, marketing and customer support personnel and qualified and competent subcontractors. Competition for these personnel is intense. Any failure to attract, hire, assimilate in a timely manner and retain and motivate key qualified personnel, particularly software development, product development, analytics and other technical personnel, or inability to contract with qualified, competent subcontractors, could impair our success. Additionally, certain portions of our Government Solutions operations are dependent on employees and subcontractors who are subject to a collective bargaining agreement. When the collective bargaining agreement becomes subject to renegotiation or if we face union organizing drives, a disagreement between us and the union on issues of importance to the union may lead to a strike, work slowdown or other job actions in one or more locations we serve. A strike, work slowdown or other job action could disrupt our services, resulting in reduced revenues or contract cancellations. State or local law in some jurisdictions requires that subcontractors for our Government Solutions segment are certified by the jurisdiction, and the failure on the part of our subcontractors to obtain and maintain such certification could impact their ability to perform services for us. Further, some jurisdictions require that we subcontract a certain percentage of our work to certified businesses and failure to do so may decrease our competitiveness in the marketplace, lead to breach of contract claims or result in having to refund fees paid for failing to achieve committed targets. Additionally, our acquisition activity could increase the challenge of retaining our key employees and subcontractors and those of the acquired businesses. The loss of any key technical employee or the termination of a key subcontractor relationship, and any inability to identify suitable replacements or offer reasonable terms to these candidates, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our International Operations

Our operations in international markets expose us to additional risks, and failure to manage those risks could have a material adverse effect on our business.

We have subsidiaries in various international markets that include but are not limited to the United Kingdom, Netherlands, France, Ireland, Spain, Australia, Canada, Hungary and India. The success of our business depends, in part, on our ability to successfully manage these foreign operations. Our international operations subject us to risks that could increase expenses, restrict our ability to operate, result in lost revenues or otherwise materially and adversely affect our business, including:

- political, social, and economic instability, including European sovereign debt issues and tightening of government budgets;
- fluctuations in geopolitical relationships, which may impact our access to goods and services and our ability to contract with certain government entities;
- wars, civil unrest, acts of terrorism and other conflicts;
- increased complexity and costs of managing or overseeing foreign operations, including adapting and localizing our services to specific regions and countries and relying on different third-party service providers;
- complying with tariffs, trade restrictions, and trade agreements and any changes thereto;
- foreign exchange and other restrictions and limitations on the transfer or repatriation of funds;
- adverse tax consequences;
- fluctuations in currency exchange rates;
- complying with varying legal and regulatory environments, and managing public perception, in multiple foreign jurisdictions, including with respect to data and consumer privacy and payment processing, labor matters and VAT, and unexpected changes in these laws, regulatory requirements, and the enforcement thereof; and
- limited protection of our intellectual property and other assets as compared to the laws of the United States.

We have limited or no control over these and other factors related to international operations and our strategies to address these risks may not correctly anticipate any problems that arise or be successful in expanding our solutions from the United States into new markets. Any failure to successfully manage these and other similar risks could have a material adverse effect on our business, financial condition and results of operations.

Our growth strategy is, in part, dependent on successfully implementing our international expansion strategy.

Our growth strategy includes expanding our global footprint, which may involve moving into regions and countries beyond those in which we currently operate. In order to achieve widespread acceptance in new markets we may enter, we may need to develop new products and services or tailor our existing products and services to that market's unique customs, cultures and standards. Management of these and any future international subsidiaries may divert our resources and require significant attention from management. In addition to the risks inherent in conducting international business, expanding internationally with new and existing customers poses additional risks, including:

- lack of acceptance of our products and services;
- tax issues, including administration of value-added tax, restrictions on repatriating earnings, and with respect to our corporate operating structure and intercompany arrangements;
- our ability to adapt our marketing and selling efforts to different cultures and customers;
- a different competitive environment, including a number of smaller competitors and a more fragmented business model, as well as competition from other market participants;
- our ability to obtain and protect intellectual property rights to operate successfully in each territory due to pre-existing third-party intellectual property rights; and
- an unfamiliar regulatory environment, including different local, provincial and national regulations.

If we are unable to effectively manage these risks, our relationships with our existing and prospective customers, strategic partners and employees and our operations outside the United States may be adversely affected.

In many cases, we will have limited or no experience in a particular region or country where we intend to launch operations. Moreover, learning the customs and cultures, particularly with respect to consumer preferences, differing technology standards and language barriers, is a difficult task. Our failure to do so effectively could slow our growth in those regions or countries. In many of these markets, long-standing relationships between potential customers and their local partners and protective regulations, including local content requirements and approvals, and disparate networks and systems used by each country, will create barriers to entry. Difficulties in foreign financial markets and economies and of foreign financial institutions, particularly in emerging markets, could also adversely affect demand in the affected areas. For this strategy to be successful, we must generate sufficient revenues and margins from the new markets to offset the expense of the expansion. Moreover, as the scale of our international operations increases, we will be more susceptible to the general risks related to our existing international operations discussed above. If we are unable to further expand internationally or if we are unable to effectively and efficiently manage the complexity of our expanded operations and compete in these new regions and countries, our business, financial condition and results of operations could be adversely affected.

Failure to comply with anticorruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act and similar laws associated with our activities outside of the United States, could have a material adverse effect on our business.

Our operations subject us to anticorruption and other similar laws and regulations of multiple jurisdictions, both within the United States and internationally, which are often evolving, including the Foreign Corrupt Practices Act (the "***FCPA***"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the Patriot Act, and comparable foreign anti-bribery and anti-money laundering laws and regulations, including the United Kingdom Bribery Act of 2010. Our businesses are subject to a number of international, federal, state and local laws and regulations regarding similar matters. These laws and regulations prohibit companies and their employees and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or other benefits to government officials, political parties and private-sector recipients for the purpose of obtaining or retaining business, directing business to any person or securing any advantage.

We use various third parties to conduct our business, both domestically and abroad, and we can be held liable for the corrupt or illegal activities of our employees, representatives, contractors or subcontractors, partners, and agents, those of the third parties with which we do business or those of any businesses we acquire, even if we do not explicitly authorize such activities or if they occurred prior to our acquisition of the relevant business. Safeguards we implement to discourage these practices may prove to be ineffective and any internal investigations may not uncover any such practices that may exist. Violations of the FCPA or other applicable anti-bribery, anti-corruption, and anti-money laundering laws by us or any of these third parties can result in severe criminal or civil sanctions, or other liabilities or proceedings against us, including class action lawsuits, whistleblower complaints, enforcement actions by the SEC, Department of Justice, and U.S. state and local and foreign regulators, adverse media coverage, non-responsibility determinations by procuring agencies, and suspension or debarment from government contracts, any of which could have a material adverse effect on our business, financial condition and results of operations.

Numerous countries, including a number of those in which we do business, have agreed to a statement in support of Economic Co-operation and Development ("OECD") model rules that propose a global minimum tax, which if adopted, and subject to any "protective measures" implemented by the United States and responses thereto, may increase and negatively impact our provision for income taxes.

Numerous countries, including a number of those in which we do business, have agreed to a statement in support of the OECD model rules that propose a global minimum tax rate of 15% that would apply to multinational companies with consolidated revenue above €750 million. Certain countries, including European Union member states, have enacted, or are expected to enact, legislation implementing a global minimum tax this year. In January 2025, the President of the United States issued an Executive Order declaring, in part, that the global minimum tax initiative has "no force or effect in the United States absent an act of the Congress." This Executive Order further directed the U.S. Treasury Department to investigate whether any non-U.S. countries are not in compliance with any tax treaty or have tax rules in place, or that are likely to be put in place, that are extraterritorial or disproportionately affect U.S. corporations and, if so, to advise on options for "protective measures." As a result of global minimum tax rules becoming effective in countries in which we do business, and subject to any "protective measures" that may be implemented by the United States and responses thereto by other countries, our taxes could increase and negatively impact our provision for income taxes. We will continue to monitor pending legislation and implementation by individual countries of a global minimum tax, as well as responses thereto by the United States, and evaluate the potential impact on our business in future periods.

Risks Related to Our Intellectual Property

Failure to acquire necessary intellectual property or adequately protect our intellectual property could have a material adverse effect on our business.

Our success depends, in part, on our ability to protect and defend our intellectual property against infringement, misappropriation and dilution. To protect our intellectual property rights, we rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws of the United States and other countries, as well as contract provisions. We have registered certain patents and trademarks and have applications pending in the United States and foreign jurisdictions for some inventions and trademarks, including the Verra Mobility word mark and logo, for which some registrations have been granted and some applications are pending. However, not all of the trademarks and inventions we currently use have been registered in all of the countries in which we do business, and they may never be registered in all of those countries, and the applications we submit for these protections may not be granted. While we make efforts to acquire rights to intellectual property necessary for our operations, these measures may not adequately protect our rights in any given case, particularly in those countries where the laws do not protect proprietary rights as fully as in the United States.

If we fail to acquire necessary intellectual property rights or adequately protect or assert our intellectual property rights, competitors may manufacture and market similar products and services, or dilute our brands, which could adversely affect our market share. It may be possible for third parties to reverse engineer, otherwise obtain, copy, and use software or information that we regard as proprietary. In addition, our competitors may avoid application of our existing or future intellectual property rights. Further, patent rights, copyrights and contractual provisions may not prevent our competitors from developing, using or selling products or services that are similar to or address the same market as, our products and services. Failure to obtain registrations for the Verra Mobility word mark or logo may have a significant adverse impact on our brand. Moreover, some of our trademarks and services are descriptive or include descriptive elements, which may make it difficult to enforce our rights or prevent others from adopting and using similar marks. Competitive products and services could reduce the market value of our brands, products and services, inhibit attracting new customers or maintaining existing customers, lower our profits, and could have a material adverse effect on our business, financial condition and results of operations.

Our measures to monitor and protect our intellectual property may not be adequate to maintain or enforce our patents, trademarks or other intellectual property rights.

Despite our efforts to monitor and protect our intellectual property, we may not be able to maintain or enforce our patents, trademarks or other intellectual property rights. Unauthorized third parties may use our trademarks and service marks, or marks that are similar thereto, to impinge on our goodwill, cause consumer confusion or dilute our rights in the marks. We are aware of products, software and marks similar to our intellectual property being used by other persons. Although we believe that such uses will not adversely affect us, further or currently unknown unauthorized uses or other infringement of our trademarks or service marks could diminish the value of our intellectual property and may adversely affect our business. Even where we have effectively secured protection for our intellectual property, our competitors may challenge, infringe, misappropriate or dilute our intellectual property and our employees, consultants, contractors, customers and suppliers may breach their contractual obligations not to reveal or use our confidential information, including trade secrets. Additionally, defending or enforcing our intellectual property rights and agreements, and seeking an injunction or compensation for infringements or misappropriations, could result in expending significant resources and diverting management attention, which in turn may have a material adverse effect on our business, financial condition and results of operations.

We have been and may become subject to third-party infringement claims or challenges to the validity of our intellectual property that could have a material adverse effect on our business.

We have faced, and may in the future face, claims for infringement, misappropriation or other violations of intellectual property rights from intellectual property owners in areas where we operate or intend to operate, including in foreign jurisdictions. Such claims may or may not be unfounded. Regardless of whether such claims have merit, our image, brands, competitive position and ability to expand our operations into other jurisdictions may be harmed and we may incur significant costs related to defense or settlement. If such claims were decided against us or a third-party we indemnify pursuant to license terms, we could be required to pay damages, develop or adopt non-infringing products or services, or acquire a license to the intellectual property that is the subject of the asserted claim, which license may not be available on acceptable terms or at all.

Defending or settling claims would require the expenditure of additional capital, and negative publicity could arise, even if the matter was ultimately decided in our favor. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Indebtedness

Our substantial level of indebtedness could cause our business to suffer and incurring additional debt could intensify debt-related risks.

We have a substantial amount of debt, including approximately $695.6 million outstanding under our first lien term loan facility as of December 31, 2024. Additionally, pursuant to an indenture, VM Consolidated, Inc. ("***VM Consolidated***") issued an aggregate principal amount of $350 million in Senior Unsecured Notes (the "***Senior Notes***") due 2029. We may also incur substantial additional debt in the future to, among other things, finance our acquisition strategy. We have the option to increase commitments under our revolving credit agreement by up to $50.0 million, all of which would be secured. We also have the ability to draw an unlimited amount from our first lien term loan facility, subject to the satisfaction of a maximum total net leverage ratio or minimum fixed charge coverage ratio, on a pro forma basis, all of which will be secured. Our substantial debt could have important consequences, any of which could be intensified if new debt is added to our current debt levels. For example, it could:

- increase our vulnerability to adverse economic and industry conditions;

- limit our ability to obtain additional financing for future working capital, capital expenditures, strategic acquisitions and other general corporate requirements;
- expose us to interest rate fluctuations because the interest rate on certain of our debt is variable;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes;
- make it more difficult for us to satisfy our general business obligations, including our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness;
- limit our ability to refinance indebtedness or increase the associated costs;
- require us to sell assets to reduce debt or influence our decision about whether to do so;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate or prevent us from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins; and
- place us at a competitive disadvantage compared to any competitors that have less debt or comparable debt at more favorable interest rates and that, as a result, may be better positioned to withstand economic downturns.

Restrictive covenants in the agreements governing our indebtedness could restrict our operating flexibility.

The agreements governing our indebtedness limit our ability to take certain actions. These restrictions may limit our ability to operate our businesses, prohibit or limit our ability to enhance our operations or take advantage of potential business opportunities as they arise and cause us to take actions that are not favorable to stockholders.

The agreements governing our indebtedness restrict, among other things and subject to certain exceptions, our and our restricted subsidiaries' ability to:

- incur additional indebtedness;
- pay dividends or other payments on capital stock;
- guarantee other obligations;
- grant liens on assets;
- make loans, acquisitions or other investments;
- transfer or dispose of assets;
- make optional payments or modify certain debt instruments;
- engage in transactions with affiliates;
- amend organizational documents;
- engage in mergers or consolidations;
- enter into arrangements that restrict the ability to pay dividends;
- engage in business activities that are materially different from existing business activities;
- change the nature of the business we conduct; and
- designate subsidiaries as unrestricted subsidiaries.

Under our first lien term loan facility, we could be required to make periodic prepayments based on excess cash flow (as defined by the first lien term loan agreement) thereby limiting the amount of cash flow that can be reinvested in our business. For example, under our revolving credit facility, if availability goes below a certain threshold, we will be required to comply with a minimum "consolidated fixed charge coverage ratio" financial covenant as calculated therein. Moreover, if availability falls below a certain threshold for a specified number of business days, we could be required to remit our cash funds to a dominion account maintained by the administrative agent to the revolving credit facility, which would require daily review and approval of operating disbursements by the administrative agent.

Our ability to comply with the covenants and restrictions contained in agreements governing our indebtedness may be affected by economic conditions and by financial, market and competitive factors, many of which are beyond our control. Our ability to comply with these covenants in future periods will also depend substantially on the pricing and sales volume of our products and our ability to successfully implement our overall business strategy. The breach of any of these covenants or restrictions could result in a default under one or more of the agreements governing our indebtedness that would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. In that case, we may be unable to borrow under our revolving credit agreement or otherwise, may not be able to repay the amounts due under the agreements governing our indebtedness, and may not be able to make cash available by dividend, debt repayment or otherwise. In addition, if we are unable to pay the amounts due under the term loan, our lenders could proceed against the collateral securing the indebtedness under the term loan, which consists of substantially all of our assets. Any of the foregoing could have material adverse effects to our financial position, results of operations or cash flows and could cause us to become bankrupt or insolvent.

The agreements governing our indebtedness contain cross default or cross acceleration provisions that may cause all of the debt issued under those instruments to become immediately due and payable because of a default under an unrelated debt instrument.

The agreements governing our indebtedness contain numerous covenants and require us, if availability goes below a certain threshold, to comply with a minimum "consolidated fixed charge coverage ratio" financial covenant as calculated in the revolving credit agreement. Our failure to comply with the obligations contained in these agreements or other instruments governing our indebtedness could result in an event of default under the applicable instrument, which could result in the related debt and the debt issued under other instruments (together with accrued and unpaid interest and other fees) becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds may not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell assets and otherwise curtail our operations in order to pay our creditors. These alternative measures could have a material adverse effect on our business, financial position, results of operations or cash flows.

If we do not generate sufficient cash flows, we may not be able to service all of our indebtedness.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash, make scheduled payments or to refinance our debt obligations depends on our successful financial and operating performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control.

If our cash flow and capital resources are insufficient to fund our debt service obligations or to repay indebtedness when it matures, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets or operations, reducing or delaying capital investments or seeking to raise additional capital. We may not be able to refinance our debt and any refinancing of our debt could be at higher interest rates and may require us to comply with more restrictive covenants that could further restrict our business operations and our ability to make cash available for dividends and distributions and payments on our other debt obligations (if any). Our ability to implement successfully any such alternative financing plans will be dependent on a range of factors, including general economic conditions, the level of activity in mergers and acquisitions and capital markets generally, and the terms of our various debt instruments then in effect. In addition, a significant portion of our outstanding indebtedness is secured by substantially all of our assets including our subsidiaries' assets, and any successor credit facilities are likely to be secured on a similar basis. As such, our ability to seek additional financing or our ability to make cash available for dividends and distributions and payments on our other debt obligations (if any) could be impaired as a result of such security interests and the agreements governing such security interests. Moreover, as a result of these security interests, the underlying assets would only be available to satisfy claims of our general creditors or holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our indebtedness and other obligations.

Our inability to generate sufficient cash flow to satisfy our debt obligations or to refinance our obligations on commercially reasonable terms could have a material adverse effect on our business, including our financial condition and results of operations.

We may be unable to obtain additional financing to fund operations and growth.

We may require additional financing to fund our operations or growth, whether organic or through acquisitions. Our failure to secure additional financing could have a material adverse effect on our continued development or growth.

Risks Related to Our Class A Common Stock, Related Party Transactions and Organizational Documents

We cannot guarantee that our stock repurchase programs will enhance long-term shareholder value. Stock repurchases could also increase the volatility of the trading price of our stock and could diminish our cash reserves. In addition, Congress enacted the Inflation Reduction Act in 2022, which (among other provisions) provided for a 1% excise tax on net stock repurchases. This provision applies to stock repurchases initiated after January 1, 2023.

In October 2023, our Board of Directors authorized a share repurchase program for up to an aggregate amount of $100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, accelerated share repurchase ("***ASR***") or privately negotiated transactions.

In June 2024, we entered into a share repurchase agreement with a stockholder, pursuant to which we repurchased, directly from the stockholder, 2.0 million shares of our Class A Common Stock for an aggregate purchase price of $51.5 million. During the fourth quarter of 2024, we repurchased approximately 1.5 million shares through open market transactions and paid $35.8 million. On December 4, 2024, our Board of Directors authorized the repurchase of up to an additional $100 million of our outstanding shares of Class A Common Stock under the existing October 2023 program, providing the Company with approximately $112.7 million available for repurchases.

On December 11, 2024, we entered into an ASR agreement with a third-party financial institution to purchase $112.7 million of our Class A common stock. Pursuant to the terms of the ASR agreement, we received and retired 3,821,958 shares of our Class A Common Stock and paid $112.7 million. The delivery of any remaining shares will occur at the final settlement of the transactions under the ASR agreement, which is scheduled to occur in the first quarter of 2025. The final number of shares repurchased under the ASR agreement will be based on the daily volume-weighted average share prices over the term in the ASR agreement, less a discount and subject to adjustments.

We paid a total of $200.0 million for share repurchases during the year ended December 31, 2024. In addition, we recorded approximately $1.7 million within accrued liabilities related to the excise taxes payable on net share repurchases on the consolidated balance sheets as of December 31, 2024.

The timing, price, and quantity of purchases under the repurchase programs have been, and will continue to be, made at the discretion of our management based upon a variety of factors including share price, general and business market conditions, compliance with applicable laws and regulations, corporate and regulatory requirements, and alternative uses of capital. There is no guarantee as to the exact number of shares that we will repurchase and we cannot guarantee that share repurchase programs will enhance long-term stockholder value. Share repurchase programs could affect the trading price of our common stock and increase volatility. In addition, our repurchases under our share repurchase programs have diminished, and could continue to diminish, our cash reserves.

Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our certificate of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board;

- the requirement that directors may only be removed from the Board for cause;
- the right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on our Board;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- a prohibition on stockholders calling a special meeting and the requirement that a meeting of stockholders may only be called by members of our Board or our Chief Executive Officer, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement that changes or amendments to certain provisions of our certificate of incorporation or bylaws must be approved by holders of at least two-thirds of our Common Stock; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board or to propose matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Our bylaws include a forum selection clause, which may impact the ability of our stockholders to bring actions against us.

Subject to certain limitations, our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware will be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees or our stockholders; (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporate Law or our certificate of incorporation or bylaws; or (d) any action asserting a claim governed by the internal affairs doctrine. In addition, our bylaws provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the federal securities laws of the United States against us, our officers, directors, employees or underwriters. These limitations on the forum in which stockholders may initiate action against us could create costs or, inconvenience or otherwise adversely affect our stockholders' ability to seek legal redress. If a court were to find the forum-selection provisions contained in our bylaws to be unenforceable, we may incur additional costs associated with resolving proceedings in forums other than the Court of Chancery in the State of Delaware and the federal district courts of the United States.

Our only significant asset is our ownership interest in our operating subsidiaries and such ownership may not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on our Class A Common Stock or satisfy our other financial obligations.

We have no direct operations and no significant assets other than our ownership interest in our operating subsidiaries. We depend on our operating subsidiaries for distributions, loans and other payments to generate the funds necessary to meet our financial obligations, including our expenses as a publicly traded company. The financial condition and operating requirements of our operating subsidiaries may limit our ability to obtain cash from our operating subsidiaries. The earnings from, or other available assets of, our operating subsidiaries may not be sufficient to make distributions or loans to enable us to pay any dividends on our Common Stock or satisfy our other financial obligations.

The ability of our operating subsidiaries (other than subsidiaries which have been designated as unrestricted pursuant to our ability to do so in certain limited circumstances) to make distributions, loans and other payments to us for the purposes described above and for any other purpose is governed by the terms of the agreements governing our indebtedness and will be subject to the negative covenants set forth therein. Any loans or other extensions of credit would be subject to the restrictive covenants under such agreements.

If our Class A Common Stock is delisted from Nasdaq, a market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of our securities may vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, including for failure to maintain compliance with rules for continued listing on Nasdaq, and are quoted on the OTC Bulletin Board or OTC Pink, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange.

Our business could be negatively affected as a result of actions of activist stockholders or others.

We may be subject to actions or proposals from stockholders or others that may not align with our business strategies or the interests of our other stockholders. Responding to such actions can be costly and time-consuming, disrupt our business and operations, and divert the attention of our Board, management, and employees from the pursuit of our business strategies. Such activities could interfere with our ability to execute our strategic plan. Activist stockholders or others may create perceived uncertainties as to the future direction of our business or strategy which may be exploited by our competitors and may make it more difficult to attract and retain qualified personnel and potential customers, and may affect our relationships with current customers, vendors, investors, and other third parties. In addition, a proxy contest for the election of directors at our annual meeting would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and our Board. The perceived uncertainties as to our future direction also could affect the market price and volatility of our securities.

General Risk Factors

If we fail to maintain an effective system of internal controls or identify a material weakness or significant deficiency in our internal control over financial reporting, our ability to report our financial condition and results of operations in a timely and accurate manner could be adversely affected, investor confidence in our company could diminish, and the value of our securities may decline.

As a public company, we are required to comply with Section 404 of the Sarbanes Oxley Act of 2002 ("***SOX***"), which requires, among other things, that companies maintain disclosure controls and procedures to ensure timely disclosure of material information, and that management reviews the effectiveness of those controls on a quarterly basis.

A material weakness is a deficiency, or 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 financial statements will not be prevented or detected on a timely basis. While we continually undertake steps to improve our internal control over financial reporting as our business changes, we may not be successful in making the improvements and changes necessary to be able to identify and remediate control deficiencies or material weaknesses on a timely basis.

During fiscal year 2023, we identified a material weakness in the design and operation of our internal controls over financial reporting in the Control Activities component of the COSO framework related to the lack of information technology general controls to prevent the risk of management override. Based on the implementation work and the results of testing performed, our management concluded that the previous identified material weakness has been remediated as of December 31, 2024, as further discussed in "*Controls and Procedures*" in *Part II, Item 9A* of this Annual Report.

We cannot be certain that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of SOX. If we fail to maintain the adequacy of our internal controls, we cannot assure our stockholders that we will be able to conclude in the future that we have effective internal control over financial reporting, and/or we may encounter difficulties in implementing or improving our internal controls, which could harm our operating results or cause us to fail to meet our reporting obligations. If we fail to maintain effective internal controls, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our securities may be negatively affected, and we could be subject to sanctions or investigation by regulatory authorities, such as the SEC or Nasdaq.

Litigation and other disputes and regulatory investigations could have a material adverse effect on our business.

From time to time, and as more discussed in the section entitled "*Legal Proceedings*," we may be involved in litigation and other disputes or regulatory investigations that arise in and outside the ordinary course of business. We expect that the number, frequency and significance of these matters may increase as our business expands and we grow as a company. Litigation, disputes, or regulatory investigations may relate to, among other things, intellectual property, antitrust claims, commercial arrangements, negligence and fiduciary duty claims, vicarious liability based upon conduct of individuals or entities outside of our control, including our third-party service providers, deceptive trade practices, claims related to invoicing, personal injury claims, claims related to licensing, general fraud claims and employment law claims, including compliance with wage and hour regulations and contractual requirements. An adverse determination may result in liability to us for the claim and may also result in the imposition of penalties and/or fines. Like other companies that handle sensitive personal and payment information, we also face the possibility of allegations regarding employee fraud or misconduct. In addition to more general litigation, at times we are also a named party in claims made against our customers, including putative class actions challenging the legality and constitutionality of automated photo enforcement and other similar programs of our Government Solutions customers and consumer fraud claims brought against our RAC customers alleging faulty disclosures regarding our services.

As a public company, we may also be subject to securities class action and stockholder derivative lawsuits. From time to time, we may also be reviewed or investigated by U.S. federal, state, or local regulators or regulators in the foreign jurisdictions in which we operate regarding similar and other matters, including tax assessments.

These investigations can be commenced at the initiative of the governmental authority or as a result of complaints by private citizens, regardless of whether the complaint has any merit. At times, we are also required to obtain licensing and permitting, including with respect to matters such as general contracting, performance of engineering services, performance of electrical work and performance of private investigative work. Although we carry general liability insurance coverage, our insurance may not cover all potential claims to which we are exposed, whether as a result of a dispute, litigation or governmental investigation, and it may not adequately indemnify us for all liability that may be imposed.

Any potential claims against us or investigation into our business and activities, whether meritorious or not, could be time consuming, result in significant legal and other expenses, require significant amounts of management time and result in the diversion of significant operational resources. Class action lawsuits can often be particularly burdensome given the breadth of claims, large potential damages and significant costs of defense. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights. Legal or regulatory matters involving our directors, officers or employees in their individual capacities can also create exposure for us because we may be obligated or may choose to indemnify the affected individuals against liabilities and expenses they incur in connection with such matters. Regulatory investigations, including with respect to proper licensing, payment of wages, procurement practices or permitting, can also lead to enforcement actions, fines and penalties, the loss of a license or permit or the assertion of private litigation claims. Risks associated with these liabilities are often difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time, making the amount of any legal reserves related to these legal liabilities difficult to determine and, if a reserve is established, subject to future revision. Future results of operations could be adversely affected if any reserve that we establish for a legal liability is increased or the underlying legal proceeding, investigation or other contingency is resolved for an amount in excess of established reserves. Because litigation and other disputes and regulatory investigations are inherently unpredictable, the results of any of these matters may have a material adverse effect on our business, financial condition and results of operations.

Risks related to laws and regulations and any changes in those laws could have a material adverse effect on our business.

We are subject to multiple, and sometimes conflicting, laws and regulations in the countries, states and localities in which we operate. We are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Increasing regulatory burdens and corporate governance requirements could increase our legal and financial compliance costs and the amount of time management must devote to governance and compliance activities.

In addition to the laws and regulations discussed elsewhere in these risk factors regarding data privacy, foreign operations and other matters, we are subject to laws regarding transportation safety, consumer protection, procurement, anti-kickback, labor and employment matters, competition and antitrust, payment processing, intellectual property, environmental matters, and other trade-related laws and regulations. Certain of our operations are also subject to oversight by the USDOT, the Federal Communications Commission, the U.S. Consumer Product Safety Commission, and the Environmental Protection Agency, as well as comparable state and local agencies, including departments of transportation, departments of motor vehicles, professional licensing authorities and offices of inspector general. Our Government Solutions segment is also subject to laws related to the use of automated traffic enforcement, the capture, access and retention of data and matters related to government contracting.

Recent years have seen a substantial increase in the number of new laws and regulations and the rate of change and enforcement of many of these types of laws and regulations. We cannot predict the nature, scope or impact of future laws, regulatory requirements or similar standards may have on our business, whether implemented through changes to existing laws or the way they are administered or interpreted, or through entirely new regulations. Future laws, regulations, and standards or any changed interpretation or administration of existing laws or regulations could limit the continued use or adoption of one or more of our solutions, require us to incur additional costs, impact our ability to develop and market new solutions or impact our ability to retain existing business and secure new business. We may not be able to respond in a reasonable or cost-effective manner, or at all. Even if we make what we believe are appropriate changes, there is no certainty those actions will comply.

Any alleged or actual violations of any law or regulation, change in law or regulation or changes in the interpretation of existing laws or regulations may subject us to government scrutiny, including government or regulatory investigations and enforcement actions, civil and criminal fines and penalties, and negative publicly, or otherwise have a material adverse effect on our business, financial condition and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We are subject to income taxes in numerous countries, and our domestic tax liabilities are subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we are subject to audits of our income, sales and other transaction taxes by U.S. federal and state authorities, as well as foreign tax authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Our Board recognizes the importance of maintaining the trust and confidence of our customers, clients, business partners and employees. Our Board, through the Audit Committee, oversees our cybersecurity program as part of our enterprise-wide approach to risk management. Our cybersecurity policies, standards, processes and practices are integrated into our risk management approach and take into account recognized frameworks such as those established by the National Institute of Standards and Technology, as well as the International Organization for Standardization (ISO) 27001. In general, we seek to address cybersecurity risks through a comprehensive, cross-functional approach that is focused on preserving the confidentiality, integrity and availability of the information that we collect and store by identifying, preventing and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

Risk Management and Strategy

As one of the critical elements of enterprise-wide approach to risk management, our cybersecurity program is focused on the following key areas:

Governance: As discussed in more detail under the heading "Governance" below, our cybersecurity program is led by our Vice President of Cybersecurity, who reports to our Chief Technology Officer, and is responsible for publishing cybersecurity policies and standards, conducting annual risk assessments and maintaining our compliance. Our Chief Technology Officer leads our cybersecurity team and regularly reports to our Audit Committee.

Collaboration: We have implemented a comprehensive, cross-functional approach to identifying, preventing and mitigating cybersecurity threats and incidents, while also implementing controls and procedures that provide for the prompt escalation of certain cybersecurity incidents so that decisions regarding the public disclosure and reporting of such incidents can be made by management in a timely manner. We work with third-party firms to monitor our cybersecurity environment and report findings to executive leadership, internal audit and the Audit Committee regularly.

Technical Safeguards: We deploy technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, antimalware functionality and access controls, which are evaluated and improved through vulnerability assessments, certifications, audits and cybersecurity threat intelligence.

Incident Response and Recovery Planning: We have established and maintained comprehensive incident response and recovery plans that fully address our response to a cybersecurity incident, and such plans are tested and evaluated on a regular basis.

Third-Party Risk Management: We maintain a comprehensive, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems. The program is underpinned by our Supply Chain Risk Management Standard which outlines requirements for vendors handling confidential company data or personally identifiable information, and we conduct continuous monitoring through a third-party monitoring tool.

Education and Awareness: We provide regular, mandatory training for personnel regarding cybersecurity threats as a means to equip our personnel with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices.

We engage in the periodic assessment and testing of our policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. We regularly engage third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to our Board and Audit Committee by our Chief Technology Officer based on materiality. We adjust our cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments, audits and reviews.

Governance

Our Board, through the Audit Committee, oversees our enterprise-wide approach to risk management, including the risks arising from cybersecurity threats. Our Audit Committee regularly receives presentations and reports on cybersecurity risks, which address a wide range of topics, including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to our peers and third parties. Our Audit Committee also receives prompt and timely information regarding cybersecurity incidents that meet established reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed. On an annual basis, our Audit Committee discusses our Company's approach to cybersecurity risk management with management.

Our Audit Committee, in connection with management led by our Chief Technology Officer and Vice President of Cybersecurity, works collaboratively across our Company to oversee and to implement a program designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with our incident response and recovery plans. To facilitate the success of our cybersecurity risk management program, multidisciplinary teams are deployed to address cybersecurity threats and respond to cybersecurity incidents. Through ongoing communications with these teams, our Audit Committee monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents.

Both our Chief Technology Officer and Vice President of Cybersecurity have extensive related experience and have served in various roles in technology leadership and cybersecurity for over 20 years. Our Chief Executive Officer, Chief Financial Officer and Chief Legal Officer each hold undergraduate and/or graduate degrees in their respective fields, and each has experience managing risks at our Company and at similar companies including risks arising from cybersecurity threats.

Cybersecurity Threats

As of December 31, 2024, we have not experienced any material risks from cybersecurity threats, including as a result of any previous cybersecurity incidents or threats, that have materially affected the business strategy, results of operations or financial condition of the Company or are reasonably likely to have such a material effect. However, evolving cybersecurity threats make it increasingly challenging to anticipate, detect, and defend against cybersecurity threats and incidents. We have in place insurance designed to provide coverage in connection with cybersecurity incidents, provided, however, that such insurance coverage may be insufficient to cover all insured losses or all types of claims that may arise. Additional information on cybersecurity risks is discussed in Part I, Item 1A, "Risk Factors."

Item 2. Properties

We lease all of the properties used in our business, including 108,956 square feet of office space for our corporate headquarters in Mesa, Arizona. In addition to the corporate headquarters, we lease office space in various locations for corporate and administrative purposes and multiple small warehouse locations. We do not consider any of these properties to be material to our overall business.

Item 3. Legal Proceedings

We are subject to legal and regulatory actions that arise from time to time in the ordinary course of business, and may be subject to similar or other claims in the future. Legal disputes and other claims and proceedings may relate to, among other things, intellectual property, commercial arrangements, negligence and fiduciary duty claims, vicarious liability based on conduct of individuals or entities outside of our control, including our third-party service providers, antitrust claims, deceptive trade practices, general fraud claims and employment law claims, including compliance with wage and hour regulations. In addition to more general litigation, at times we have also been a named party in claims made against our customers, including putative class actions challenging the legality and constitutionality of automated photo enforcement and other similar programs of our Government Solutions customers, and consumer fraud claims brought against us and our Commercial Services customers alleging faulty disclosures regarding our services. From time to time, we may also be reviewed or investigated by U.S. federal, state or local regulators or regulators in the foreign jurisdictions in which we operate regarding these and other matters, including proper licensing and tax assessments. All litigation is inherently unpredictable and we could incur judgments or enter into settlements or claims in the future that could materially impact our results.

Brantley v. City of Gretna is a class action lawsuit filed in the 24th Judicial District Court of Jefferson Parish, Louisiana against the City of Gretna (the "***City***") and its safety camera vendor, Redflex Traffic Systems, Inc. in April 2016. The Company acquired Redflex Traffic Systems, Inc. as part of its June 2021 purchase of Redflex Holdings Limited. The plaintiff class, which was certified on March 30, 2021, alleges that the City's safety camera program was implemented and operated in violation of local ordinances and the state constitution, including that the City's hearing process violated the plaintiffs' due process rights for lack of a "neutral" arbiter of liability for traffic infractions. Plaintiffs seek recovery of traffic infraction fines paid. The City and Redflex Traffic Systems, Inc. appealed the trial court's ruling granting class certification, which was denied and their petition for discretionary review of the certification ruling by the Louisiana Supreme Court was declined. Discovery has concluded and trial is scheduled for March 2025. Based on the information available to the Company at present, it has accrued an estimated amount within accrued liabilities on the consolidated balance sheet as of December 31, 2024. The information contained in Note 16, *Commitments and Contingencies*, included in Item 8 of this 10-K is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A Common Stock is currently quoted on Nasdaq under the symbol "VRRM".

The following table sets forth the high and low sales prices per share of our Class A Common Stock as reported on Nasdaq for the two most recent fiscal years:

	Fiscal Year 2024		Fiscal Year 2023	
	High	Low	High	Low
First Quarter	$ 25.57	$ 20.26	$ 17.87	$ 13.48
Second Quarter	$ 28.45	$ 23.30	$ 19.82	$ 16.22
Third Quarter	$ 31.03	$ 24.22	$ 21.54	$ 17.04
Fourth Quarter	$ 27.85	$ 22.20	$ 23.29	$ 18.62

Holders of Record

As of February 21, 2025, we had 7 holders of record of our Class A Common Stock. Because many of our shares of Class A Common Stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Warrants

All warrants that were outstanding to acquire shares of the Company's Class A Common Stock, including warrants originally issued to Gores Sponsor II, LLC in a private placement (the "***Private Placement Warrants***") in connection with our initial public offering (the "***IPO***") and the remaining warrants issued in connection with the IPO (the "***Public Warrants***" and, together with the Private Placement Warrants, the "***Warrants***"), were either exercised by the holder or redeemed by us as of December 31, 2023.

During the fiscal year ended December 31, 2023, we processed the exercise of 20.0 million Warrants in exchange for the issuance of 16,273,406 shares of Class A Common Stock. There were 14,035,449 shares issued in exchange for cash-basis warrant exercises resulting in the receipt of $161.4 million in cash proceeds for the year ended December 31, 2023. The remaining Warrant exercises were completed on a cashless basis. In addition, we redeemed 634 Public Warrants at a price of $0.01 per warrant pursuant to the terms of the warrant agreement governing the Public Warrants.

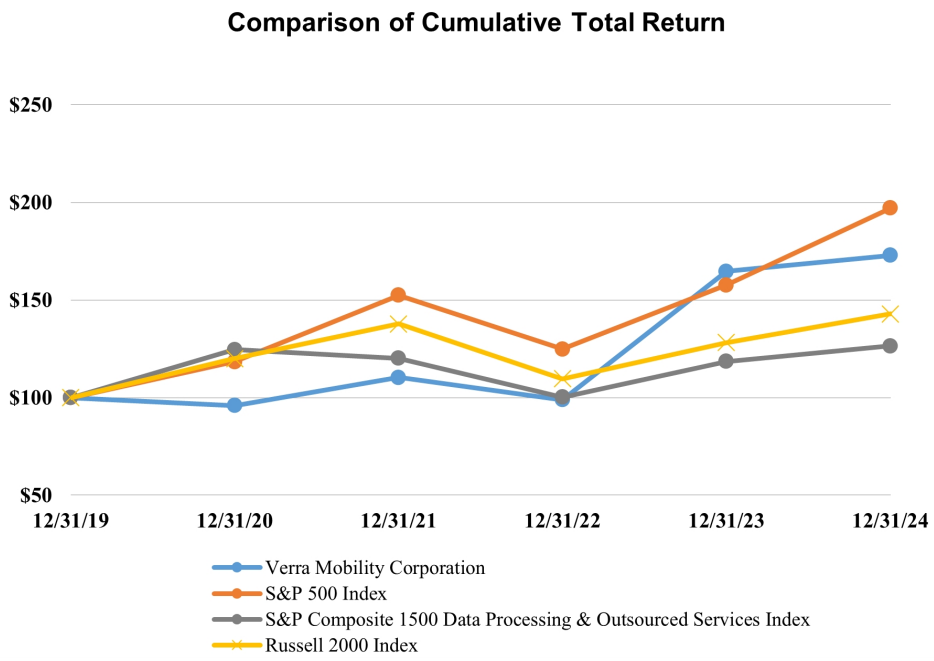
Dividends

We have not paid any cash dividends on our Class A Common Stock to date. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends is within the discretion of our Board of Directors. In addition, our Board of Directors is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future. Further, our ability to declare dividends is limited by restrictive covenants in the agreements governing our indebtedness.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this item with respect to our equity compensation plans is incorporated by reference to our proxy statement for the 2025 annual meeting of stockholders.

Stock Performance Graph



The graph above compares the cumulative total return on our Class A Common Stock with that of the S&P 500 Index, the S&P Composite 1500 Data Processing & Outsourced Services Index and the Russell 2000 Index. The period shown commences on December 31, 2019 and ends on December 31, 2024, the end of our last fiscal year. The graph assumes an investment of $100 in each of the above on the close of market on December 31, 2019. We did not declare or pay any dividends on our Class A Common Stock during the comparison period. The stock performance graph is not necessarily indicative of future stock price performance.

This performance graph is not deemed to be incorporated by reference into any of our other filings under the Exchange Act, or the Securities Act, except to the extent we specifically incorporate it by reference into such filings.

Recent Sales of Unregistered Securities and Use of Proceeds

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following details the purchases of our Class A Common Stock during the three months ended December 31, 2024:

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Dollar Value of Shares that May Yet to be Purchased Under the Plans or Programs [2]
October 1, 2024 - October 31, 2024	—	$ —	—	$ 48,500,000
November 1, 2024 - November 30, 2024	1,226,592	$ 23.38	1,226,592	$ 19,850,784
December 1, 2024 - December 31, 2024	4,121,958	$ 23.72	4,121,958	$ 21,379
Total	5,348,550	$ 23.47	5,348,550	$ 21,379

(1) On December 11, 2024, we entered into an ASR agreement with a third-party financial institution and paid $112.7 million to receive an initial delivery of 3,821,958 shares of our Class A Common Stock. The final settlement is expected to occur in the first quarter of 2025, at which time, we expect to receive additional shares calculated using a volume-weighted average price over the term of the ASR agreement.

(2) In October 2023, our Board of Directors authorized a share repurchase program for up to an aggregate amount of $100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions. On December 4, 2024, our Board of Directors authorized the repurchase of up to an additional $100 million of our outstanding shares of Class A Common Stock under the existing October 2023 program, providing us with approximately $112.7 million available for repurchases. As of December 31, 2024, less than $0.1 million remained available under the share repurchase authorization.

Earn-Out Agreement

Under the Agreement and Plan of Merger (as amended, the "***Merger Agreement***"), pursuant to which we became the owner, directly or indirectly, of all of the equity interests of Verra Mobility Holdings, LLC and its subsidiaries, PE Greenlight Holdings, LLC was entitled to receive additional shares of Class A Common Stock (the "***Earn-Out Shares***") if the volume weighted average closing sale price of one share of Class A Common Stock on the Nasdaq exceeded certain defined thresholds for a period of at least 10 days out of 20 consecutive trading days at any time during a five-year period. There were four tranches of contingent shares under the agreement, with each tranche resulting in an issuance of 2,500,000 shares of Class A Common Stock (not to exceed a total of 10,000,000 shares). On April 26, 2019 and January 27, 2020, the criteria for the issuance of the first and second tranches was met and as a result, an aggregate 5,000,000 Earn-out Shares were issued. On June 14, 2023 and July 26, 2023, the criteria for the issuance of the remaining tranches of Earn-out Shares was met and we issued the remaining 5,000,000 shares. As of December 31, 2023, all contingent shares have been issued under the Merger Agreement.

Item 6. [Reserved]

Item 7. 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 together with the consolidated financial statements and the related notes that are included in Item 8 of Part II of this Annual Report. This Item generally discusses fiscal years 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between fiscal years 2023 and 2022 are not included, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which specific discussions and comparisons are incorporated herein by reference.

Overview

We are a leading provider of smart mobility technology solutions, principally operating throughout the United States, Australia, Europe and Canada. We make transportation safer, smarter and more connected through our integrated, data-driven solutions, including toll and violations management, title and registration services, automated safety and traffic enforcement and commercial parking management. We bring together vehicles, hardware, software, data and people to solve transportation challenges for customers around the world, including commercial fleet owners such as RACs, Direct Fleets and FMCs, as well as governments, universities, parking operators, healthcare facilities, transportation hubs and violation-issuing authorities. Our vision is to continue to develop and use technology and data intelligence to make transportation safer, smarter and more connected globally.

Our Segments

We have three operating and reportable segments, Commercial Services, Government Solutions and Parking Solutions:

- Our Commercial Services segment offers toll and violation management solutions and title and registration services for commercial fleet customers, including RACs and FMCs in North America. In Europe, we provide tolling and violations processing services.
- Our Government Solutions segment offers photo enforcement solutions and services to its customers. We provide complete, end-to-end speed, red-light, school bus stop arm and bus lane enforcement solutions. Our international operations primarily involve the sale of traffic enforcement products and recurring maintenance services related to the equipment and software.
- Our Parking Solutions segment provides an integrated suite of parking software, transaction processing and hardware solutions to universities, municipalities, commercial parking operators and health care facilities in the United States and Canada.

Segment performance is based on revenues and income from operations before depreciation, amortization and stock-based compensation. The measure also excludes interest expense, net, income taxes and certain other transactions and is inclusive of other income, net.

Executive Summary

We operate under long-term contracts and a highly reoccurring service revenue model. We continue to execute our strategy to grow revenue organically year over year and focus on initiatives that support our long-term strategy. During the periods presented, we:

- Increased total revenue by $61.9 million, or 7.6%, from $817.3 million in fiscal year 2023 to $879.2 million in fiscal year 2024. The increase was mainly due to service revenue resulting from increased travel volume and FMCs penetration in the Commercial Services segment and the growth from speed, maintenance and bus lane programs in the Government Solutions segment.
- Generated cash flows from operating activities of $223.6 million and $206.1 million for fiscal years 2024 and 2023, respectively. Our cash on hand was $77.6 million as of December 31, 2024.
- Used existing cash on hand of $200.0 million during fiscal year 2024 to repurchase approximately 7.9 million shares authorized under a 2023 share repurchase program.

- Continued to focus on debt management and lowering our exposure to higher interest rates, and as a result, we refinanced our debt during fiscal year 2024 which reduced our interest rate by an aggregate 111.4 basis points. In addition, we made early repayments of approximately $9.0 million and $172.5 million on our 2021 Term Loan (defined below) during fiscal year 2024 and 2023, respectively.

Recent Events

Share Repurchases and Retirement

In October 2023, our Board of Directors authorized a share repurchase program for up to an aggregate amount of $100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions. In June 2024, we entered into a share repurchase agreement with a stockholder, pursuant to which we repurchased, directly from the stockholder, 2.0 million shares of our Class A Common Stock for an aggregate purchase price of $51.5 million. During the fourth quarter of 2024, we repurchased approximately 1.5 million shares through open market transactions and paid $35.8 million. In December 2024, our Board of Directors increased the authorization to repurchase up to an additional $100 million of our shares under the existing October 2023 program, providing us with approximately $112.7 million available for repurchases.

On December 11, 2024, we entered into an ASR agreement with a third-party financial institution and paid $112.7 million to receive an initial delivery of 3,821,958 shares of our Class A Common Stock. The final settlement is expected to occur in the first quarter of 2025, at which time, we expect to receive additional shares calculated using a volume-weighted average price over the term of the ASR agreement.

We paid a total of $200.0 million for share repurchases during the year ended December 31, 2024. All repurchased shares were subsequently retired. Refer to Note 12, *Stockholders' Equity*, in Item 8, *Financial Statements and Supplementary Data,* for additional information on our share repurchases.

Cancellation of the Interest Rate Swap

We exercised our option to cancel the interest rate swap agreement, effective the end of the third quarter of 2024, which was previously used to hedge our exposure to higher interest rates associated with the variable portion of the interest rate on our 2021 Term Loan. Refer to Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data*, for additional information.

NYCDOT Contract

NYCDOT represented approximately 15.8% and 16.9% of our total revenue for fiscal years 2024 and 2023, respectively, and 17.2% and 18.3% of total accounts receivable, net as of December 31, 2024 and 2023, respectively. Our contract with NYCDOT expired on December 31, 2024, and we are presently participating in a competitive procurement for a new NYCDOT automated enforcement program contract. We have executed a one-year contract extension with NYCDOT that expires December 31, 2025. The extension allows NYCDOT to continue to utilize our automated enforcement program under the same terms until the competitive procurement process is completed. However, there is no assurance that we will be successful in winning the competitive procurement for the new automated enforcement contract, or that if we are successful, the terms of the contract will be similar to our current contract. If we are unable to win the competitive procurement for a new contact with NYCDOT, it would have a material adverse effect on our business, financial condition and results of operations.

Goodwill Impairment

We recorded a $97.1 million impairment to goodwill in our Parking Solutions segment during fiscal year 2024, which is presented in a separate line item on the consolidated statements of operations. This was in connection with our 2024 assessment of goodwill impairment where the Parking Solutions reporting unit's carrying value exceeded the estimated fair value. Refer to Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data*, for additional information.

Key Factors Affecting Our Results of Operations

We believe that our performance and future success depend on a number of factors that present opportunities for us but also pose risks and challenges, including those discussed below and in the section of this Annual Report on Form 10-K titled "Risk Factors."

Macroeconomic Conditions

Our business is susceptible to a number of industry-specific and global macroeconomic factors that may cause our actual results of operations to differ from our historical results of operations or current expectations. The factors and trends that we currently believe are or will be most impactful to our results of operations and financial condition include the following: the inflationary impact on items such as wages and travel-related costs, future travel demand, and legislation regarding the adoption, expansion or prohibition of automated enforcement and traffic safety technology by local or state governments. We continue to monitor the potential favorable or unfavorable impacts of these and other factors on our business, operations, financial condition, and future results of operations.

Travel Demand

Our Commercial Services segment is largely impacted by its customer demand which in turn is impacted by a variety of factors including seasonality, demand for business and leisure travel, reductions in the level of air travel, higher airfare costs, increases in energy prices, general international, national and local economic conditions and cycles, as well as other factors affecting travel levels, such as military conflicts, terrorist incidents, natural disasters and epidemic diseases.

We monitor the Transportation and Security Administration passenger volume ("***TSA Passenger Volume***") as one of several measures for Commercial Services revenue growth. TSA Passenger Volume measures the number of passengers screened by the TSA at United States airports, which correlates to the number of vehicles rented by travelers and toll road usage. In fiscal year 2024, TSA Passenger Volume increased approximately five percent over fiscal year 2023, one of several factors contributing to Commercial Services revenue growth.

Electronic Tolling Penetration

Our Commercial Services segment is impacted by the number of toll roads in the United States and the geographic concentration of such roads.

We monitor the expansion and penetration of toll roadways across the United States and the percentage of toll roads that rely on cashless or all-electronic infrastructure. In fiscal year 2024, approximately 70% of all toll roadways in the United States relied on cashless or electronic payment methods.

Enabling Legislation

Our Government Solutions segment is impacted, in significant part, by enabling legislation that permits photo enforcement programs at the state and local level in the United States. Accordingly, we depend on national, state and local governments authorizing the use of automated photo enforcement and not otherwise materially restricting its use.

Primary Components of Our Operating Results

Revenues

Service Revenue. Our Commercial Services segment generates service revenue primarily through the operation and management of tolling programs and processing violations for RACs, FMCs and other large fleet customers. These solutions are full-service offerings by which we enroll the license plates of our customers' vehicles and transponders with tolling authority accounts, pay tolls and violations on the customers' behalf and, through proprietary technology, integrate with customer data to match the toll or violation to the driver and then bill the driver (or our customer, as applicable) for use of the service. The cost of certain tolls, violations and our customers' share of administration fees are netted against revenue. We also generate service revenue in our Commercial Services segment through processing titles and registrations.

Our Government Solutions segment generates service revenue through the operation and maintenance of photo enforcement systems. Revenue drivers in this segment include the number of systems installed and the monthly revenue per system. Ancillary service revenue is generated in our Government Solutions segment from payment processing, pass-through fees for collection expense, and other fees.

Our Parking Solutions segment generates service revenue mainly from offering software as a service ("***SaaS***"), subscription fees, professional services and citation processing services related to parking management solutions to its customers.

Product Sales. Product sales are generated by the sale of photo enforcement equipment in the Government Solutions segment and specialized hardware in the Parking Solutions segment. Customer buying patterns vary greatly from period to period related to product sales.

Costs and Expenses

Cost of Service Revenue, Excluding Depreciation and Amortization. Cost of service revenue, excluding depreciation and amortization consists of recurring service costs, collection and other third-party costs in our segments.

Cost of Product Sales. Cost of product sales consists of the cost to acquire and install photo enforcement equipment purchased by Government Solutions customers and costs to develop hardware sold to Parking Solutions customers.

Operating Expenses. Operating expenses primarily include payroll and payroll-related costs (including stock-based compensation), subcontractor costs, payment processing and other operational costs, including print, postage and communication costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses include payroll and payroll-related costs (including stock-based compensation), real estate lease expense, insurance costs, professional services fees and general corporate expenses.

Depreciation, Amortization and (Gain) Loss on Disposal of Assets, Net. Depreciation, amortization and (gain) loss on disposal of assets, net includes depreciation on property, plant and equipment, and amortization of definite-lived intangible assets. This line item also includes any one-time gains or losses incurred in connection with the disposal of certain assets.

Goodwill Impairment. This relates to impairment loss recognized on goodwill from past acquisitions.

Interest Expense, Net. This includes interest expense and amortization of deferred financing costs and discounts and is net of interest income.

Change in Fair Value of Private Placement Warrants. Change in fair value of private placement warrants consisted of liability adjustments related to the Private Placement Warrants originally issued to Gores Sponsor II, LLC re-measured to fair value at the end of the reporting period, and the final re-measurement upon their exercise.

Tax Receivable Agreement Liability Adjustment. This consists of adjustments made to our tax receivable agreement liability due to changes in estimates.

Loss on Interest Rate Swap. Loss on interest rate swap related to the changes associated with the derivative instrument re-measured to fair value at the end of each reporting period and the related periodic cash receipts or payments.

Loss on Extinguishment of Debt. Loss on extinguishment of debt consisted of the write-off of pre-existing original issue discounts and deferred financing costs associated with debt extinguishment.

Other Income, Net. Other income, net primarily consists of volume rebates earned from total spend on credit card transactions, gains or losses on foreign currency transactions and other non-operating expenses.

Results of Operations

Fiscal Year 2024 Compared to Fiscal Year 2023

The following table sets forth our statements of operations data and expresses each item as a percentage of total revenue for the periods presented as well as the changes between periods. The tables and information provided in this section were derived from exact numbers and may have immaterial rounding differences.

	Year Ended December 31,					
			Percentage of Revenue		Increase (Decrease) 2024 vs 2023	
($ in thousands)	2024	2023	2024	2023	$	%
Service revenue	$ 841,676	$ 783,595	95.7%	95.9%	$ 58,081	7.4%
Product sales	37,531	33,715	4.3%	4.1%	3,816	11.3%
Total revenue	879,207	817,310	100.0%	100.0%	61,897	7.6%
Cost of service revenue, excluding depreciation and amortization	18,988	18,232	2.2%	2.2%	756	4.1%
Cost of product sales	27,058	25,231	3.1%	3.1%	1,827	7.2%
Operating expenses	295,937	273,288	33.7%	33.4%	22,649	8.3%
Selling, general and administrative expenses	195,054	198,550	22.2%	24.3%	(3,496)	(1.8)%
Depreciation, amortization and (gain) loss on disposal of assets, net	109,072	113,195	12.3%	13.9%	(4,123)	(3.6)%
Goodwill impairment	97,076	—	11.0%	—	97,076	n/a
Total costs and expenses	743,185	628,496	84.5%	76.9%	114,689	18.2%
Income from operations	136,022	188,814	15.5%	23.1%	(52,792)	(28.0)%
Interest expense, net	73,902	86,701	8.4%	10.6%	(12,799)	(14.8)%
Change in fair value of private placement warrants	—	24,966	0.0%	3.1%	(24,966)	(100.0)%
Tax receivable agreement liability adjustment	(257)	(3,077)	(0.0)%	(0.4)%	2,820	(91.6)%
Loss on interest rate swap	494	817	0.1%	0.1%	(323)	(39.5)%
Loss on extinguishment of debt	1,745	3,533	0.2%	0.4%	(1,788)	(50.6)%
Other income, net	(18,970)	(11,123)	(2.2)%	(1.3)%	(7,847)	70.5%
Total other expenses	56,914	101,817	6.5%	12.5%	(44,903)	(44.1)%
Income before income taxes	79,108	86,997	9.0%	10.6%	(7,889)	(9.1)%
Income tax provision	47,660	29,982	5.4%	3.6%	17,678	59.0%
Net income	$ 31,448	$ 57,015	3.6%	7.0%	$ (25,567)	(44.8)%

Service Revenue. Service revenue increased by $58.1 million, or 7.4%, to $841.7 million for fiscal year 2024 from $783.6 million in fiscal year 2023, representing 95.7% and 95.9% of total revenue, respectively. The following table depicts service revenue by segment:

	Year Ended December 31,					
			Percentage of Revenue		Increase (Decrease) 2024 vs 2023	
($ in thousands)	2024	2023	2024	2023	$	%
Service revenue						
Commercial Services	$ 407,680	$ 372,786	46.4%	45.6%	$ 34,894	9.4%
Government Solutions	367,914	344,034	41.8%	42.1%	23,880	6.9%
Parking Solutions	66,082	66,775	7.5%	8.2%	(693)	(1.0)%
Total service revenue	$ 841,676	$ 783,595	95.7%	95.9%	$ 58,081	7.4%

Commercial Services service revenue includes mainly toll and violation management revenues from RACs and FMCs. Commercial Services service revenue increased by $34.9 million, or 9.4%, from $372.8 million in fiscal year 2023 to $407.7 million in fiscal year 2024. This increase was primarily due to increased travel volume, product adoption and increased tolling activity compared to the prior year. These factors contributed to a $18.1 million growth in RAC tolling revenue. An increase in enrolled vehicles as well as higher tolling activity from our FMC customers contributed to a $8.4 million growth in revenue during the year ended December 31, 2024, compared to the same period in 2023. The remaining revenue growth was mainly generated from processing titles and registrations as well as processing violations compared to the prior year.

Government Solutions service revenue includes revenue from speed, red-light, school bus stop arm and bus lane photo enforcement systems. Service revenue increased by $23.9 million to $367.9 million in fiscal year 2024 compared to $344.0 million in fiscal year 2023. The increase was primarily driven by the expansion of speed, maintenance and bus lane programs contributing approximately $17.1 million to the increase in service revenue this year. The remaining increase was mainly attributable to expansions across school bus stop arm programs.

Parking Solutions service revenue decreased by $0.7 million to $66.1 million in fiscal year 2024 compared to $66.8 million in fiscal year 2023. The increased revenue from SaaS product offerings was offset by a decrease in professional services related to parking management solutions.

Product Sales. Product sales increased $3.8 million year-over-year and were $37.5 million and $33.7 million for fiscal years 2024 and 2023, respectively. The increase was primarily due to a $8.6 million increase in product sales to Government Solutions customers, offset by a $4.8 million decrease in the Parking Solutions segment driven by a structural transition from hardware to software and mobile payment solutions. Customer buying patterns vary greatly from period to period related to product sales.

Cost of Service Revenue, Excluding Depreciation and Amortization. Cost of service revenue, excluding depreciation and amortization increased from $18.2 million for fiscal year 2023 to $19.0 million for fiscal year 2024, mainly due to increased recurring service costs for the Parking Solutions segment.

Cost of Product Sales. Cost of product sales increased by approximately $1.8 million from $25.2 million in fiscal year 2023 to $27.1 million in fiscal year 2024, which was in line with the increase in product sales discussed above.

Operating Expenses. Operating expenses increased by $22.6 million, or 8.3%, from $273.3 million for fiscal year 2023 to $295.9 million in fiscal year 2024. The increase in 2024 was primarily attributable to an increase of $19.7 million in wages expense, of which, $15.7 million was in the Government Solutions segment and $3.7 million in the Commercial Services segment. Operating expenses as a percentage of total revenue increased from 33.4% to 33.7% in fiscal years 2023 and 2024, respectively. The following table presents operating expenses by segment:

($ in thousands)	Year Ended December 31, 2024	2023	Percentage of Revenue 2024	2023	Increase (Decrease) 2024 vs 2023 $	%
Operating expenses						
Commercial Services	$ 92,038	$ 83,828	10.5%	10.3%	$ 8,210	9.8%
Government Solutions	182,493	168,736	20.8%	20.6%	13,757	8.2%
Parking Solutions	17,353	18,236	1.9%	2.2%	(883)	(4.8)%
Operating expenses by segment	291,884	270,800	33.2%	33.1%	21,084	7.8%
Other expenses	4,053	2,488	0.5%	0.3%	1,565	62.9%
Total operating expenses	$ 295,937	$ 273,288	33.7%	33.4%	$ 22,649	8.3%

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by $3.5 million to approximately $195.1 million for fiscal year 2024 compared to $198.6 million for fiscal year 2023. The decrease is primarily due to a $23.3 million decrease in legal expenses compared to the prior year, partially offset by $9.0 million in higher wages and benefits expense, of which, $3.2 million was in the Government Solutions segment and $2.7 million is the Commercial Services segment. In addition, there was a $3.9 million increase in stock-based compensation expense, $3.9 million increase in bad debt expense (mainly in the Commercial Services segment) and increases in other general expenses compared to prior year. Selling, general and administrative expenses as a percentage of total revenue decreased from 24.3% to 22.2% in fiscal years 2023 and 2024, respectively. The following table presents selling, general and administrative expenses by segment:

($ in thousands)	Year Ended December 31, 2024	2023	Percentage of Revenue 2024	2023	Increase (Decrease) 2024 vs 2023 $	%
Selling, general and administrative expenses						
Commercial Services	$ 62,942	$ 61,607	7.2%	7.5%	$ 1,335	2.2%
Government Solutions	69,972	62,597	8.0%	7.7%	7,375	11.8%
Parking Solutions	25,173	23,988	2.8%	2.9%	1,185	4.9%
Selling, general and administrative expenses by segment	158,087	148,192	18.0%	18.1%	9,895	6.7%
Other expenses	36,967	50,358	4.2%	6.2%	(13,391)	(26.6)%
Total selling, general and administrative expenses	$ 195,054	$ 198,550	22.2%	24.3%	$ (3,496)	(1.8)%

Depreciation, Amortization and (Gain) Loss on Disposal of Assets, Net. Depreciation, amortization and (gain) loss on disposal of assets, net, decreased by $4.1 million to $109.1 million for 2024 from $113.2 million for 2023. This was mainly due certain non-compete, trademark and developed technology intangible assets being fully amortized in fiscal year 2024 as compared to the prior year. This decrease was partially offset by an increase in depreciation expense in fiscal year 2024.

Goodwill Impairment. We recorded an impairment loss of $97.1 million in fiscal year 2024 as a result of our 2024 assessment of goodwill impairment in our Parking Solutions segment. See Note 2, *Significant Accounting Policies,* for additional information.

Interest Expense, Net. Interest expense, net decreased by $12.8 million from $86.7 million in fiscal year 2023 to $73.9 million in fiscal year 2024. This decrease is primarily attributable to voluntary principal prepayments made during 2023 and 2024 which lowered the outstanding debt balance in 2024 coupled with a 100 basis-point reduction in the interest rate from refinancing our debt in February and in October of fiscal year 2024. The average variable interest rate on the 2021 Term Loan was 44 basis points lower for the twelve months ended December 31, 2024 compared to the prior period. See "*Liquidity and Capital Resources*" below.

Change in Fair Value of Private Placement Warrants. We recorded a loss of $25.0 million for the fiscal year 2023 related to the changes in fair value of our Private Placement Warrants which were accounted for as liabilities on our consolidated balance sheets. The change in fair value was the result of re-measurement of the liability at the end of the reporting period, and the final re-measurement upon their exercise.

Tax Receivable Agreement Liability Adjustment. We recorded a gain of approximately $0.3 million in fiscal year 2024 as a result of lower estimated state tax rates due to changes in apportionment. We recorded a gain of approximately $3.1 million in fiscal year 2023 as a result of tax settlement adjustments related to a previous acquisition.

Loss on Interest Rate Swap. We recorded a $0.5 million loss in fiscal year 2024 of which $1.3 million is associated with the derivative instrument re-measured to fair value at the end of the reporting period offset by $(0.8) million related to the monthly cash proceeds. We recorded a $0.8 million loss in fiscal year 2023 of which approximately $1.1 million related to the monthly cash payments on the interest rate swap net of $(0.3) million associated with the derivative instrument re-measured to fair value at the end of the reporting period. We exercised our option to cancel the interest rate swap agreement effective the end of the third quarter of 2024.

Loss on Extinguishment of Debt. We recorded a $1.7 million loss on extinguishment of debt for fiscal year 2024 related to the write-off of pre-existing deferred financing costs and discounts in connection with the February and October 2024 refinancing of the 2021 Term Loan. Loss on extinguishment of debt was $3.5 million for fiscal year 2023 related to the write-off of pre-existing deferred financing costs and discounts in connection with the early repayment of $172.5 million on the 2021 Term Loan.

Other Income, Net. Other income, net was $19.0 million in fiscal year 2024 compared to $11.1 million in fiscal year 2023. The increase of approximately $7.9 million is primarily attributable to a $5.6 million tax settlement payment recorded in 2023 related to a prior year acquisition without a comparable amount in 2024, as well as increase in volume rebates earned from total spend on credit card transactions due to increased tolling and travel activity.

Income Tax Provision. Income tax provision was $47.7 million representing an effective tax rate of 60.2% for fiscal year 2024 compared to $30.0 million, representing an effective tax rate of 34.5% for fiscal year 2023. Our effective tax rate for 2024 was higher compared to 2023 primarily due to the impact of permanent differences related to the mark-to-market adjustment on the Private Placement Warrants and the impairment adjustments in the Parking Solutions segment.

Net Income. We had net income of $31.4 million for fiscal year 2024 compared to a net income of $57.0 million for 2023. The $25.6 million decrease in net income was primarily due to the goodwill impairment recorded in fiscal year 2024, partially offset by the change in fair value of the Private Placement Warrants liability in the prior fiscal year without a comparable amount in the current year, and the other statement of operations activity discussed above.

Liquidity and Capital Resources

Our principal sources of liquidity are cash flows from operations and the available borrowing under our Revolver (defined below).

We believe that our existing cash and cash equivalents, cash flows provided by operating activities and our ability to borrow under our Revolver will be sufficient to meet operating cash requirements, service debt obligations and fund potential share repurchases for at least the next 12 months and thereafter for the foreseeable future. Our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive and other factors beyond our control. In addition, our future capital expenditures and other cash requirements could be higher than currently expected due to various factors, including any expansion of our business or strategic acquisitions.

We have incurred significant long-term debt as a result of acquisitions completed in prior years. Should we pursue strategic acquisitions, we may need to raise additional capital, which may be in the form of additional long-term debt, borrowings on our Revolver, or equity financings, all of which may not be available to us on favorable terms or at all.

We have the ability to borrow under our Revolver to meet obligations as they come due. As of December 31, 2024, we had $74.4 million available for borrowing, net of letters of credit, under our Revolver. Our cash on hand was $77.6 million as of December 31, 2024.

In February 2024 and in October 2024, we refinanced the 2021 Term Loan (as discussed below) which reduced the interest rate by an aggregate 1.00% and eliminated the applicable credit spread adjustment. During fiscal years 2024 and 2023, we made early repayments of $9.0 million and $172.5 million, respectively, on the 2021 Term Loan and as a result, the total principal outstanding was $695.6 million as of December 31, 2024.

At December 31, 2024, the tax receivable agreement liability was approximately $48.1 million. We expect to make payments of approximately $5.2 million per year for the next 10 years.

Share Repurchases

In October 2023, our Board of Directors authorized a share repurchase program for up to an aggregate amount of $100.0 million of our outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions.

In June 2024, we entered into a share repurchase agreement with a stockholder, pursuant to which we repurchased, directly from the stockholder, 2.0 million shares of our Class A Common Stock for an aggregate purchase price of $51.5 million. During the fourth quarter of 2024, we repurchased approximately 1.5 million shares through open market transactions and paid $35.8 million. On December 4, 2024, our Board of Directors authorized the repurchase of up to an additional $100 million of our outstanding shares of Class A Common Stock under the existing October 2023 program, providing us with approximately $112.7 million available for repurchases.

On December 11, 2024, we entered into an ASR agreement with a third-party financial institution and paid $112.7 million to receive an initial delivery of 3,821,958 shares of our Class A Common Stock. The final settlement is expected to occur in the first quarter of 2025, at which time, we may receive additional shares calculated using a volume-weighted average price over the term of the ASR agreement.

We paid a total of $200.0 million for share repurchases during the year ended December 31, 2024. All repurchased shares were subsequently retired. In addition, we recorded approximately $1.7 million within accrued liabilities related to the excise taxes payable on net share repurchases on the consolidated balance sheets as of December 31, 2024.

The following table sets forth certain captions on our statements of cash flows for the respective periods:

	For the Year Ended December 31,	
($ in thousands)	**2024**	**2023**
Net cash provided by operating activities	$ 223,642	$ 206,101
Net cash used in investing activities	(69,720)	(58,290)
Net cash used in financing activities	(211,427)	(117,793)

Cash Flows from Operating Activities

Cash provided by operating activities increased by $17.5 million, from $206.1 million in fiscal year 2023 to $223.6 million in fiscal year 2024. Net income decreased $25.6 million from $57.0 million in fiscal year 2023 compared to $31.4 million in fiscal year 2024. The aggregate adjustments to reconcile net income to net cash provided by operating activities increased by $93.0 million mainly due to the goodwill impairment recorded in the current year and change in deferred income taxes, partially offset by a decrease in the change in the fair value of private placement warrants. The aggregate changes in operating assets and liabilities decreased by $49.9 million in 2024 primarily due to a legal settlement accrued in the prior year that was paid in 2024, partially offset by a lower increase in accounts receivable balances year over year as compared to prior year, mainly in our Commercial Services business.

Cash Flows from Investing Activities

Cash used in investing activities in fiscal years 2024 and 2023 was primarily related to purchases of installation and service parts and property and equipment mainly in our Government Solutions business of $70.9 million and $57.0 million, respectively.

Cash Flows from Financing Activities

Cash used in financing activities was $211.4 million in fiscal year 2024 mainly due to $200 million of share repurchases using existing cash on hand, as well as early repayments on the 2021 Term Loan of a net $9.0 million.

Cash used in financing activities was $117.8 million in fiscal year 2023 mainly due to early repayments totaling $172.5 million on our 2021 Term Loan and $100.0 million of share repurchases, which were partially offset by $161.4 million of proceeds from the exercise of warrants.

Long-term Debt

2021 Term Loan

In March 2021, VM Consolidated, our wholly owned subsidiary, entered into an Amendment and Restatement Agreement No.1 to the First Lien Term Loan Credit Agreement (the "***2021 Term Loan***") with a syndicate of lenders. The 2021 Term Loan has an aggregate borrowing of $900.0 million, maturing on March 24, 2028. In connection with the 2021 Term Loan borrowings, we had $4.6 million of offering discount costs and $4.5 million in deferred financing costs, both of which were capitalized and are being amortized over the remaining life of the 2021 Term Loan.

In February 2024, VM Consolidated entered into a third amendment (the "***Third Amendment***") and in October 2024, a fourth amendment (the "***Fourth Amendment***") to refinance the 2021 Term Loan (the "***Refinancing Transactions***"). Pursuant to the Third and Fourth Amendments, the interest rate was reduced by an aggregate 1.00% to SOFR plus 2.25% from SOFR plus 3.25% with the SOFR floor unchanged at 0.00%. The credit spread adjustment, ranging from 0.11448% to 0.71513%, was eliminated. In addition, the 2021 Term Loan no longer contains a provision for principal repayments which were previously required to be paid in quarterly installments.

We evaluated the Refinancing Transactions on a lender-by-lender basis and accounted accordingly for debt extinguishment and debt modification costs (for the portion of the transactions that did not meet the accounting criteria for debt extinguishment).

During fiscal years 2024 and 2023, we made early repayments of $9.0 million and $172.5 million, respectively, on the 2021 Term Loan and as a result, the total principal outstanding was $695.6 million as of December 31, 2024.

We recorded $1.7 million of loss on extinguishment of debt during the fiscal year ended December 31, 2024, primarily related to the write-off of pre-existing deferred financing costs and discounts in connection with the Refinancing Transactions. We recognized a loss on extinguishment of debt of $3.5 million for the fiscal year ended December 31, 2023, related to the write-off of pre-existing deferred financing costs and discounts in connection with the early repayments.

The 2021 Term Loan bears interest based, at our option, on either (i) Term SOFR plus an applicable margin of 2.25% per annum, or (ii) an alternate base rate plus an applicable margin of 1.25% per annum. As of December 31, 2024, the interest rate on the 2021 Term Loan was 6.6%.

In addition, the 2021 Term Loan requires mandatory prepayments equal to the product of the excess cash flows of the Company (as defined in the 2021 Term Loan agreement) and the applicable prepayment percentages (calculated as of the last day of the fiscal year), as set forth in the following table:

Consolidated First Lien Net Leverage Ratio (As Defined by the 2021 Term Loan Agreement)	Applicable Prepayment Percentage
> 3.70:1.00	50%
≤ 3.70:1.00 and > 3.20:1.00	25%
≤ 3.20:1.00	0%

We did not have mandatory prepayments of excess cash flows for the fiscal years ended December 31, 2024 or 2023.

Senior Notes

In March 2021, VM Consolidated issued an aggregate principal amount of $350.0 million in Senior Notes, due on April 15, 2029. In connection with the issuance of the Senior Notes, we incurred $5.7 million in lender and third-party costs, which were capitalized as deferred financing costs and are being amortized over the remaining life of the Senior Notes.

Interest on the Senior Notes is fixed at 5.50% per annum and is payable on April 15 and October 15 of each year. We may redeem all or a portion of the Senior Notes at the redemption prices set forth below in percentages by year, plus accrued and unpaid interest:

Year	Percentage
2025	101.375%
2026 and thereafter	100.000%

PPP Loan

During fiscal year 2020, one of our wholly owned subsidiaries received a $2.9 million loan from the U.S. Small Business Administration ("***SBA***") as part of the Paycheck Protection Program ("***PPP Loan***") to offset certain employment and other allowable costs incurred as a result of the COVID-19 pandemic. In 2022, we were notified by the SBA that the loan, together with accrued interest, had been fully forgiven under the provisions of the PPP Loan program. Accordingly, we recognized a $3.0 million gain on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2022.

The Revolver

We have a Revolving Credit Agreement (the "***Revolve***r") with a commitment of up to $75.0 million available for loans and letters of credit. The Revolver matures on December 18, 2026. Borrowing eligibility under the Revolver is subject to a monthly borrowing base calculation based on (i) certain percentages of eligible accounts receivable and inventory, less (ii) certain reserve items, including outstanding letters of credit and other reserves. The Revolver bears interest on either (1) Term SOFR plus an applicable margin, or (2) an alternate base rate, plus an applicable margin. The margin percentage applied to (1) Term SOFR is either 1.25%, 1.50%, or 1.75%, or (2) the base rate is either 0.25%, 0.50%, or 0.75%, depending on our average availability to borrow under the commitment. There is a credit spread adjustment of 0.10% for a one-month duration, 0.15% for a three-month duration, and 0.25% for a six-month duration, in addition to Term SOFR and the applicable margin percentages. There were no outstanding borrowings on the Revolver as of December 31, 2024 or 2023. The availability to borrow was $74.4 million, net of $0.6 million of outstanding letters of credit at December 31, 2024.

Interest on the unused portion of the Revolver is payable quarterly at 0.375% and we are also required to pay participation and fronting fees at 1.38% on $0.6 million of outstanding letters of credit as of December 31, 2024.

All borrowings and other extensions of credits under the 2021 Term Loan, Senior Notes and the Revolver are subject to the satisfaction of customary conditions and restrictive covenants including absence of defaults and accuracy in material respects of representations and warranties. Substantially all of our assets are pledged as collateral to secure our indebtedness under the 2021 Term Loan. At December 31, 2024, we were compliant with all debt covenants in our debt agreements.

Interest Expense, Net

We recorded interest expense, including amortization of deferred financing costs and discounts, of $73.9 million, $86.7 million and $69.4 million for the fiscal years ended December 31, 2024, 2023 and 2022 respectively.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America ("***GAAP***") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that its estimates and assumptions are reasonable in the circumstances; however, actual results could differ materially from those estimates.

Our significant accounting policies are described in Note 2, *Significant Accounting Policies,* in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report. We believe that the critical accounting estimates listed below involve our more significant judgments, assumptions, and estimates and, therefore, could have the greatest potential impact on the financial statements.

Revenue Recognition

Judgment is required for the estimation of the standalone selling price ("***SSP***") and the allocation of the transaction price by relative SSPs. Within our Government Solutions and Parking Solutions operating segments, some customer arrangements include multiple performance obligations. Government Solutions' customer arrangements containing multiple performance obligations typically include the sale and installation of photo-enforcement cameras, license of back-office software, processing payments on behalf of the customer and the performance of maintenance services on such cameras over a contractual term. Parking Solutions' customer arrangements containing multiple performance obligations typically include the sale of parking access hardware systems, the licensing of SaaS products, installation and/or the performance of maintenance services over a contractual term. In most instances, we have determined these performance obligations qualify as distinct performance obligations, as the customer can benefit from the service on its own or together with other resources that are readily available to the customer, and our promise to transfer the service is separately identifiable from other promises in the contract. For arrangements that contain multiple performance obligations, we exercise judgment in allocating the transaction price based on the relative SSP method by comparing the SSP of each distinct performance obligation to the total value of the contract. We apply judgment in determining the SSP for each distinct performance obligation.

See Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data* for additional information on the Company's policy for recognition of revenue.

Allowance for Credit Losses

We review historical credit losses and customer payment trends on receivables and develop loss rate estimates as of the balance sheet date, which includes adjustments for current and future expectations. We identify pools of receivables based on the type of business, industry in which the customer operates and historical credit loss patterns (for example, receivables from drivers of rental cars). We evaluate the changes in expectations based on the newest information available on customer payment trends, travel forecasts and other risk characteristics and adjusting either upward or downward that is most representative of the expected credit losses. Administration fees charged to drivers of rented vehicles that we cannot recover from our customers represent higher risk of credit loss compared to our other pools of receivables. We periodically evaluate the adequacy of our allowance for expected credit losses and adjust appropriately.

Impairment of Goodwill and Long-Lived Assets

We assess goodwill for impairment annually on October 1, or more frequently if events or circumstances indicate that the carrying amounts may not be fully recoverable. We have four reporting units for the purposes of assessing potential impairment of goodwill which include Commercial Services, Government Solutions North America, Government Solutions International and Parking Solutions. We first consider the option to assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If we conclude that it is more likely than not that the fair value is less than the carrying amount, we then perform a quantitative impairment test by comparing the reporting unit's fair value with its carrying value. An impairment loss is recognized for the amount by which the reporting units' carrying value exceeds its fair value, up to the total amount of goodwill allocated to the reporting unit. No impairment is recognized if the fair value of the reporting unit exceeds its carrying value.

The process of evaluating goodwill requires significant judgment including the identification of reporting units and the determination of the fair value of each reporting unit. We estimate the fair value of our reporting units based on a combination of an income approach or more specifically, a discounted cash flow method ("***DCF Method***") and a market approach employing the public company market multiple method. The DCF Method is based on projected future cash flows and terminal value estimates discounted to their present values using a market-participant weighted average cost of capital. Significant estimates and assumptions used in the DCF Method include forecasts of future revenue growth rates, EBITDA margin percentages, terminal growth rates and discount rates. We apply discount rates that are commensurate with the risks and uncertainties inherent in the respective reporting units and our internally developed projections of future cash flows. The market approach utilizes a blend of revenue and EBITDA multiples from guideline public companies which are comparable to us in size, profitability and other factors to estimate the fair value of the reporting units. Significant estimates and assumptions used in the market approach include the selection of guideline public companies, revenue and EBITDA projections, the selection of revenue and EBITDA multiples and the application of a control premium. Our estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain, and actual results may differ from those assumed in our analysis. The determination of whether goodwill is impaired involves a significant level of judgment in these assumptions, and changes in our forecasts, business strategy, government regulations, or economic or market conditions could significantly impact these judgments, potentially decreasing the fair value of one or more reporting units. Any resulting impairment charges could have a material impact on our results of operations.

In connection with our annual impairment assessment, we determined it was more likely than not that the fair values of our reporting units were in excess of their carrying value for our Commercial Services, Government Solutions North America and Government Solutions International reporting units based on qualitative factors. We performed a quantitative impairment test for our Parking Solutions reporting unit as of October 1, 2024. This was due to recent performance that unfavorably impacted the Parking Solutions business, including lower revenue growth, higher customer churn and lower profitability margins than previously estimated. The fair value of this reporting unit was determined by equally weighting the results of the DCF and market approach methods described above. Based on the results of its quantitative review, we concluded an impairment to goodwill was necessary because the reporting unit's carrying value exceeded the estimated fair value. We recorded a $97.1 million impairment of goodwill in our Parking Solutions segment during fiscal year 2024, which is presented in the goodwill impairment line item on the consolidated statements of operations.

We review our long-lived assets other than goodwill for impairment whenever events or circumstances indicate that the carrying amount of an asset or asset group may not be fully recoverable. We assess recoverability by comparing the estimated undiscounted future cash flows expected to be generated by the asset or asset group with its carrying value. If the carrying value of the asset or asset group exceeds the estimated undiscounted future cash flows, an impairment loss is recognized for the difference between the estimated fair value and the carrying value. Our estimates of cash flows are subjective judgments based on past experiences adjusted for trends and future expectations, and can be significantly impacted by changes in our business or economic conditions. The determination of a asset group's fair value is also subject to significant judgment and utilizes valuation techniques including discounting estimated future cash flows and market-based analyses. If our estimates or underlying assumptions change in the future, our operating results may be materially impacted. During the year ended December 31, 2024, we recorded a $0.2 million impairment related to the write-down of installation and service parts that no longer had future use within the operating expenses line item in our Government Solutions segment. During the year ended December 31, 2023, we recorded a $4.3 million impairment which included a $3.9 million write-down of installation and service parts that no longer had future use within the operating expenses line item in our Government Solutions segment, and $0.4 million impairment of an ROU asset within the selling, general and administrative expenses line item in our Parking Solutions segment. We recorded a $0.7 million of impairment related to certain photo enforcement programs that ended during the year ended December 31, 2022 within the depreciation, amortization and (gain) loss on disposal of assets, net line item on the consolidated statements of operations.

Income Taxes

The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year, and to recognize deferred tax assets and liabilities for the expected future consequences of differences between the tax basis of assets or liabilities and their carrying amounts in the financial statements. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years, while deferred tax liabilities generally represent items that generate a future tax liability for items where deductions have been accelerated for tax purposes. We provide a valuation allowance against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. We calculate the valuation allowance in accordance with the authoritative guidance relating to income taxes, which requires an assessment of both positive and negative evidence regarding the realizability of these deferred tax assets when measuring the need for a valuation allowance. Significant judgment is required in determining any valuation allowance against deferred tax assets. The realization of deferred tax assets can be affected by, among other things, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the length of statutory carryforward periods, our experience with utilizing operating loss and other tax carryforwards by jurisdiction, the reversal of existing taxable temporary differences and tax planning alternatives and strategies that may be available. We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. Variation in the actual outcome of these future tax consequences could materially impact our financial statements.

Private Placement Warrant Liabilities

We accounted for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance. For warrants that met all of the criteria for equity classification, the warrants were required to be recorded as a component of additional paid-in capital at the time of issuance. For warrants that did not meet all the criteria for equity classification, the warrants were required to be recorded at their fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants were recognized as a non-cash gain or loss on the statements of operations. Our Public Warrants met the criteria for equity classification and accordingly, were reported as a component of shareholders' equity while our Private Placement Warrants did not meet the criteria for equity classification and were instead classified as a liability. The fair value of the Private Placement Warrants was estimated at period-end using a Black-Scholes option pricing model, which was a Level 3 fair value measurement exposed to valuation risk. As of December 31, 2023, all Warrants were either exercised by the holder or redeemed by the Company.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, refer to Note 2, *Significant Accounting Policies*, in Item 8, *Financial Statements and Supplementary Data*.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to interest rate risk due to the variable interest rate on the 2021 Term Loan described in "Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*."

Interest rate risk represents our exposure to fluctuations in interest rates associated with the variable rate debt represented by the 2021 Term Loan, which has an outstanding balance of $695.6 million at December 31, 2024. The 2021 Term Loan bears interest based, at our option, on either (i) Term SOFR plus an applicable margin of 2.25% per annum, or (ii) an alternate base rate plus an applicable margin of 1.25% per annum. As of December 31, 2024, the interest rate on the 2021 Term Loan was 6.6%.

Based on the December 31, 2024 balance outstanding, each 1% movement in interest rates will result in an approximately $7.0 million change in annual interest expense.

In December 2022, we entered into a cancellable interest rate swap agreement to hedge our exposure to interest rate fluctuations associated with the LIBOR (now transitioned to Term SOFR) portion of the variable interest rate on our 2021 Term Loan. We exercised our option to cancel the interest rate swap effective the end of the third quarter of 2024.

VERRA MOBILITY CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Item 8. Financial Statements and Supplementary Data

	Page
Reports of Independent Registered Public Accounting Firms (PCAOB IDs: 34 and 42)	57
Consolidated Balance Sheets	61
Consolidated Statements of Operations and Comprehensive Income	62
Consolidated Statements of Stockholders' Equity	63
Consolidated Statements of Cash Flows	64
Notes to Consolidated Financial Statements	66

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Verra Mobility Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Verra Mobility Corporation (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2024, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill — Parking Solutions Reporting Unit – Refer to Notes 2 and 5 to the financial statements

Critical Audit Matter Description

The Company's goodwill for its Parking Solutions reporting unit is tested annually for impairment on October 1 of each year, or more frequently if events and circumstances indicate that the carrying value may not be recoverable. The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The estimated fair value of a reporting unit is determined using both market and income approaches, combined with an equal weighting.

The market approach is based on comparable company multiples (revenue and "EBITDA," which stands for earnings before interest, income taxes, depreciation, and amortization) and requires an estimate of multiples derived from comparable publicly traded companies to the reporting unit. The income approach is based on a discounted cash flow method and requires significant estimates and assumptions, including estimates regarding future revenue growth rates, EBITDA margin percentages and the selection of discount rates. Changes in these estimates and assumptions could have a material impact on either the fair value, the amount of any goodwill impairment charge, if any, or both.

During 2024, the Company recognized an impairment loss of $97.1 million for the Parking Solutions reporting unit's goodwill. After considering the impact of the impairment charges, the carrying amount of the Parking Solutions reporting unit's goodwill as of December 31, 2024, was $102.1 million.

We identified impairment of the Parking Solutions reporting unit as a critical audit matter because of the significant judgments made by management to estimate the fair value. The audit of these estimates and assumptions required a high degree of auditor judgment when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to future revenue growth rates and EBITDA margin percentages, and the selection of significant valuation assumptions such as comparable company revenue and EBITDA multiples and discount rates. The audit also required an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue growth rates and EBITDA margin percentages and the selection of significant valuation assumptions, such as comparable company revenue and EBITDA multiples and discount rates used by management to estimate the fair value of the Parking Solutions reporting unit included the following procedures:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value of the Parking Solutions reporting unit, such as controls related to management's review of forecasts of future revenue growth rates and EBITDA margin percentages, selection of comparable company revenue and EBITDA multiples and discount rates.
- We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.
- We performed a sensitivity analysis of the future revenue growth rates, EBITDA margin percentages, and discount rates, which included their impact on cash flows.
- We evaluated the reasonableness of management's forecasted revenue growth rates and EBITDA margin percentages by comparing the forecasts to (1) historical results of the Company, (2) internal communications to management and the board of directors, and (3) forecasted information included in industry reports of the Company and companies in its peer groups.
- With the assistance of our fair value specialists, we evaluated (1) the valuation methodologies used, (2) the comparable company multiples selected by management, and (3) the discount rates used in determining the present value of the expected cash flows.

/S/ Deloitte & Touche LLP

Tempe, Arizona
February 27, 2025

We have served as the Company's auditor since 2023.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Verra Mobility Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Verra Mobility Corporation (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and schedule as of and for the year ended December 31, 2024, of the Company and our report dated February 27, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Managements Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/S/ Deloitte & Touche LLP

Tempe, Arizona

February 27, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Verra Mobility Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows of Verra Mobility Corporation (the Company) for the year ended December 31, 2022, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We served as the Company's auditor from 2013 to 2023.

Phoenix, Arizona

March 1, 2023

VERRA MOBILITY CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 77,560	$ 136,309
Restricted cash	3,594	3,413
Accounts receivable (net of allowance for credit losses of $17.0 million and $18.5 million at December 31, 2024 and 2023, respectively)	206,503	197,824
Unbilled receivables	48,193	37,065
Inventory	15,502	17,966
Prepaid expenses and other current assets	42,647	46,961
Total current assets	393,999	439,538
Installation and service parts, net	36,631	22,895
Property and equipment, net	141,601	123,248
Operating lease assets	29,895	33,523
Intangible assets, net	232,297	301,025
Goodwill	735,615	835,835
Other non-current assets	44,451	33,919
Total assets	$ 1,614,489	$ 1,789,983
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 91,224	$ 78,749
Deferred revenue	29,374	28,788
Accrued liabilities	73,980	93,119
Tax receivable agreement liability, current portion	5,163	5,098
Current portion of long-term debt	—	9,019
Total current liabilities	199,741	214,773
Long-term debt, net of current portion	1,034,211	1,029,113
Operating lease liabilities, net of current portion	25,757	29,124
Tax receivable agreement liability, net of current portion	42,977	48,369
Asset retirement obligations	15,493	14,580
Deferred tax liabilities, net	14,699	18,360
Other long-term liabilities	16,486	14,197
Total liabilities	1,349,364	1,368,516
Commitments and contingencies (Note 16)		
Stockholders' equity		
Preferred stock, $0.0001 par value, 1,000 shares authorized with no shares issued and outstanding at December 31, 2024 and 2023	—	—
Common stock, $0.0001 par value, 260,000 shares authorized with 159,594 and 166,555 shares issued and outstanding at December 31, 2024 and 2023, respectively	16	17
Additional paid-in capital	551,955	557,513
Accumulated deficit	(269,287)	(125,887)
Accumulated other comprehensive loss	(17,559)	(10,176)
Total stockholders' equity	265,125	421,467
Total liabilities and stockholders' equity	$ 1,614,489	$ 1,789,983

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

(In thousands, except per share data)	For the Year Ended December 31, 2024	2023	2022
Service revenue	$ 841,676	$ 783,595	$ 695,218
Product sales	37,531	33,715	46,380
Total revenue	879,207	817,310	741,598
Cost of service revenue, excluding depreciation and amortization	18,988	18,232	16,330
Cost of product sales	27,058	25,231	30,932
Operating expenses	295,937	273,288	226,324
Selling, general and administrative expenses	195,054	198,550	163,133
Depreciation, amortization and (gain) loss on disposal of assets, net	109,072	113,195	140,174
Goodwill impairment	97,076	—	—
Total costs and expenses	743,185	628,496	576,893
Income from operations	136,022	188,814	164,705
Interest expense, net	73,902	86,701	69,372
Change in fair value of private placement warrants	—	24,966	(14,400)
Tax receivable agreement liability adjustment	(257)	(3,077)	(720)
Loss (gain) on interest rate swap	494	817	(996)
Loss (gain) on extinguishment of debt	1,745	3,533	(3,005)
Other income, net	(18,970)	(11,123)	(12,654)
Total other expenses	56,914	101,817	37,597
Income before income taxes	79,108	86,997	127,108
Income tax provision	47,660	29,982	34,633
Net income	$ 31,448	$ 57,015	$ 92,475
Other comprehensive (loss) income:			
Change in foreign currency translation adjustment	(7,383)	2,689	(7,771)
Total comprehensive income	$ 24,065	$ 59,704	$ 84,704
Net income per share:			
Basic	$ 0.19	$ 0.36	$ 0.61
Diluted	$ 0.19	$ 0.36	$ 0.50
Weighted average shares outstanding:			
Basic	165,090	158,777	152,848
Diluted	167,717	160,017	159,026

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)	Common Stock Shares	Common Stock Amount	Common Stock Contingent Consideration	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance as of December 31, 2021	156,079	$ 16	$ 36,575	$ 309,883	$ (81,416)	$ (5,094)	$ 259,964
Net income	—	—	—	—	92,475	—	92,475
Share repurchases and retirement	(7,874)	(1)	—	(15,933)	(109,137)	—	(125,071)
Vesting of restricted stock units ("***RSU***s")	654	—	—	—	—	—	—
Exercise of stock options	103	—	—	1,334	—	—	1,334
Payment of employee tax withholding related to RSUs vesting	—	—	—	(6,524)	—	—	(6,524)
Stock-based compensation	—	—	—	16,663	—	—	16,663
Other comprehensive loss, net of tax	—	—	—	—	—	(7,771)	(7,771)
Balance as of December 31, 2022	148,962	$ 15	$ 36,575	$ 305,423	$ (98,078)	$ (12,865)	$ 231,070
Net income	—	—	—	—	57,015	—	57,015
Earn-out shares issued to PE Greenlight Holdings, LLC	5,000	—	(36,575)	36,575	—	—	—
Share repurchases and retirement	(4,581)	—	—	(15,176)	(84,824)	—	(100,000)
Vesting of RSUs and performance share units ("***PSU***s")	449	—	—	—	—	—	—
Exercise of stock options	451	—	—	5,919	—	—	5,919
Payment of employee tax withholding related to RSUs and PSUs vesting	—	—	—	(3,142)	—	—	(3,142)
Exercise of warrants	16,274	2	—	210,438	—	—	210,440
Stock-based compensation	—	—	—	17,476	—	—	17,476
Other comprehensive income, net of tax	—	—	—	—	—	2,689	2,689
Balance as of December 31, 2023	166,555	$ 17	$ —	$ 557,513	$ (125,887)	$ (10,176)	$ 421,467
Net income	—	—	—	—	31,448	—	31,448
Share repurchases and retirement	(7,883)	(1)	—	(26,803)	(174,848)	—	(201,652)
Vesting of RSUs and PSUs	600	—	—	—	—	—	—
Exercise of stock options	322	—	—	4,288	—	—	4,288
Payment of employee tax withholding related to RSUs and PSUs vesting	—	—	—	(6,001)	—	—	(6,001)
Stock-based compensation	—	—	—	22,958	—	—	22,958
Other comprehensive loss, net of tax	—	—	—	—	—	(7,383)	(7,383)
Balance as of December 31, 2024	159,594	$ 16	$ —	$ 551,955	$ (269,287)	$ (17,559)	$ 265,125

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in thousands)	For the Year Ended December 31, 2024	2023	2022
Cash Flows from Operating Activities:			
Net income	$ 31,448	$ 57,015	$ 92,475
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	108,525	113,067	138,684
Amortization of deferred financing costs and discounts	4,106	4,679	5,472
Change in fair value of private placement warrants	—	24,966	(14,400)
Tax receivable agreement liability adjustment	(257)	(3,077)	(720)
Change in fair value of interest rate swap	1,316	(320)	(996)
Loss (gain) on extinguishment of debt	1,745	3,533	(3,005)
Credit loss expense	13,002	9,054	14,481
Deferred income taxes	(10,012)	(27,037)	(17,355)
Stock-based compensation	22,958	17,476	16,663
Goodwill impairment	97,076	—	—
Impairment of long-lived assets and ROU assets	170	4,280	—
Other	1,403	359	2,994
Changes in operating assets and liabilities:			
Accounts receivable	(22,664)	(42,459)	(17,685)
Unbilled receivables	(11,987)	(6,252)	(1,936)
Inventory	1,917	1,148	(10,310)
Prepaid expenses and other assets	5,926	(2,161)	4,306
Deferred revenue	1,231	(2,400)	4,591
Accounts payable and other current liabilities	(16,425)	50,512	6,513
Other liabilities	(5,836)	3,718	(1,435)
Net cash provided by operating activities	223,642	206,101	218,337
Cash Flows from Investing Activities:			
Cash receipts (payments) for interest rate swap	822	(1,137)	—
Purchase of intellectual property	—	(500)	—
Purchases of installation and service parts and property and equipment	(70,856)	(56,985)	(48,186)
Cash proceeds from the sale of assets	314	332	241
Payment of contingent consideration	—	—	(647)
Net cash used in investing activities	(69,720)	(58,290)	(48,592)
Cash Flows from Financing Activities:			
Borrowings on long-term debt	36,591	—	—
Repayment of long-term debt	(45,610)	(181,519)	(9,019)
Repayment on revolver	—	—	(25,000)
Payment of debt issuance costs	(716)	(459)	(447)
Proceeds from the exercise of warrants	—	161,408	—
Share repurchases and retirement	(199,979)	(100,000)	(125,071)
Proceeds from exercise of stock options	4,288	5,919	1,334
Payment of employee tax withholding related to RSUs and PSUs vesting	(6,001)	(3,142)	(6,524)
Payment of contingent consideration	—	—	(205)
Net cash used in financing activities	(211,427)	(117,793)	(164,932)
Effect of exchange rate changes on cash and cash equivalents	(1,063)	589	(130)
Net (decrease) increase in cash, cash equivalents and restricted cash	(58,568)	30,607	4,683
Cash, cash equivalents and restricted cash - beginning of period	139,722	109,115	104,432
Cash, cash equivalents and restricted cash - end of period	$ 81,154	$ 139,722	$ 109,115

See accompanying Notes to Consolidated Financial Statements.

VERRA MOBILITY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	For the Year Ended December 31,		
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets	**2024**	**2023**	**2022**
Cash and cash equivalents	$ 77,560	$ 136,309	$ 105,204
Restricted cash	3,594	3,413	3,911
Total cash, cash equivalents, and restricted cash	$ 81,154	$ 139,722	$ 109,115
Supplemental cash flow information:			
Interest paid	$ 76,203	$ 86,113	$ 63,663
Income taxes paid, net of refunds	50,199	54,002	47,623
Supplemental non-cash information:			
Purchases of installation and service parts and property and equipment in accounts payable and accrued liabilities at year-end	8,911	5,120	10,421
Accrued excise tax payable on net share repurchases	1,673	—	—
Leased assets obtained in exchange for new operating lease liabilities	3,994	—	—
Earn-out shares issued to PE Greenlight Holdings, LLC	—	36,575	—
Increase in additional paid-in capital due to exercise of private placement warrants	—	49,032	—

See accompanying Notes to Consolidated Financial Statements.

1. Description of Business

Verra Mobility Corporation (collectively with its subsidiaries, the "***Company***" or "***Verra Mobility***") offers integrated technology solutions and services to its customers who are located throughout the world, primarily within the United States, Australia, Canada and Europe. The Company is organized into three operating segments: Commercial Services, Government Solutions and Parking Solutions (see Note 17, *Segment Reporting*).

The Commercial Services segment offers automated toll and violations management and title and registration solutions to rental car companies ("***RACs***"), direct commercial fleet owner-operators ("***Direct Fleets***") and fleet management companies ("***FMCs***") and other large fleet owners in North America. Through its established relationships with individual tolling authorities throughout the United States, the segment provides an automated and outsourced administrative solution for its customers while also providing a value-added convenience for vehicle drivers and benefits to tolling and issuing authorities. The toll and violations management solutions help ensure timely payment of tolls and violations incurred by the customers' vehicles and perform timely transfers of liability on the customers' behalf, and driver billing and collections, as applicable. It also manages regional toll transponder installation and vehicle association—a critical and highly complex process for RAC, Direct Fleet and FMC customers—to ensure that the transponders (and corresponding toll transactions) are associated with the correct vehicle. In Europe, the Commercial Services segment provides violations processing through Euro Parking Collection plc and consumer tolling services through Pagatelia S.L.U.

The Government Solutions segment offers photo enforcement solutions and services to its customers which include complete, end-to-end speed, red-light, school bus stop arm and bus lane enforcement solutions. These programs are designed to reduce traffic violations and resulting collisions, injuries and fatalities. The Company implements and administers traffic safety programs for municipalities, counties, school districts and law enforcement agencies of all sizes. The international operations for this segment primarily involve the sale of traffic enforcement products and recurring maintenance services related to the equipment and software.

The Parking Solutions segment offers an integrated suite of parking software, transaction processing and hardware solutions to its customers, which include universities, municipalities, healthcare facilities and commercial parking operators. This segment develops specialized hardware and parking management software that provides a platform for the issuance of parking permits, enforcement, gateless vehicle counting, event parking and citation services. It also produces and markets its proprietary software as a service to its customers throughout the United States and Canada.

2. Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company prepared in accordance with generally accepted accounting principles in the United States of America ("***GAAP***"). All intercompany balances and transactions have been eliminated in consolidation. In the opinion of the Company's management, the consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates and assumptions include those related to allocating the transaction price for revenue recognition, inventory valuation, allowance for credit losses, fair value of the private placement warrant liabilities, fair value of the interest rate swap, self-insurance liability, valuation allowance on deferred tax assets, uncertain tax positions, apportionment for state income taxes, the tax receivable agreement liability, fair value of privately-held securities, impairment assessments of goodwill, intangible assets and other long-lived assets, asset retirement obligations, contingent consideration and the recognition and measurement of loss contingencies.

Management believes that its estimates and assumptions are reasonable in the circumstances; however, actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a remaining maturity of three months or less when acquired to be cash equivalents.

Restricted Cash

The Company collects cash on behalf of customers under certain contracts which it deposits daily into Company bank accounts and transfers regularly to customer bank accounts. Restricted cash primarily represents customer cash collected but not yet remitted to the customer. Restricted cash is classified as a current asset and the corresponding liability for amounts due to customers is within current liabilities.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, accounts receivable and unbilled receivables. The Company limits cash and cash equivalents to highly rated financial institutions.

Significant customers are those which represent more than 10% of the Company's total revenue or accounts receivable, net. Revenue from the single Government Solutions customer exceeding 10% of total revenue is presented below:

	For the Year Ended December 31,		
	2024	2023	2022
City of New York Department of Transportation	15.8%	16.9%	19.5%

The City of New York Department of Transportation ("***NYCDOT***") represented 17.2% and 18.3% of total accounts receivable, net as of December 31, 2024 and 2023, respectively. There is no material reserve related to NYCDOT open receivables as amounts are deemed collectible based on current conditions and expectations. No other Government Solutions customer exceeded 10% of total accounts receivable, net as of any period presented.

Significant customer revenue concentrations generated through the Company's Commercial Services partners as a percent of total revenue are presented below:

	For the Year Ended December 31,		
	2024	2023	2022
Hertz Corporation	10.8%	11.8%	11.1%
Avis Budget Group, Inc.	13.5%	13.6%	13.0%
Enterprise Mobility	11.7%	10.4%	9.3%

No Commercial Services customer exceeded 10% of total accounts receivable, net as of December 31, 2024 or 2023.

There were no significant customer concentrations that exceeded 10% of total revenue or accounts receivables, net for the Parking Solutions segment as of or for any period presented.

Allowance for Credit Losses

Accounts receivable and unbilled receivables are uncollateralized customer obligations arising from the sale of products or services. Accounts receivable and unbilled receivables have normal trade terms of less than one year and are initially stated at the amounts billed to the customers and subsequently measured at amortized cost net of allowance for credit losses. Unbilled receivables are recorded when revenues have been earned but have not been included on a customer invoice through the end of the current period. Unbilled receivables were $48.2 million and $37.1 million as of December 31, 2024 and 2023, respectively.

The Company reviews historical credit losses and customer payment trends on receivables and develops loss estimates as of the balance sheet date, which includes adjustments for current and future expectations. It identifies pools of receivables based on the type of business, industry in which the customer operates and historical credit loss patterns. The Company uses collection assumptions (typically at the customer level) to estimate expected credit losses. Receivables are written off against the allowance for credit losses when it is probable that amounts will not be collected based on the terms of the customer contracts, and subsequent recoveries reverse the previous write-off and apply to the receivable in the period recovered. No interest or late fees are charged on delinquent accounts. The Company periodically evaluates the adequacy of its allowance for expected credit losses and adjusts appropriately.

The following presents the activity in the allowance for credit losses by reportable segment for the years ended December 31, 2023 and 2024, respectively:

($ in thousands)	Commercial Services [1]	Government Solutions	Parking Solutions	Total
Balance at January 1, 2023	$ 11,177	$ 4,573	$ 157	$ 15,907
Credit loss expense (income)	11,153	(1,953)	(146)	9,054
Write-offs, net of recoveries	(6,669)	(194)	415	(6,448)
Balance at December 31, 2023	$ 15,661	$ 2,426	$ 426	$ 18,513
Credit loss expense (income)	14,670	(1,979)	311	13,002
Write-offs, net of recoveries	(14,293)	(115)	(89)	(14,497)
Balance at December 31, 2024	$ 16,038	$ 332	$ 648	$ 17,018

(1) This primarily consists of receivables from drivers of rental cars for which the Company bills on behalf of its customers. Receivables not collected from drivers within a defined number of days are transferred to customers subject to applicable bad debt sharing agreements. The allowance for credit losses for driver-billed receivables was 85% and 88% of the total Commercial Services allowance for credit losses as of December 31, 2024 and 2023, respectively.

Inventory

Inventories consist of parts and electronic components used in the production of parking management related hardware sold to certain Parking Solutions customers and photo enforcement systems sold to certain Government Solutions customers. Inventories for the Parking Solutions business were stated at cost on a first-in, first-out basis and the total carrying value was approximately $8.4 million and $10.0 million as of December 31, 2024 and 2023, respectively. Inventories for the Government Solutions international business were stated at a weighted average cost and the total carrying value was $7.1 million and $8.0 million as of December 31, 2024 and 2023, respectively. The Company assesses the value of its inventory and writes down the cost to net realizable value upon evaluation of historical experience and assumptions regarding future usage, and any such write down establishes a new cost basis for the items. Total finished goods were approximately $3.1 million and $3.4 million as of December 31, 2024 and 2023, respectively.

Installation and Service Parts

Installation and service parts consist of components used in the construction and maintenance of the Company's photo enforcement systems. Installation and service parts are stated at cost and are reclassified to property and equipment upon initiation of construction and subsequently placed in service. Installation and service parts used in repairs and maintenance are recorded as operating expenses. See *Impairment of Long-lived Assets* section below for a discussion of the write-down of installation and service parts that no longer had future use.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. All repairs and maintenance costs are expensed as incurred. Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets as follows:

Equipment	3-7 years
Computer equipment	3-5 years
Furniture	3-10 years
Automobiles	3-7 years
Software	3-7 years
Leasehold improvements	Shorter of lease term or estimated useful life

Equipment relates to equipment installed at customer sites and certain installation costs that qualify for capitalization. Software costs include certain internal and external costs associated with the development of software that are incurred during the application development stage. In addition, a modification or upgrade to existing software is capitalized only to the extent it results in additional functionality to existing software. Software maintenance and training costs are expensed as incurred.

Investment in Privately-held Securities

The Company holds an investment in privately-held equity securities which is recorded at cost and adjusted based on observable transactions for same or similar investments or for impairment. Investment gains and losses are recorded in other income, net.

Valuation of privately-held securities requires judgment due to the lack of readily available observable market data. The carrying value is not adjusted if there are no identified events that would indicate a need for upward or downward adjustments or changes in circumstances that may indicate impairment. In determining the estimated fair value of its investment, the Company utilizes the most recent data available. The Company assesses its investment for impairment quarterly using both qualitative and quantitative factors. If an investment is considered impaired, an impairment loss is recognized and a new carrying value is established for the investment.

There were no indicators of impairment during the years ended December 31, 2024 or December 31, 2023. The Company recorded a $1.3 million impairment during the year ended December 31, 2022 within other income, net on the consolidated statements of operations.

Goodwill

Goodwill represents the excess of the purchase price over the estimated fair value of net tangible and identifiable intangible assets acquired in business combinations. Goodwill is assessed for impairment at least annually at the reporting unit level or more frequently if events or changes in circumstances indicate the carrying value may not be recoverable. If, based on a qualitative analysis, it is determined more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. Reporting units are identified by assessing whether the components of the Company's operating segments constitute businesses for which discrete financial information is available, if segment management regularly reviews the operating results of those components and if any of the components can be aggregated based on economic similarities and other factors. Application of the goodwill impairment test requires judgment, including the identification of reporting units, the assignment of assets (including goodwill) to those reporting units and the determination of the fair value of each reporting unit. The date of the Company's annual impairment analysis is October 1. The Company has four reporting units for the purposes of assessing potential impairment of goodwill which include Commercial Services, Government Solutions North America, Government Solutions International and Parking Solutions.

The Company estimates the fair value of its reporting units based on a combination of an income approach or more specifically, a discounted cash flow method ("***DCF Method***") and a market approach employing the public company market multiple method. The DCF Method is based on projected future cash flows and terminal value estimates discounted to their present values using a market-participant weighted average cost of capital. Significant estimates and assumptions used in the DCF Method include forecasts of future revenue growth rates, EBITDA margin percentages, terminal growth rates and discount rates. The Company applies discount rates that are commensurate with the risks and uncertainties inherent in the respective reporting units and its internally developed projections of future cash flows. The market approach utilizes a blend of revenue and EBITDA multiples from guideline public companies which are comparable to it in size, profitability and other factors to estimate the fair value of the reporting units. Significant estimates and assumptions used in the market approach include the selection of guideline public companies, revenue and EBITDA projections, the selection of revenue and EBITDA multiples and the application of a control premium.

In connection with its annual impairment assessment, the Company determined it was more likely than not that the fair values of its reporting units were in excess of their carrying values for the Commercial Services, Government Solutions North America and Government Solutions International reporting units based on qualitative factors. The Company performed a quantitative impairment test for its Parking Solutions reporting unit as of October 1, 2024. This was due to recent performance that unfavorably impacted the Parking Solutions business, including lower revenue growth, higher customer churn and lower profitability margins than previously estimated. The fair value of this reporting unit was determined by equally weighting the results of the DCF and market approach methods described above. Based on the results of its quantitative review, the Company concluded an impairment to goodwill was necessary because the reporting unit's carrying value exceeded the estimated fair value. The Company recorded a $97.1 million impairment of goodwill in the Parking Solutions segment during fiscal year 2024, which is presented in the goodwill impairment line item on the consolidated statements of operations.

Intangible Assets

Intangible assets represent existing customer relationships, trademarks, patents, developed technology (hardware and software) and non-compete agreements. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, which approximates the utilization of their expected future benefits. Amortization of intangible assets is included in depreciation, amortization and (gain) loss on disposal of assets, net in the consolidated statements of operations.

The Company annually evaluates the estimated remaining useful lives of its intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of amortization.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets (including intangible assets with finite useful lives and installation and service parts) for impairment whenever events or circumstances indicate that the carrying amount of an asset or an asset group may not be fully recoverable. The Company assesses recoverability by comparing the estimated undiscounted future cash flows expected to be generated by the asset or asset group with its carrying value. If the carrying value of the asset or asset group exceeds the estimated undiscounted future cash flows, an impairment loss is recognized for the difference between the estimated fair value and the carrying value.

During the year ended December 31, 2024, the Company recorded a $0.2 million impairment related to the write-down of installation and service parts that no longer had future use within the operating expenses line item in the Government Solutions segment. During the year ended December 31, 2023, the Company recorded a $4.3 million impairment which included a $3.9 million write-down of installation and service parts that no longer had future use within the operating expenses line item in the Government Solutions segment, and $0.4 million impairment of an ROU asset within the selling, general and administrative expenses line item in the Parking Solutions segment. The Company had $0.7 million of impairment related to certain photo enforcement programs that ended during the year ended December 31, 2022 within the depreciation, amortization and (gain) loss on disposal of assets, net line item on the consolidated statements of operations.

Self-Insurance

The Company is self-insured for medical costs and has stop-loss insurance policies to limit its exposure to individual and aggregate claims made. Liabilities for these programs are estimated based on outstanding claims and claims estimated to be incurred but not yet reported using historical loss experience. These estimates are subject to variability due to changes in trends of losses for outstanding claims and incurred but not reported claims, including external factors such as the number, and cost of claims, benefit level changes and claim settlement patterns.

Warrants

As of December 31, 2022, there were warrants outstanding to acquire 19,999,967 shares of the Company's Class A Common Stock including: (i) 6,666,666 Private Placement Warrants and (ii) 13,333,301 warrants issued in connection with the initial public offering (the "***Public Warrants***" and, together with the Private Placement Warrants, the "***Warrants***"). The Warrants had a five-year term and expired in October 2023, unless they were redeemed or exercised prior to expiration. As of December 31, 2023, all Warrants were either exercised by the holder or redeemed by the Company. See Note 12, *Shareholders' Equity*, for additional details on warrant exercises.

The Company accounted for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance under Financial Accounting Standards Board ("***FASB***") ASC 480, Distinguishing Liabilities from Equity ("***ASC 480***") and ASC 815, Derivatives and Hedging ("***ASC 815***"). The assessment considered whether the warrants were freestanding financial instruments pursuant to ASC 480, met the definition of a liability pursuant to ASC 480, and whether the warrants met all of the requirements for equity classification under ASC 815, including whether the warrants were indexed to the Company's own common shares, among other conditions for equity classification.

For warrants that met all of the criteria for equity classification, the warrants were required to be recorded as a component of additional paid-in capital at the time of issuance. Warrants that did not meet all the criteria for equity classification were recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants were recognized as a non-cash gain or loss on the consolidated statements of operations. The Company's Public Warrants met the criteria for equity classification and accordingly, were reported as a component of stockholders' equity while the Company's Private Placement Warrants were classified as a liability. The fair value of the Private Placement Warrants was estimated at period-end using a Black-Scholes option pricing model. Shares issuable under the Warrants were considered for inclusion in the diluted share count in accordance with GAAP.

Interest Rate Swap

In December 2022, the Company entered into a cancellable interest rate swap agreement to hedge its exposure to interest rate fluctuations associated with the LIBOR (now transitioned to Term Secured Overnight Financing Rate, "***SOFR***") portion of the variable interest rate on its 2021 Term Loan. Under the interest rate swap agreement, the Company paid a fixed rate of 5.17% and the counterparty paid a variable interest rate. The Company entered into an International Swaps and Derivatives Association, Inc. Master Agreement with the counterparty which provided for the net settlement of all, or a specified group, of derivative transactions through a single payment. The notional amount on the interest rate swap was $675.0 million. The Company had the option to effectively terminate the interest rate swap agreement starting in December 2023, and monthly thereafter until December 2025. The Company treated the interest rate swap as an economic hedge for accounting purposes and any changes in the fair value of the derivative instrument (including accrued interest) and related cash receipts or payments were recorded in the consolidated statements of operations within the loss (gain) on interest rate swap line item. The Company exercised its option to cancel the interest rate swap agreement during the third quarter of fiscal year 2024.

The following details the components of the loss (gain) on interest rate swap for the respective periods:

	For the Year Ended December 31,		
($ in thousands)	**2024**	**2023**	**2022**
Change in fair value	$ 1,316	$ (320)	$ (996)
Cash (receipts) payments	(822)	1,137	—
Total loss (gain) on interest rate swap	$ 494	$ 817	$ (996)

The effect of remeasurement to fair value was recorded within the operating activities section and the monthly cash proceeds received or payments made were recorded within the investing activities section in the consolidated statements of cash flows. See below for further discussion on the fair value measurement of the interest rate swap.

Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement,* includes a single definition of fair value to be used for financial reporting purposes, provides a framework for applying this definition and for measuring fair value under GAAP, and establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are summarized as follows:

Level 1 – Fair value is based on observable inputs such as quoted prices for identical assets or liabilities in active markets.

Level 2 – Fair value is determined using quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are directly or indirectly observable.

Level 3 – Fair value is determined using one or more significant inputs that are unobservable in active markets at the measurement date, such as a pricing model, discounted cash flow, or similar technique.

The carrying amounts reported in the Company's consolidated balance sheets for cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the immediate to short-term maturity of these financial instruments. The estimated fair value of the Company's long-term debt was calculated based upon available market information. The carrying value and the estimated fair value of long-term debt are as follows:

($ in thousands)	Level in Fair Value Hierarchy	December 31, 2024		December 31, 2023	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2021 Term Loan	2	$ 687,203	$ 699,916	$ 691,821	$ 709,872
Senior Notes	2	347,008	341,250	346,311	335,125

The Company had issued Private Placement Warrants (as discussed above) to acquire shares of its Class A Common Stock in connection with its initial public offering which had a five-year term and expired in October 2023. During fiscal year 2023, all Private Placement Warrants were exercised by the warrant holders.

The following summarizes the changes in fair value of Private Placement Warrant liabilities included in net income and the impact of exercises for the year ended December 31, 2023:

($ in thousands)	December 31, 2023
Beginning balance	$ 24,066
Change in fair value of private placement warrants	24,966
Exercise of warrants	(49,032)
Ending balance	$ —

The change in fair value of private placement warrants consisted of adjustments related to the unexercised Private Placement Warrants re-measured to fair value at the end of the reporting period and the final mark-to-market adjustments for the exercised warrants. During the year ended December 31, 2023, 6.7 million Private Placement Warrants were exercised, which reduced our Private Placement Warrants liabilities by $49.0 million with an offset to common stock at par value and the remaining to additional paid in capital.

The Company has an equity investment measured at cost with a carrying value of $1.9 million and $2.1 million as December 31, 2024 and 2023 respectively, and is only adjusted to fair value if there are identified events that would indicate a need for an upward or downward adjustment or changes in circumstances that may indicate impairment. The estimation of fair value requires the use of significant unobservable inputs, such as voting rights and obligations in the securities held, and is therefore classified within level 3 of the fair value hierarchy. There were no identified events that required a fair value adjustment during the years ended December 31, 2024 and 2023.

The recurring fair value measurement of the interest rate swap was valued based on observable inputs for similar assets and liabilities including swaption values and other observable inputs for interest rates and yield curves and was classified within level 2 of the fair value hierarchy. The following presents the changes in the fair value of the interest rate swap in the gross balances within the below line items for the respective periods:

($ in thousands)	December 31, 2024	December 31, 2023
Prepaid expenses and other current assets		
Beginning balance	$ 689	$ —
Change in fair value of interest rate swap	(689)	689
Ending balance	$ —	$ 689
Other non-current assets		
Beginning balance	$ 627	$ 1,973
Change in fair value of interest rate swap	(627)	(1,346)
Ending balance	$ —	$ 627
Accrued liabilities		
Beginning balance	$ —	$ 977
Change in fair value of interest rate swap	—	(977)
Ending balance	$ —	$ —

The Company separately classified the current and non-current components based on the value of settlements due within 12 months (current) and greater than 12 months (non-current). The Company exercised its option to cancel the interest rate swap during the third quarter of fiscal year 2024.

Asset Retirement Obligations

The Company records obligations to perform certain retirement activities on camera and speed enforcement systems in the period that the related assets are placed in service. Asset retirement obligations are contractual obligations to restore property to its initial state. These obligations, which are initially estimated based on discounted cash flow estimates, are accreted to full value over time through charges to operating expenses in the consolidated statements of operations. The offsetting asset is capitalized as part of the related asset's carrying value and is depreciated over the asset's estimated remaining useful life. When events and circumstances indicate that the original estimates used for asset retirement obligations may need revision, the Company reassesses the assumptions used and adjusts the liability appropriately.

Deferred Financing Costs

Deferred financing costs consist of the costs incurred to obtain long-term financing, including the Company's credit facilities (see Note 8, *Long-Term Debt*). These costs, which are a reduction to long-term debt on the consolidated balance sheets, are amortized over the term of the related debt, using the effective interest method for term debt and the straight-line method for revolving credit facilities. Amortization of deferred financing costs for fiscal years 2024, 2023 and 2022 was $4.1 million, $4.7 million and $5.5 million respectively.

Income Taxes

Income tax expense includes U.S and international current and deferred income taxes and interest and penalties on uncertain tax positions. Certain income and expenses are not reported in tax returns and financial statements in the same year. The tax effect of these temporary differences is reported as deferred income taxes. Deferred tax assets are reported net of a valuation allowance when it is more likely than not that a tax benefit will not be realized. All deferred income taxes are classified as long-term on our consolidated balance sheets. See Note 11, *Income Taxes*, for more information.

Stock-based Compensation

In October 2018, the Company established the Verra Mobility 2018 Equity Incentive Plan which provides for a variety of stock-based awards for issuance to employees and directors. In May 2023, the Company's stockholders approved the Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan (the "***2018 Plan***"), which, among other things, increased the maximum number of shares available for awards by 5,000,000 shares. The Company grants RSUs, stock options and PSUs.

The Company recognizes the fair value of RSUs based on the Company's common stock price at market close on the date of the grant. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options, and uses the Monte Carlo simulation model to determine the fair value of PSUs containing market conditions. The Black-Scholes model requires an assumption regarding the expected life of the stock option, which the Company estimated to be 6.25 years by applying the short-cut method permitted under SEC Staff Accounting Bulletin No. 110. PSUs granted vest at the end of a three-year period (or ratably over three years for certain grants), which matches the awards' performance period. RSUs and stock options vest based on the continued service of the recipient. PSUs are issued upon continued service along with the relative satisfaction of a market condition that measures the Company's total stockholder return relative to a comparably calculated return for a peer group during the performance period or to the Company's absolute total stockholder return. In addition, the Black-Scholes and the Monte Carlo models require assumptions to be made regarding the expected volatility of the Company's stock price. Stock price volatility is determined by averaging an implied volatility with the measure of historical volatility for stock options and using the historical volatility for PSUs.

The following represents our weighted average assumptions for stock options and PSUs granted for the respective periods:

	For the Year Ended December 31,		
	2024	2023	2022
Stock options [1]			
Weighted average expected volatility	n/a	38.5%	45.1%
Weighted average risk-free interest rate	n/a	4.28%	2.94%
PSUs			
Weighted average expected volatility	35.2%	43.8%	48.0%
Weighted average risk-free interest rate	4.26%	4.29%	2.78%

(1) There were no stock options granted during fiscal year 2024.

Compensation expense for share-based awards is determined based on the grant date fair value. The Company recognizes these compensation costs on a straight-line basis over the requisite service period of the award, which is generally the vesting term of the share-based award. The compensation expense for the PSUs is recognized over the requisite service period regardless of whether the market condition is satisfied. Forfeitures are accounted for as they occur. See Note 13, *Equity Incentive Plan*, for more information on the Company's share-based awards.

Revenue Recognition

Nature of Goods and Services

The following is a description of principal activities, separated by reportable segments, from which the Company generates revenue:

Commercial Services. The Commercial Services segment offers toll and violation management solutions for commercial fleet operators, including RACs, Direct Fleets and FMCs. The Company determined its performance obligation is a distinct stand-ready obligation, as there is an unspecified quantity of services provided that does not diminish, and the customer is being charged only when it uses the Company's services, such as toll payment, title and registration, etc. Payment terms for contracts with commercial fleet and rental car companies vary, but are usually billed as services are performed. The Company recognizes revenue over time based on the number of transactions processed on behalf of customers during the period. It recognizes revenue on a net basis when it acts as an agent in the transaction.

Government Solutions. The Government Solutions segment principally generates revenue by providing complete, end-to-end speed, red-light, school bus stop arm, and bus lane enforcement solutions. Products, when sold, are typically sold together with the services in a bundle for a majority of customers. The average initial term of a contract is three to five years. Payment terms for contracts with government agencies vary depending on whether the consideration is fixed or variable. Payment terms for contracts with fixed consideration are usually based on equal installments over the duration of the contract. Payment terms for contracts with variable consideration are usually billed and collected as citations are issued or paid. Certain mobile speed programs are billed per camera system deployed. In instances when the consideration expected from the customer is subject to variation, any variable consideration affecting revenue recognition is allocated to the distinct period (the monthly period) that it relates to.

- Product sales (sale of camera systems and installation) – the camera systems and related installation services are an integrated solution and are accounted for as a single performance obligation. The revenues for this performance obligation are recognized when control of the product is transferred to the customer.
- Service revenue – the Company provides a suite of services which may include camera maintenance, processing images taken by the camera, forwarding eligible images to the police department and processing payments on behalf of the municipality. The Company concluded that the suite of services as a whole represents one service offering and is a single performance obligation. The service offering is accounted for as a single continuous service. The Company applies the series guidance for those services as it stands ready to deliver those services over the contract period. The Company recognizes revenue from services over time, as they are performed.

Many of the Company's customer contracts include both product sales and service revenue. The Company applies judgment when determining whether the product sales and service offering are accounted for as combined performance obligation or distinct performance obligations. In contracts where title to the camera system does not transfer to the customer, the Company accounts for the contract as a single, combined performance obligation. This is because the customer receives the right to use the photo enforcement system and the service offering concurrently. For other contracts, the Company accounts for the products and services as distinct performance obligations because the camera systems and the related service solution are both capable of being distinct and are not highly interdependent and interrelated.

In contracts with multiple performance obligations, consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices ("***SSP***"). The Company estimates the SSP for its product sales using expected cost plus margin. The Company is unable to establish the SSP for its service offering based on observable prices as the services are sold for a wide range of amounts (the selling price is highly variable). As such, the SSP for service offerings included in these contracts is generally determined by applying a residual approach.

Parking Solutions. The T2 Systems business offers an integrated suite of parking software, transaction processing and hardware solutions to its customers. Revenue is derived primarily from the sale of software as a service ("***SaaS***") and specialized hardware. For bundled offerings, the Company accounts for individual products and services separately if they are distinct and allocates the transaction price based on the relative SSP. The Company is able to establish the SSP for its product sales based on the observable prices of products sold separately in comparable transactions. For professional services, the Company's estimate of the standalone selling price is comprised of multiple factors which include a cost plus margin approach and the historical sales price of similar services. The Company is unable to establish the SSP for its software licenses based on observable prices given the same products are sold at a broad range of prices and a representative SSP is not discernible from past transactions or other observable evidence, as such, the SSP for software licenses included in a contract with multiple performance obligations is generally determined by applying a residual approach. The Company's estimates of SSP are reassessed on a periodic basis or when facts and circumstances change.

- The Company's hosted parking management software products provide customers the ability to manage access to their parking lots and garages, issue physical or virtual parking permits and manage citations issued through enforcement devices. Revenue derived from these SaaS products is recognized ratably over the contractual service period beginning on the date the service is made available to the customer.
- Service revenue derived from the Company's professional services is recognized over time as the services are performed. Revenues for fixed-price service projects are generally recognized over time applying input methods to estimate progress to completion.
- Revenue from product sales is recognized at a point in time when a customer takes control of the hardware, which typically occurs when the product is delivered and ownership is transferred to the customer.

Remaining Performance Obligations

Deferred revenue represents amounts that have been invoiced in advance which are expected to be recognized as revenue in future periods, and it primarily relates to the Government Solutions and Parking Solutions customers. As of December 31, 2024 and 2023, the Company had approximately $11.8 million and $13.1 million of deferred revenue in the Government Solutions segment, respectively. During the twelve months ended December 31, 2024 and 2023, the Company recognized $6.7 million and $5.2 million, respectively, of revenue, excluding exchange rate impact, related to amounts that were included in deferred revenue as of December 31, 2023 and 2022. As of December 31, 2024 and 2023, the Company had approximately $21.7 million and $19.7 million of deferred revenue in the Parking Solutions segment, respectively. During the twelve months ended December 31, 2024 and 2023, the Company recognized $18.7 million and $20.7 million, respectively, of revenue related to amounts that were included in deferred revenue as of December 31, 2023 and 2022.

Remaining performance obligations represent the amount of contracted future revenue not yet recognized as the amounts relate to undelivered performance obligations, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. The Company elected the practical expedients to omit disclosure for the amount of the transaction price allocated to remaining performance obligations with original expected contract length of one year or less and the amount that relates to variable consideration allocated to a wholly unsatisfied performance obligation to transfer a distinct good or service within a series of distinct goods or services that form a single performance obligation. As of December 31, 2024, total transaction price allocated to performance obligations in the Government Solutions segment that were unsatisfied or partially unsatisfied was $203.0 million, of which $88.0 million is expected to be recognized as revenue in the next twelve months and the rest over the remaining performance obligation period.

Credit Card Rebates

The Company earns volume rebates from total spend on purchasing cards and recognizes the income in other income, net in the consolidated statements of operations. For the fiscal years ended December 31, 2024, 2023 and 2022, the Company recorded $18.9 million, $17.8 million, and $14.5 million respectively, related to rebates.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs for the fiscal years ended December 31, 2024, 2023 and 2022, were $1.6 million, $1.1 million and $1.0 million, respectively, and were included in selling, general, and administrative expenses in the consolidated statements of operations.

Foreign Currency

Assets and liabilities denominated in foreign currencies that differ from their functional currencies are re-measured at the exchange rate on the balance sheet date. The foreign currency effect of the re-measurement is included in other income, net in the consolidated statements of operations. The impact of foreign currency re-measurement was losses of $0.4 million, $1.7 million and $0.7 million for the fiscal years ended December 31, 2024, 2023 and 2022, respectively.

The assets and liabilities of our foreign subsidiaries whose functional currency is not the U.S. dollar are translated into U.S. dollars at current exchange rates while revenue and expenses are translated from functional currencies at average monthly exchange rates. The resulting translation adjustments are recorded in accumulated other comprehensive loss in stockholders' equity.

Recent Accounting Pronouncements

Accounting Standards Adopted

In November 2023, the Financial Accounting Standards Board (the "***FASB***") issued Accounting Standards Update ("***ASU***") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The ASU was intended to enhance disclosure related to significant segment expenses regularly provided to the Chief Operating Decision Maker ("***CODM***"), amounts presented as "other" within segment profit (loss), require that all annual disclosures are also reported for interim periods, further define the CODM and how they use segment profit (loss) to allocate resources, and require that entities with only a single reportable segment provide all required segment disclosures. The Company adopted this standard as of December 31, 2024 which included providing relevant disclosures within Note 17, *Segment Reporting;* however, there were no other impacts from the adoption of this standard.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The ASU clarified that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. It also required entities with investments in equity securities subject to contractual sale restrictions to disclose certain qualitative and quantitative information about such securities. The Company adopted this standard as of January 1, 2024. The adoption of this standard did not have an impact on the Company's financial statements or disclosures.

Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires companies to disclose specific categories in the rate reconciliation, provide additional disclosure for reconciling items that exceed proscribed thresholds, and enhance disclosure regarding income taxes paid and sources of income (loss) from continuing operations including the tax expense (or benefit) disaggregated by federal, state and foreign taxes. The guidance is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement- Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The ASU requires public companies to disclose, in the notes to financial statements, specified information about certain costs and expenses at each interim and annual reporting period at a disaggregated level. The guidance is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statements and disclosures.

3. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following at December 31:

($ in thousands)	2024	2023
Prepaid services	$ 17,359	$ 17,271
Prepaid tolls	8,751	9,174
Costs to fulfill a customer contract	3,710	5,852
Income taxes receivable	3,063	9,830
Deposits	3,057	2,322
Prepaid insurance	2,304	1,755
Other	4,403	757
Total prepaid expenses and other current assets	$ 42,647	$ 46,961

4. Property and Equipment, Net

Property and equipment, net, consists of the following at December 31:

($ in thousands)	2024	2023
Equipment	$ 211,213	$ 159,151
Software	61,183	37,415
Leasehold improvements	12,287	10,031
Computer equipment	22,411	21,415
Furniture	2,464	2,651
Automobiles	15,248	14,422
Construction in progress	15,053	17,781
Property and equipment	339,859	262,866
Less: accumulated depreciation	(198,258)	(139,618)
Property and equipment, net	$ 141,601	$ 123,248

Depreciation expense was $41.4 million, $35.2 million and $32.2 million for the fiscal years ended December 31, 2024, 2023 and 2022, respectively.

5. Goodwill and Intangible Assets

The following table presents the changes in the carrying amount of goodwill by reportable segment:

($ in thousands)	Commercial Services	Government Solutions	Parking Solutions	Total
Balance at December 31, 2022	$ 419,720	$ 214,618	$ 199,142	$ 833,480
Foreign currency translation adjustment	2,371	(16)	—	2,355
Balance at December 31, 2023	422,091	214,602	199,142	835,835
Goodwill impairment [1]	—	—	(97,076)	(97,076)
Foreign currency translation adjustment	(1,924)	(1,220)	—	(3,144)
Balance at December 31, 2024	$ 420,167	$ 213,382	$ 102,066	$ 735,615

(1) The Company recorded an impairment to goodwill in its Parking Solutions segment during fiscal year 2024, refer to Note 2, *Significant Accounting Policies,* for additional information.

Intangible assets consist of the following as of the respective period-ends:

($ in thousands)	Weighted Average Remaining Useful Life	Weighted Average Amortization Period	At December 31, 2024 Gross Carrying Amount	At December 31, 2024 Accumulated Amortization
Trademarks	5.2 years	8.8 years	$ 4,667	$ 1,972
Patent	3.8 years	5.0 years	500	117
Customer relationships	3.5 years	9.3 years	557,958	348,138
Developed technology	3.9 years	7.2 years	38,659	19,260
Gross carrying value of intangible assets			601,784	$ 369,487
Less: accumulated amortization			(369,487)	
Intangible assets, net			$ 232,297	

($ in thousands)	Weighted Average Remaining Useful Life	Weighted Average Amortization Period	At December 31, 2023 Gross Carrying Amount	At December 31, 2023 Accumulated Amortization
Trademarks	0.3 years	3.7 years	$ 36,190	$ 32,882
Patent	4.8 years	5.0 years	500	17
Non-compete agreements	0.0 years	5.0 years	62,540	62,540
Customer relationships	4.5 years	9.3 years	558,801	288,065
Developed technology	0.8 years	5.8 years	201,657	175,159
Gross carrying value of intangible assets			859,688	$ 558,663
Less: accumulated amortization			(558,663)	
Intangible assets, net			$ 301,025	

Amortization expense was $67.0 million, $77.6 million and $106.2 million for fiscal years ended December 31, 2024, 2023 and 2022, respectively.

Estimated amortization expense in future years is expected to be:

($ in thousands)	
2025	$ 64,164
2026	57,244
2027	28,229
2028	22,316
2029	21,419
Thereafter	38,925
Total	$ 232,297

6. Accrued Liabilities

Accrued liabilities consist of the following at December 31:

($ in thousands)	2024	2023
Accrued salaries and wages	$ 34,310	$ 27,905
Current deferred tax liabilities	7,650	7,574
Current portion of operating lease liabilities	6,925	7,133
Accrued interest payable	4,211	4,594
Advanced deposits	2,993	2,308
Restricted cash due to customers	2,858	2,835
Self-insurance liability	1,271	1,802
Accrued legal settlement	—	31,500
Other	13,762	7,468
Total accrued liabilities	$ 73,980	$ 93,119

7. Asset Retirement Obligations

The following summarizes the changes in the Company's asset retirement obligations for the years ended December 31:

($ in thousands)	2024	2023
Asset retirement obligations, beginning balance	$ 14,580	$ 12,993
Liabilities incurred	1,419	1,176
Accretion expense	678	760
Liabilities settled	(1,184)	(349)
Asset retirement obligations, ending balance	$ 15,493	$ 14,580

8. Long-term Debt

The following table provides a summary of the Company's long-term debt at December 31:

($ in thousands)	2024	2023
2021 Term Loan, due 2028	$ 695,568	$ 704,587
Senior Notes, due 2029	350,000	350,000
Less: original issue discounts	(2,322)	(3,646)
Less: unamortized deferred financing costs	(9,035)	(12,809)
Total long-term debt	1,034,211	1,038,132
Less: current portion of long-term debt	—	(9,019)
Total long-term debt, net of current portion	$ 1,034,211	$ 1,029,113

The following table presents the aggregate principal and interest payments in future years on long-term debt as of December 31, 2024:

($ in thousands)	Principal	Interest [1]
2025	$ —	$ 65,845
2026	—	65,845
2027	—	65,844
2028	695,568	29,973
2029	350,000	5,561
Total	$ 1,045,568	$ 233,068

(1) The variable interest rate in effect as of December 31, 2024 was used to calculate interest payments for the 2021 Term Loan.

2021 Term Loan

In March 2021, VM Consolidated, Inc. ("***VM Consolidated***"), the Company's wholly owned subsidiary, entered into an Amendment and Restatement Agreement No.1 to the First Lien Term Loan Credit Agreement (the "***2021 Term Loan***") with a syndicate of lenders. The 2021 Term Loan has an aggregate borrowing of $900.0 million, maturing on March 24, 2028. In connection with the 2021 Term Loan borrowings, the Company had $4.6 million of offering discount costs and $4.5 million in deferred financing costs, both of which were capitalized and are being amortized over the remaining life of the 2021 Term Loan.

In February 2024, VM Consolidated entered into a third amendment (the "***Third Amendment***") and in October 2024, a fourth amendment (the "***Fourth Amendment***") to refinance the 2021 Term Loan (the "***Refinancing Transactions***"). Pursuant to the Third and Fourth Amendments, the interest rate was reduced by an aggregate 1.00% to SOFR plus 2.25% from SOFR plus 3.25%, with the SOFR floor unchanged at 0.00%. The credit spread adjustment, ranging from 0.11448% to 0.71513%, was eliminated. In addition, the 2021 Term Loan no longer contains a provision for principal repayments which were previously required to be paid in quarterly installments. The Company evaluated the Refinancing Transactions on a lender-by-lender basis and accounted accordingly for debt extinguishment and debt modification costs (for the portion of the transactions that did not meet the accounting criteria for debt extinguishment).

During fiscal years 2024 and 2023, the Company made early repayments of $9.0 million and $172.5 million, respectively, on the 2021 Term Loan and as a result, the total principal outstanding was $695.6 million as of December 31, 2024.

The Company recorded $1.7 million of loss on extinguishment of debt during the fiscal year ended December 31, 2024 primarily related to the write-off of pre-existing deferred financing costs and discounts in connection with the Refinancing Transactions. It recognized a loss on extinguishment of debt of $3.5 million for the fiscal year ended December 31, 2023, related to the write-off of pre-existing deferred financing costs and discounts in connection with the early repayments.

The 2021 Term Loan bears interest based at the Company's option, on either (i) Term SOFR plus an applicable margin of 2.25% per annum, or (ii) an alternate base rate plus an applicable margin of 1.25% per annum. As of December 31, 2024, the interest rate on the 2021 Term Loan was 6.6%.

In addition, the 2021 Term Loan requires mandatory prepayments equal to the product of the excess cash flows of the Company (as defined in the 2021 Term Loan agreement) and the applicable prepayment percentages (calculated as of the last day of the fiscal year), as set forth in the following table:

Consolidated First Lien Net Leverage Ratio (As Defined by the 2021 Term Loan Agreement)	Applicable Prepayment Percentage
> 3.70:1.00	50%
≤ 3.70:1.00 and > 3.20:1.00	25%
≤ 3.20:1.00	0%

The Company did not have mandatory prepayments of excess cash flows for the fiscal years ended December 31, 2024 or 2023.

Senior Notes

In March 2021, VM Consolidated issued an aggregate principal amount of $350.0 million in Senior Unsecured Notes (the "***Senior Notes***"), due on April 15, 2029. In connection with the issuance of the Senior Notes, the Company incurred $5.7 million in lender and third-party costs, which were capitalized as deferred financing costs and are being amortized over the remaining life of the Senior Notes.

Interest on the Senior Notes is fixed at 5.50% per annum and is payable on April 15 and October 15 of each year. The Company may redeem all or a portion of the Senior Notes at the redemption prices set forth below in percentages by year, plus accrued and unpaid interest:

Year	Percentage
2025	101.375%
2026 and thereafter	100.000%

PPP Loan

During fiscal year 2020, one of the Company's wholly owned subsidiaries received a $2.9 million loan from the U.S. Small Business Administration ("***SBA***") as part of the Paycheck Protection Program ("***PPP Loan***") to offset certain employment and other allowable costs incurred as a result of the COVID-19 pandemic. In 2022, the Company was notified by the SBA that the loan, together with accrued interest, had been fully forgiven under the provisions of the PPP Loan program. Accordingly, the Company recognized a $3.0 million gain on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2022.

The Revolver

The Company has a Revolving Credit Agreement (the "***Revolver***") with a commitment of up to $75.0 million available for loans and letters of credit. The Revolver matures on December 18, 2026. Borrowing eligibility under the Revolver is subject to a monthly borrowing base calculation based on (i) certain percentages of eligible accounts receivable and inventory, less (ii) certain reserve items, including outstanding letters of credit and other reserves. The Revolver bears interest on either (1) Term SOFR plus an applicable margin, or (2) an alternate base rate, plus an applicable margin. The margin percentage applied to (1) Term SOFR is either 1.25%, 1.50%, or 1.75%, or (2) the base rate is either 0.25%, 0.50%, or 0.75%, depending on the Company's average availability to borrow under the commitment. There is a credit spread adjustment of 0.10% for a one-month duration, 0.15% for a three-month duration, and 0.25% for a six-month duration, in addition to Term SOFR and the applicable margin percentages. There were no outstanding borrowings on the Revolver as of December 31, 2024 or 2023. The availability to borrow was $74.4 million, net of $0.6 million of outstanding letters of credit at December 31, 2024.

Interest on the unused portion of the Revolver is payable quarterly at 0.375% and the Company is also required to pay participation and fronting fees at 1.38% on $0.6 million of outstanding letters of credit as of December 31, 2024.

All borrowings and other extensions of credits under the 2021 Term Loan, Senior Notes and the Revolver are subject to the satisfaction of customary conditions and restrictive covenants including absence of defaults and accuracy in material respects of representations and warranties. Substantially all of the Company's assets are pledged as collateral to secure the Company's indebtedness under the 2021 Term Loan. At December 31, 2024, the Company was compliant with all debt covenants in its debt agreements.

Interest Expense, Net

The Company recorded interest expense, including amortization of deferred financing costs and discounts, of $73.9 million, $86.7 million and $69.4 million for the fiscal years ended December 31, 2024, 2023 and 2022 respectively.

The weighted average effective interest rates on the Company's outstanding borrowings were 6.2% and 7.7% at December 31, 2024 and 2023, respectively.

9. Leases

The Company's operating leases primarily consist of office, equipment and vehicle leases expiring at various dates through April 2035. The Company has lease agreements with lease and non-lease components and has elected to account for such components as a single lease component. The Company measures and recognizes contracts containing a lease and determines lease classification at commencement. Right of use operating assets and lease liabilities are measured based on the estimated present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses its estimated incremental borrowing rate when the rate implicit in the lease cannot be readily determined. The estimated incremental borrowing rate is based upon information available at lease commencement including publicly available data for debt instruments. The lease term includes periods covered by options to extend when it is reasonably certain the Company will exercise such options as well as periods subsequent to an option to terminate the lease if it is reasonably certain the Company will not exercise the termination option. Certain of the lease agreements have rent abatement and escalating rental payment provisions. Operating lease costs are recognized on a straight-line basis over the lease term. Variable lease costs are recognized as incurred. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants. The Company does not have material short-term leases and does not engage in material subleasing activities.

As of December 31, 2024 and 2023, operating leases had a remaining weighted average lease term of 7.5 years and 8.0 years, respectively, and operating lease liabilities were measured using a weighted average discount rate of 5.8% and 5.4%, respectively. The total operating lease costs for the fiscal years ended December 31, 2024, 2023 and 2022 were $9.3 million, $9.5 million and $8.8 million, respectively. Variable lease costs for fiscal years ended December 31, 2024, 2023 and 2022 were approximately $3.8 million, $2.7 million and $1.5 million, respectively. Finance leases for the Company were not material.

The following is a summary of the operating lease liabilities as of December 31:

($ in thousands)	2024	2023
Operating lease liabilities, net of current portion	$ 25,757	$ 29,124
Current portion	6,925	7,133
Total operating lease liabilities	$ 32,682	$ 36,257

The following provides future maturities of operating lease liabilities as of December 31, 2024:

($ in thousands)	
2025	$ 8,551
2026	5,962
2027	4,486
2028	3,145
2029	3,049
Thereafter	15,174
Total minimum payments	40,367
Less: amount representing interest	(7,685)
Total	$ 32,682

10. Net Income Per Share

Basic net income per share is calculated by dividing net income by the weighted average shares outstanding during the period, without consideration of common stock equivalents. Diluted net income per share is calculated by adjusting the weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method.

The components of basic and diluted net income per share are as follows:

	For the Year Ended December 31,		
(In thousands, except per share data)	2024	2023	2022
Numerator:			
Net income	$ 31,448	$ 57,015	$ 92,475
Denominator:			
Weighted average shares - basic	165,090	158,777	152,848
Common stock equivalents	2,627	1,240	6,178
Weighted average shares - diluted	167,717	160,017	159,026
Net income per share - basic	$ 0.19	$ 0.36	$ 0.61
Net income per share - diluted	$ 0.19	$ 0.36	$ 0.50
Antidilutive shares excluded from diluted net income per share:			
Contingently issuable shares [1]	—	—	5,000
ASR shares [2]	952	566	—
Non-qualified stock options	—	222	1,149
Performance share units	12	22	157
Restricted stock units	23	219	742
Total antidilutive shares excluded	987	1,029	7,048

(1) Contingently issuable shares related to the earn-out agreement as discussed in Note 15, *Other Transactions*.

(2) This represents the number of additional estimated shares the counterparties to the Company's accelerated share repurchase ("***ASR***") agreements initiated in 2024 and 2023, respectively, would have been required to deliver had the ASRs been settled as of December 31, 2024 and 2023, respectively. The final settlement for the 2024 ASR is expected to occur in the first quarter of 2025. The final settlement of the 2023 ASR occurred in the first quarter of 2024, at which time, the Company received 534,499 additional shares.

11. Income Taxes

Income before income taxes consisted of the following:

($ in thousands)	For the Year Ended December 31, 2024	2023	2022
U.S.	$ 114,296	$ 92,425	$ 140,858
Foreign	(35,188)	(5,428)	(13,750)
Total income before incomes taxes	$ 79,108	$ 86,997	$ 127,108

The income tax provision consisted of the following:

($ in thousands)	For the Year Ended December 31, 2024	2023	2022
Current			
Federal	$ 40,381	$ 38,109	$ 34,071
State	16,964	15,794	14,779
Foreign	329	3,113	1,777
Total current	57,674	57,016	50,627
Deferred			
Federal	(5,696)	(16,522)	(8,069)
State	(1,697)	(6,335)	(4,863)
Foreign	(2,621)	(4,177)	(3,062)
Total deferred	(10,014)	(27,034)	(15,994)
Income tax provision	$ 47,660	$ 29,982	$ 34,633

A reconciliation to the income tax provision from the amounts computed by applying the statutory U.S. federal income tax rate is as follows:

($ in thousands)	For the Year Ended December 31, 2024	2023	2022
Income tax provision at statutory rate	$ 16,612	$ 18,270	$ 26,693
State income taxes, net of federal income tax effect	11,032	7,762	8,588
162(m) limitation	1,790	1,000	1,766
Non-deductible expenses	1,365	49	30
Stock-based compensation	(102)	796	(545)
Unrecognized tax benefits	2,593	1,831	1,215
Goodwill impairment	18,091	—	—
Tax impact for change in fair value of warrants	—	5,243	(3,024)
Change in valuation allowance	(1,466)	297	1,429
Research and development credits	(2,713)	(1,032)	(517)
Tax receivable agreement imputed interest	—	(3,641)	—
Other	458	(593)	(1,002)
Total income tax provision	$ 47,660	$ 29,982	$ 34,633

Significant components of the Company's deferred income tax assets and liabilities consist of the following at December 31:

($ in thousands)	2024	2023
Deferred tax assets:		
Accrued expenses and other	$ 6,279	$ 12,649
Allowance for credit losses	14,237	7,894
Net operating loss carryforward	12,238	16,489
Interest expense limitation carryforward	3,566	5,656
Federal and state income tax credits	3,808	4,446
ASC 842 operating lease liabilities	8,428	10,005
R&D Section 174 capitalization	16,178	9,235
Stock compensation	3,410	2,655
Tax receivable agreement imputed interest	3,479	3,641
Transaction costs	228	305
Other	2,352	1,252
Gross deferred tax assets	74,203	74,227
Valuation allowance	(5,542)	(7,011)
Deferred tax assets, net of valuation allowance	68,661	67,216
Deferred tax liabilities:		
Intangible assets and transaction costs	(23,030)	(31,663)
Property and equipment	(12,975)	(13,719)
Financing costs	(1,975)	(1,206)
Prepaid assets	(3,023)	(2,255)
ASC 842 operating lease assets	(7,687)	(9,255)
Gross deferred tax liabilities	(48,690)	(58,098)
Total deferred tax assets, net	$ 19,971	$ 9,118

As of December 31, 2024 and 2023, the Company presented $34.7 million and $27.5 million, respectively, of deferred tax assets, net, to reflect U.S. entity deferred taxes within other non-current assets in the Company's consolidated balance sheets.

As of December 31, 2024, the Company has provided income taxes on the earnings of foreign subsidiaries, except to the extent such earnings are considered indefinitely reinvested. The amount of the unrecognized deferred tax liability related to these temporary differences is approximately $0.8 million.

In accordance with ASC 740, *Income Taxes*, deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets can be affected by, among other things, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, limitations on the use of acquired tax attributes due to an ownership change under IRC section 382, the length of statutory carryforward periods, the Company's experience with utilizing operating losses and tax credit carryforwards by jurisdiction, and tax planning alternatives and strategies that may be available.

The Company performed an analysis of the reversal of the deferred tax assets and considered the overall business environment, historical earnings, the outlook for future years and the impact of limitations on the use of acquired tax attributes due to an ownership change under IRC section 382. The Company determined that it is more likely than not that the benefit from certain foreign net operating loss carryforwards will not be realized as of the years ended December 31, 2024 and 2023, and as such provided a valuation allowance of $5.5 million and $7.0 million, respectively. The valuation allowance could be adjusted in future periods if estimates of future taxable income during the carryforward period are increased or if objective negative evidence in the form of cumulative losses is no longer present.

The net operating loss carryforwards represent $103.0 million and $118.0 million of federal, state and foreign net operating losses at December 31, 2024 and 2023, respectively. The federal net operating loss carryforward at December 31, 2024 consists of $13.0 million of losses that were generated after 2017 with no expiration date. The Company also has certain tax credits of $3.8 million and $4.2 million at December 31, 2024 and 2023, respectively, which if unused will begin to expire in 2025.

The following table summarizes the activity related to the Company's unrecognized tax benefits as of December 31:

($ in thousands)	2024	2023
Balance at the beginning of the year	$ 16,157	$ 10,675
Increases/(decreases) related to current year tax positions	867	5,401
Increases/(decreases) related to prior year tax positions	491	592
Expiration due to statute of limitations	(230)	(511)
Balance at the end of the year	$ 17,285	$ 16,157

Included in the balance of unrecognized tax benefits as of December 31, 2024 were $9.3 million of tax benefits that, if recognized, would impact the effective tax rate. The Company believes it is reasonably possible that unrecognized tax benefits will decrease by up to $6.1 million within the coming year due to prior year tax positions related to tax elections for certain U.S. legal entities.

The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense. The Company recognized $1.0 million for fiscal year 2024 and $0.7 million for fiscal year 2023 in interest and penalties. The Company had accrued interest and penalties of $2.2 million and $1.2 million at December 31, 2024 and 2023, respectively. The Company accounts for uncertain tax positions by recognizing the financial statement effects of a tax position only when, based on technical merits, it is more likely than not that the tax position will be sustained under examination.

The Company is subject to examination by the Internal Revenue Service and taxing authorities in various jurisdictions. The Company files U.S. federal and various foreign income tax returns which are subject to examination by the taxing authorities in the respective jurisdictions, generally for three or four years after they are filed. The Company's state income tax returns are generally no longer subject to income tax examination by tax authorities prior to 2020; however, the Company's net operating loss carryforwards and research credit carryforwards arising prior to that year are subject to adjustment. The Company is currently under audit by various state tax jurisdictions for the years 2018 through 2020; however, no material adjustments are anticipated. The Company regularly assesses the likelihood of tax deficiencies in each of the tax jurisdictions and, accordingly, makes appropriate adjustments to the tax provision as deemed necessary.

12. Stockholders' Equity

The Company's Amended and Restated Certificate of Incorporation authorizes the issuance of 261,000,000 shares of capital stock, consisting of (i) 260,000,000 shares of Class A Common Stock, and (ii) 1,000,000 shares of preferred stock, each at par value of $0.0001 per share. The outstanding shares of the Company's common stock are duly authorized, validly issued, fully paid and non-assessable.

Warrants

All warrants that were outstanding to acquire shares of the Company's Class A Common Stock, including Public and Private Placement Warrants, were either exercised by the holder or redeemed by the Company as of December 31, 2023.

During the fiscal year ended December 31, 2023, the Company processed the exercise of 20.0 million Warrants in exchange for the issuance of 16,273,406 shares of Class A Common Stock. There were 14,035,449 shares issued in exchange for cash-basis warrant exercises resulting in the receipt of $161.4 million in cash proceeds as of December 31, 2023. The remaining Warrant exercises were completed on a cashless basis. In addition, the Company redeemed 634 Public Warrants at a price of $0.01 per warrant pursuant to the terms of the warrant agreement governing the Public Warrants.

Share Repurchases and Retirement - 2022

In May 2022, the Company's Board of Directors authorized a share repurchase program for up to an aggregate amount of $125.0 million of its outstanding shares of Class A Common Stock over a twelve-month period. The Company repurchased a total of 7.9 million shares through ASRs and open market transactions during fiscal year 2022. The Company accounted for each ASR transaction as a common stock repurchase and a forward contract indexed to its own common stock. The Company determined that the equity classification criteria was met for the forward contracts, therefore, it did not account for them as derivative instruments.

The Company paid a total of $125.0 million for shares repurchases and $0.1 million for direct costs during the year ended December 31, 2022 and accounted for the transactions by deducting the par value from the common stock, reducing $15.9 million from additional paid-in capital calculated using an average share price, and by increasing accumulated deficit for the remaining cost of $109.1 million.

Share Repurchases and Retirement - 2023

In November 2022, the Company's Board of Directors authorized a share repurchase program for up to an aggregate amount of $100.0 million of the Company's outstanding shares of Class A Common Stock over an 18-month period.

The Company paid $8.1 million to repurchase 449,432 shares of its Class A Common Stock through open market transactions during the third quarter of fiscal year 2023, which it subsequently retired. On September 5, 2023, the Company used the remaining availability under the share repurchase program for an ASR and paid approximately $91.9 million to receive an initial delivery of 4,131,551 shares of its Class A Common Stock in accordance with an ASR agreement with a third-party financial institution. The final settlement occurred on January 12, 2024, at which time, the Company received 534,499 additional shares calculated using a volume-weighted average price over the term of the ASR agreement. The Company accounted for the ASR as a common stock repurchase and a forward contract indexed to its own common stock. The Company determined that the equity classification criteria was met for the forward contract, therefore, it did not account for it as a derivative instrument.

The Company paid a total of $100.0 million for share repurchases during the year ended December 31, 2023, and accounted for the transactions by deducting the par value from common stock, reducing $15.2 million from additional paid-in capital calculated using an average share price, and by increasing accumulated deficit for the remaining cost of $84.8 million.

Share Repurchases and Retirement - 2024

In October 2023, the Company's Board of Directors authorized a new share repurchase program for up to an aggregate amount of $100.0 million of its outstanding shares of Class A Common Stock over an 18-month period in open market, ASR or privately negotiated transactions.

In June 2024, the Company entered into a share repurchase agreement with a stockholder, pursuant to which the Company repurchased, directly from the stockholder, 2.0 million shares of the Company's Class A Common Stock for an aggregate purchase price of $51.5 million. During the fourth quarter of 2024, the Company repurchased approximately 1.5 million shares through open market transactions and paid $35.8 million. On December 4, 2024, the Company's Board of Directors authorized the repurchase of up to an additional $100 million of its outstanding shares of Class A Common Stock under the existing October 2023 program, providing the Company with approximately $112.7 million available for repurchases.

On December 11, 2024, the Company entered into an ASR agreement with a third-party financial institution and paid $112.7 million to receive an initial delivery of 3,821,958 shares of its Class A Common Stock. The final settlement is expected to occur in the first quarter of 2025, at which time, the Company expects to receive additional shares calculated using a volume-weighted average price over the term of the ASR agreement. The Company accounted for the ASR as a common stock repurchase and a forward contract indexed to its own common stock. The Company determined that the equity classification criteria was met for the forward contract, therefore, it did not account for it as a derivative instrument. All repurchased shares were subsequently retired.

The 2023 ASR's final settlement on January 12, 2024 (discussed above) was recorded during the year ended December 31, 2024. The Company paid a total of $200.0 million for share repurchases during the year ended December 31, 2024, and accounted for all share repurchase transactions by deducting the par value from common stock, reducing $26.8 million from additional paid-in capital calculated using an average share price, and by increasing accumulated deficit for the remaining cost of $173.2 million. In addition, the Company recorded approximately $1.7 million within accrued liabilities related to the excise taxes payable on net share repurchases on the consolidated balance sheets as of December 31, 2024.

13. Equity Incentive Plan

In October 2018, the Company established the Verra Mobility 2018 Equity Incentive Plan which provides for a variety of stock-based awards including restricted stock units ("***RSUs***"), performance share units ("***PSUs***") and non-qualified stock options to employees and non-employee directors. In May 2023, the stockholders approved the Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan (the "***2018 Plan***"), which, among other things, increased the maximum number of shares available for awards by 5,000,000 shares. The maximum number of shares of the Company's common stock that may be subject to awards under the 2018 Plan was 15,864,000 as of December 31, 2024, subject to adjustment in accordance with the terms of the 2018 Plan. At December 31, 2024, the Company had an aggregate of 6,500,840 shares of common stock available for future grants under the 2018 Plan.

RSUs and PSUs

The Company's RSUs consist of a right to receive shares on one or more vesting dates in the future. RSUs granted to employees vest ratably over four years (or over two years for certain grants) from their individual award dates, subject to continued employment on the applicable vesting dates. RSUs granted to non-employee directors vest on the earlier of (a) the first anniversary of the vesting start date, or (b) the date immediately prior to the next annual stockholders meeting held by the Company occurring after the date of grant.

The Company grants PSUs to senior executives which consist of a right to receive shares generally at the end of a three-year period (or ratably over three years for certain grants). PSUs are issued upon continued service along with the relative satisfaction of a market condition that generally measures either the Company's total stockholder return relative to a comparably calculated return for a peer group during the performance period or to the Company's absolute total stockholder return. The level at which the performance condition is attained upon the completion of the performance period determines the actual number of shares of the Class A Common Stock into which the PSUs will be converted. The conversion percentage ranges from 0% up to 150% of the target level.

The following table summarizes the activity of the Company's RSUs and PSUs:

	RSUs		PSUs	
	Shares (in thousands)	Weighted Average Grant Date Fair Value	Shares (in thousands)	Weighted Average Grant Date Fair Value
Balance at December 31, 2021	1,692	$ 11.92	229	$ 15.07
Granted	1,093	$ 14.09	179	$ 15.58
Vested	(1,030)	$ 11.10	—	$ —
Forfeited	(260)	$ 13.39	(94)	$ 15.17
Balance at December 31, 2022	1,495	$ 13.82	314	$ 15.33
Granted	1,452	$ 18.16	1,970	$ 11.42
Vested	(523)	$ 13.77	(101)	$ 13.88
Forfeited	(358)	$ 16.18	(85)	$ 11.64
Balance at December 31, 2023	2,066	$ 16.49	2,098	$ 11.88
Granted	1,170	$ 23.27	437	$ 22.49
Vested	(721)	$ 15.80	(135)	$ 15.98
Forfeited	(440)	$ 19.42	(226)	$ 14.30
Balance at December 31, 2024	2,075	$ 19.92	2,174	$ 13.51

The fair value of RSUs vested during fiscal years 2024, 2023 and 2022 was $11.4 million, $7.2 million and $11.4 million, respectively. The fair value of PSUs vested during fiscal years 2024 and 2023 was $2.2 million and $1.4 million, respectively. There were no PSU awards that vested during fiscal year 2022. As of December 31, 2024, the Company had $30.7 million and $16.9 million of unrecognized stock-based compensation expense related to unvested RSUs and PSUs, respectively, which is expected to be recognized over a weighted average period of 2.4 years and 2.2 years, respectively.

Stock Options

Stock options granted vest ratably over four years from their individual award dates, subject to continued employment on the applicable vesting dates, with a contractual term of ten years. The following table summarizes the activity of the Company's stock options:

	Stock Options Outstanding			
	Shares (in thousands)	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ($ in thousands)
Balance at December 31, 2021	1,163	$ 13.18	8.7 years	$ 2,636
Granted	846	$ 13.97		
Exercised	(103)	$ 12.98		$ 348
Forfeited	(329)	$ 13.59		
Balance at December 31, 2022	1,577	$ 13.53	8.5 years	$ 619
Granted	25	$ 17.75		
Exercised	(451)	$ 13.08		$ 2,671
Forfeited	(91)	$ 13.89		
Balance at December 31, 2023	1,060	$ 13.78	7.7 years	$ 9,798
Granted	—	$ —		
Exercised	(322)	$ 13.33		$ 3,756
Forfeited	(75)	$ 13.89		
Balance at December 31, 2024	663	$ 13.99	7.0 years	$ 6,755
Exercisable at December 31, 2024	291	$ 13.84	6.8 years	$ 3,014

The weighted average fair value of options granted in fiscal years 2022 and 2023 was $6.66 and $8.08 per share, respectively. There were no stock options granted during fiscal year 2024. The Company received approximately $1.3 million, $5.9 million and $4.3 million related to stock options exercised during fiscal years 2022, 2023 and 2024, respectively. As of December 31, 2024, the Company had $1.3 million of unrecognized stock-based compensation expense related to unvested stock options which is expected to be recognized over a weighted average period of 1.0 year.

The following details the components of stock-based compensation for the respective periods:

	For the Year Ended December 31,		
($ in thousands)	2024	2023	2022
Operating expenses	$ 4,053	$ 2,488	$ 1,130
Selling, general and administrative expenses	18,905	14,988	15,533
Total stock-based compensation expense	$ 22,958	$ 17,476	$ 16,663

Tax benefits attributable to stock-based compensation represented approximately $6.4 million, $3.3 million and $4.6 million, before limitations under section 162(m) of the Internal Revenue Code, during the years ended December 31, 2024, 2023 and 2022, respectively.

14. Employee Benefit Plan

The Company has a 401(k) plan that covers U.S. employees who meet certain eligibility requirements. Covered employees may elect to have a portion of their compensation withheld up to the statutory limit. The 401(k) plan includes a company match that vests immediately. The Company made employer contributions of $5.2 million, $3.9 million and $2.5 million during the fiscal years ended December 31, 2024, 2023 and 2022, respectively.

The Company also makes superannuation contributions for eligible non-U.S. based employees in accordance with the employer contribution rate set by the applicable country. The expense related to these contributions was $2.2 million, $1.9 million and $1.7 million during the fiscal years ended December 31, 2024, 2023 and 2022, respectively.

15. Other Transactions

Tax Receivable Agreement

In October 2018, the Company entered into a Tax Receivable Agreement ("***Tax Receivable Agreement***") with PE Greenlight Holdings, LLC. On August 3, 2022, PE Greenlight Holdings, LLC sold and transferred to Lakeside Smart Holdco L.P ("***Lakeside***"), all of its rights, remaining interests and obligations as of that date under the agreement. The Tax Receivable Agreement provides for the payment to Lakeside of 50.0% of the net cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes (or is deemed to realize in certain circumstances) under the agreement. The Company generally retains the benefit of the remaining 50.0% of these cash savings. The Company estimated the potential maximum benefit to be paid will be approximately $70.0 million, and recorded an initial liability and corresponding charge to equity at the inception of the Tax Receivable Agreement.

At December 31, 2024, the Tax Receivable Agreement liability was $48.1 million of which approximately $5.1 million was the current portion and $43.0 million was the non-current portion, both of which are included in the respective tax receivable agreement liability line items on the consolidated balance sheets. During the fourth quarter of 2024, the Company made a payment for $5.2 million related to the 2023 tax year.

The Company recorded a gain of $0.3 million in fiscal year 2024 as a result of lower estimated state tax rates due to changes in apportionment. The Company recorded a gain of approximately $3.1 million in fiscal year 2023 as a result of tax settlement adjustments related to a previous acquisition. It recorded a gain of $0.7 million in fiscal year 2022 as a result of lower estimated state tax rates due to changes in apportionment.

Earn-Out Agreement

Under the Agreement and Plan of Merger (as amended, the "***Merger Agreement***"), pursuant to which the Company became the owner, directly or indirectly, of all of the equity interests of Verra Mobility Holdings, LLC and its subsidiaries, PE Greenlight Holdings, LLC was entitled to receive additional shares of Class A Common Stock (the "***Earn-Out Shares***") if the volume weighted average closing sale price of one share of Class A Common Stock on the Nasdaq exceeded certain defined thresholds for a period of at least 10 days out of 20 consecutive trading days at any time during a five-year period. There were four tranches of contingent shares under the agreement, with each tranche resulting in an issuance of 2,500,000 shares of Class A Common Stock (not to exceed a total of 10,000,000 shares). On April 26, 2019 and January 27, 2020, the criteria for the issuance of the first and second tranches was met and as a result, an aggregate 5,000,000 Earn-out Shares were issued. On June 14, 2023 and July 26, 2023, the criteria for the issuance of the remaining tranches of Earn-out Shares was met and the Company issued an aggregate 5,000,000 shares, which resulted in an increase in the Company's common stock and additional paid-in capital accounts of approximately $36.6 million with a corresponding decrease to the common stock contingent consideration account. As of December 31, 2023, all contingent shares have been issued under the Merger Agreement.

16. Commitments and Contingencies

The Company had $2.3 million of bank guarantees at December 31, 2024 required to support bids and contracts with certain international customers.

The Company has non-cancelable purchase commitments to certain vendors. The aggregate non-cancelable purchase commitments outstanding at December 31, 2024 were $43.4 million. The majority of these outstanding commitments are expected to be incurred in the next twelve months and approximately $8.6 million is expected to be incurred subsequent to December 31, 2025.

The Company is subject to tax audits in the normal course of business and does not have material contingencies recorded related to such audits.

The Company accrues for claims and contingencies when losses become probable and reasonably estimable. As of the end of each applicable reporting period, the Company reviews each of its matters and, where it is probable that a liability has been or will be incurred, the Company accrues for all probable and reasonably estimable losses. Where the Company can reasonably estimate a range of loss it may incur regarding such a matter, the Company records an accrual for the amount within the range that constitutes its best estimate. If the Company can reasonably estimate a range but no amount within the range appears to be a better estimate than any other, the Company uses the amount that is the low end of such range.

Legal Proceedings

The Company is subject to legal and regulatory actions that arise from time to time in the ordinary course of business. The Company records a liability when it believes it is probable a loss will be incurred, and the amount of loss or range of loss can be reasonably estimated. The assessment as to whether a loss is probable, reasonably possible or remote, and as to whether a loss or a range of such loss is estimable, often involves significant judgment about future events. The Company has accrued estimated amounts related to legal proceedings as of December 31, 2024 and 2023 within accrued liabilities on the consolidated balance sheets. The ultimate cost of litigation or settlement of one or more of the following cases could be materially different than the amount of the current estimates and accruals and could have a material adverse impact on the Company's consolidated financial position, results of operations, or cash flows.

Brantley v. City of Gretna is a class action lawsuit filed in the 24th Judicial District Court of Jefferson Parish, Louisiana against the City of Gretna (the "***City***") and its safety camera vendor, Redflex Traffic Systems, Inc. in April 2016. The Company acquired Redflex Traffic Systems, Inc. as part of its June 2021 purchase of Redflex Holdings Limited. The plaintiff class, which was certified on March 30, 2021, alleges that the City's safety camera program was implemented and operated in violation of local ordinances and the state constitution, including that the City's hearing process violated the plaintiffs' due process rights for lack of a "neutral" arbiter of liability for traffic infractions. Plaintiffs seek recovery of traffic infraction fines paid. The City and Redflex Traffic Systems, Inc. appealed the trial court's ruling granting class certification, which was denied and their petition for discretionary review of the certification ruling by the Louisiana Supreme Court was declined. Discovery has concluded and trial is scheduled for March 2025.

*PlusPass Inc. ("**PlusPass**") v. Verra Mobility Corporation, et al*. is a lawsuit filed in the United States District Court, Central District of California, against Verra Mobility, The Gores Group LLC, Platinum Equity LLC and ATS Processing Services, Inc., in November 2020. In February 2024, Verra Mobility and PlusPass entered into a confidential business arrangement pursuant to which Verra Mobility (i) acquired certain assets from PlusPass and (ii) fully and finally resolved all litigation and disputes between the parties, including the payment of the settlement amount during the first quarter of 2024.

17. Segment Reporting

The Company has three operating and reportable segments, Commercial Services, Government Solutions and Parking Solutions. Commercial Services offers toll and violation management solutions and title and registration services to RACs, Direct Fleets, FMCs and violation-issuing authorities. Government Solutions implements and administers traffic safety programs and products for municipalities and government agencies of all sizes. Parking Solutions provides an integrated suite of parking software and hardware solutions to its customers.

The operating and reportable segments were determined based on how the Company's Chief Operating Decision Maker ("***CODM***") regularly reviews the operating results of the various components of the Company for which discrete financial information is available, including based on the nature of the products and services and the type of customer. The Company defines the CODM as its Chief Executive Officer. The Company's CODM primarily uses actual revenues and segment profit (defined below) as compared to previously budgeted amounts to evaluate the operating performance, allocate resources and deploy capital to the segments.

Segment performance is based on revenues and income from operations before depreciation, amortization, and stock-based compensation. The measure also excludes interest expense, net, income taxes and certain other transactions and is inclusive of other income, net. The tables below refer to this measure as segment profit. The aforementioned items are not indicative of operating performance, and, as a result are not included in the measures that are reviewed by the CODM for the segments. Other income, net included in segment profit below consists primarily of credit card rebates earned on the prepayment of tolling transactions and gains or losses on foreign currency transactions, and excludes certain non-operating expenses inapplicable to segments.

The Company adopted ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* in fiscal year 2024, and as a result, updated the presentation of financial information by reportable segment. The measure of segment profit for the year ended December 31, 2024 excludes certain costs within operating expenses and selling, general and administrative expenses that were previously allocated to the segments, in order to align with how the CODM reviews the information regularly. In addition, the CODM does not use discrete asset information to evaluate operating performance at the segment level, as such, the Company has not reported assets disaggregated by reportable segment.

The following tables set forth financial information by segment for the fiscal years ended December 31, 2024, 2023 and 2022:

	For the Year Ended December 31, 2024			
($ in thousands)	Commercial Services	Government Solutions	Parking Solutions	Total
Service revenue	$ 407,680	$ 367,914	$ 66,082	$ 841,676
Product sales	—	22,989	14,542	37,531
Total revenue	407,680	390,903	80,624	879,207
Cost of service revenue, excluding depreciation and amortization	2,682	2,066	14,240	18,988
Cost of product sales	—	15,433	11,625	27,058
Operating expenses	92,038	182,493	17,353	291,884
Selling, general and administrative expenses	62,942	69,972	25,173	158,087
Loss on disposal of assets, net	222	315	9	546
Other (income) expense, net	(17,958)	(1,061)	49	(18,970)
Segment profit	$ 267,754	$ 121,685	$ 12,175	$ 401,614
Interest expense, net				73,902
Goodwill impairment				97,076
Tax receivable agreement liability adjustment				(257)
Loss on interest rate swap				494
Loss on extinguishment of debt				1,745
Other reconciling items [1]				149,546
Income before income taxes				$ 79,108

(1) This primarily consists of depreciation and amortization expense, stock-based compensation and other costs to reconcile to total income before income taxes.

($ in thousands)	For the Year Ended December 31, 2023			
	Commercial Services	Government Solutions	Parking Solutions	Total
Service revenue	$ 372,786	$ 344,034	$ 66,775	$ 783,595
Product sales	—	14,385	19,330	33,715
Total revenue	372,786	358,419	86,105	817,310
Cost of service revenue, excluding depreciation and amortization	2,362	2,252	13,618	18,232
Cost of product sales	—	9,751	15,480	25,231
Operating expenses	83,828	168,736	18,236	270,800
Selling, general and administrative expenses	61,607	62,597	23,988	148,192
Loss on disposal of assets, net	—	128	—	128
Other (income) expense, net	(17,176)	488	(87)	(16,775)
Segment profit	$ 242,165	$ 114,467	$ 14,870	$ 371,502
Interest expense, net				86,701
Change in fair value of private placement warrants				24,966
Tax receivable agreement liability adjustment				(3,077)
Loss on interest rate swap				817
Loss on extinguishment of debt				3,533
Other reconciling items [(1)]				171,565
Income before income taxes				$ 86,997

(1) This primarily consists of depreciation and amortization expense, stock-based compensation and other costs to reconcile to total income before income taxes.

($ in thousands)	For the Year Ended December 31, 2022			
	Commercial Services	Government Solutions	Parking Solutions	Total
Service revenue	$ 325,971	$ 307,639	$ 61,608	$ 695,218
Product sales	—	29,028	17,352	46,380
Total revenue	325,971	336,667	78,960	741,598
Cost of service revenue, excluding depreciation and amortization	2,869	2,016	11,445	16,330
Cost of product sales	—	17,436	13,496	30,932
Operating expenses	72,328	139,961	12,905	225,194
Selling, general and administrative expenses	56,105	61,235	27,104	144,444
Loss on disposal of assets, net	522	931	37	1,490
Other income, net	(14,387)	(679)	(266)	(15,332)
Segment profit	$ 208,534	$ 115,767	$ 14,239	$ 338,540
Interest expense, net				69,372
Change in fair value of private placement warrants				(14,400)
Tax receivable agreement liability adjustment				(720)
Gain on interest rate swap				(996)
Gain on extinguishment of debt				(3,005)
Other reconciling items [(1)]				161,181
Income before income taxes				$ 127,108

(1) This primarily consists of depreciation and amortization expense, stock-based compensation and other costs to reconcile to total income before income taxes.

The Company provides information on credit loss expense (income) by reportable segment, refer to Note 2, *Significant Accounting Policies*, for additional details.

The Company primarily operates within the United States, Australia, Canada, United Kingdom and in various other countries in Europe and Asia. Property and equipment, net located in foreign countries was $20.3 million as of December 31, 2024, of which Canada represented $10.6 million and Australia represented $5.8 million. Property and equipment, net located in foreign countries was $19.3 million as of December 31, 2023, of which Canada represented $11.7 million and Australia represented $4.2 million.

The following table details the revenues from international operations for the respective periods:

	For the Year Ended December 31,		
($ in thousands)	**2024**	**2023**	**2022**
Australia	$ 58,029	$ 45,879	$ 34,356
Canada	33,192	30,826	32,413
United Kingdom	20,484	23,794	24,017
All other	4,318	3,071	3,532
Total international revenues	$ 116,023	$ 103,570	$ 94,318

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act, are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding disclosure.

Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2024, our disclosure controls and procedures were designed and operated effectively to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations ("***COSO***") of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting as of December 31, 2024, which report appears herein.

Remediation of Material Weakness

We are committed to maintaining a strong internal control environment. In connection with our annual report on Form 10-K for the year ended December 31, 2023, we identified a material weakness in the design and operation of our internal controls over financial reporting in the Control Activities component of the COSO framework related to a lack of information technology general controls to prevent the risk of management override. Specifically, we identified system limitations that do not facilitate proper segregation of duties within multiple systems and a lack of mitigating business process level controls to address the risk of management override over the preparation and review of manual journal entries and certain manual revenue invoices. While this deficiency did not result in any material misstatements of our consolidated interim or annual financial statements, it did represent a material weakness in our internal control over financial reporting.

Since the fourth quarter of 2023, management executed plans to remediate the above material weakness which included:

- Hiring experienced personnel in the Government Solutions segment with prior public accounting and public company experience, technical accounting experience, and financial reporting experience.
- Implementing system enforced segregation of duties within our accounting and close process.
- Implementing information technology general controls reducing the risk of management override.

Based on the implementation work and the results of testing performed, our management concluded that the previously identified material weakness has been remediated as of December 31, 2024.

Limitations on the Effectiveness of Controls

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements and projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financing Reporting

For the quarter ended December 31, 2024, except for the remediation efforts noted above, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2024, none of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement. (as each term is defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2025 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2024.

We have adopted an Insider Trading Policy governing the purchase, sale and/or other dispositions of our securities by our directors, officers and employees that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable listing standards. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2025 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2025 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2024.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2025 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2024.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference from our proxy statement to be filed in connection with our 2025 annual meeting of stockholders within 120 days after the end of the fiscal year ended December 31, 2024.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

1. Consolidated Financial Statements

The financial statements filed as part of this Annual Report are listed in the "Index to Consolidated Financial Statements" under Part II, Item 8 of this Annual Report.

2. Financial Statement Schedules

- Appendix A, Schedule II – Consolidated Valuation and Qualifying Accounts

Schedules not listed above are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or notes to the consolidated financial statements under Part II, Item 8 of this Annual Report.

3. Exhibits.

The exhibits listed below are filed as part of this Annual Report. References under the caption "Incorporated by Reference" to exhibits or other filings indicate that the exhibit or other filing has been filed, that the indexed exhibit and the exhibit referred to are the same and that the exhibit referred to is incorporated by reference.

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	Merger Agreement, dated as of June 21, 2018, by and among Gores Holdings II, Inc., AM Merger Sub I, Inc., AM Merger Sub II, LLC, Greenlight Holding II Corporation and PE Greenlight Holdings, LLC, in its capacity as the Stockholder Representative.	8-K	001-37979	2.1	June 21, 2018	
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of August 23, 2018, by and among Gores Holdings II, Inc., AM Merger Sub I, Inc., AM Merger Sub II, LLC, Greenlight Holding II Corporation and PE Greenlight Holdings, LLC, in its capacity as the Stockholder Representative.	8-K	001-37979	2.2	Aug. 24, 2018	
3.1	Second Amended and Restated Certificate of Incorporation of Verra Mobility Corporation.	8-K	001-37979	3.1	Oct. 22, 2018	
3.2	Amended and Restated Bylaws of Verra Mobility Corporation.	8-K	001-37979	3.1	Nov. 9, 2023	
4.1	Description of Verra Mobility Corporation's Securities Registered Pursuant to Section 12 of the Exchange Act.					X
4.2	Indenture, dated as of March 26, 2021, by and among VM Consolidated, Inc., the Guarantors party thereto and Wilmington Trust, National Association as Trustee.	8-K	001-37979	4.1	Mar. 29, 2021	
4.3	Form of 5.5% Senior Note Due 2029.	8-K	001-37979	4.1	Mar. 29, 2021	
10.1	Form of Indemnity Agreement.	S-1	333-21503	10.7	Dec. 9, 2016	
10.2	Revolving Credit Agreement dated as of March 1, 2018, among Greenlight Acquisition Corporation, ATS Consolidated Inc., each of the other borrowers party thereto, the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent.	8-K	001-37979	10.5	Oct. 22, 2018	
10.3	Amendment No. 1 to Revolving Credit Agreement, dated as of July 24, 2018, among Greenlight Acquisition Corporation, VM Consolidated, Inc. (formerly known as ATS Consolidated Inc.), each of the other borrowers party thereto, the lenders party thereto and	8-K	001-37979	10.7	Oct. 22, 2018	

	Bank of America, N.A. as Administrative Agent and Collateral Agent.					
10.4	Amendment No. 2 to Revolving Credit Agreement, dated as of October 29, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., each of the other borrowers party thereto, the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent.	10-K	001-37979	10.7	April 22, 2022	
10.5	Amendment No. 3 to Revolving Credit Agreement, dated as of December 20, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., each of the other borrowers party thereto, the lenders party thereto and Bank of America, N.A. as Administrative Agent and Collateral Agent.	8-K	001-37979	10.1	Dec. 20, 2021	
10.6	Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.	8-K	001-37979	10.1	Mar. 29, 2021	
10.7	Amendment No. 1 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of December 7, 2021, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.	8-K	001-37979	10.1	Dec. 7, 2021	
10.8	Amendment No. 2 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 29, 2023, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.					X

10.9	Amendment No. 3 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of February 8, 2024, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.	8-K	001-37979	10.1	Feb. 8, 2024	
10.10	Amendment No. 4 to Amendment and Restatement Agreement No. 1 to First Lien Term Loan Credit Agreement, dated as of October 3, 2024, by and among Greenlight Acquisition Corporation, VM Consolidated, Inc., American Traffic Solutions, Inc., Lasercraft, Inc. the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent.	8-K	001-37979	10.1	Oct. 7, 2024	
10.11#	Amended and Restated Executive Employment Agreement, dated as of March 25, 2021, by and between VM Consolidated, Inc. and David Roberts.	10-Q	001-37979	10.3	May 17, 2021	
10.12#	Executive Employment Agreement by and between VM Consolidated, Inc. and Steven Lalla, dated as of January 31, 2021.	10-K	001-37979	10.15	Mar. 1, 2021	
10.13#	Executive Employment Agreement by and between VM Consolidated, Inc. and Craig Conti, dated as of January 29, 2022.	10-K	001-37979	10.15	April 22, 2022	
10.14#	Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan.	8-K	001-37979	10.1	May 24, 2023	
10.15#	Amendment No. 1 to Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan.					X
10.16#	Amendment No. 2 to Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan.					X
10.17#	Form of Notice of Grant of Restricted Stock Unit and Agreement under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.18	Oct. 22, 2018	
10.18#	Form of Notice of Grant of Restricted Stock Unit and Agreement for Non-U.S. Participants under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.19	Oct. 22, 2018	

10.19#	Form of Notice of Grant of Restricted Stock Unit for Non-Employee Directors under the Verra Mobility Corporation 2018 Equity Incentive Plan.	10-K	001-37979	10.30	Mar. 18, 2019	
10.20#	Form of Notice of Grant of Stock Option and Agreement under the Verra Mobility Corporation 2018 Equity Incentive Plan.	10-K	001-37979	10.24	Mar. 2, 2020	
10.21#	Form of Notice of Grant of Performance Share Unit and Agreement under the Verra Mobility Corporation 2018 Equity Incentive Plan.	10-K	001-37979	10.26	Mar. 2, 2020	
10.22#	2020 Form of Notice of Grant of Restricted Stock Unit and Agreement for Non-U.S. Participants under the Verra Mobility Corporation 2018 Equity Incentive Plan.	10-Q	001-37979	10.1	Nov. 5, 2020	
10.23#	Form of Notice of Grant of Stock Option and Agreement for Non-U.S. Participants under the Verra Mobility Corporation 2018 Equity Incentive Plan.	10-Q	001-37979	10.2	Nov. 5, 2020	
10.24#	Verra Mobility Corporation Non-Employee Director Compensation Policy.					X
10.25#	Form of Notice of Grant of Performance Share Units and Award Agreement under the Verra mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.1	June 1, 2022	
10.26#	Executive Employment Agreement by and between VM Consolidated, Inc. and Jonathan Baldwin, dated as of January 16, 2022.	10-K	001-37979	10.30	March 1, 2023	
10.27#	Executive Employment Agreement by and between VM Consolidated, Inc. and Jonathan Keyser, dated as of November 8, 2022.	10-K	001-37979	10.32	March 1, 2023	
10.28#	Form of Notice of Grant of Restricted Stock Units (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.1	Feb. 17, 2023	
10.29#	Form of Notice of Grant of Restricted Stock Units (Non-U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.2	Feb. 17, 2023	
10.30#	Form of Notice of Grant of Stock Option (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.3	Feb. 17, 2023	
10.31#	Form of Notice of Grant of Stock Option (Non-U.S. Participants) under the Verra	8-K	001-37979	10.4	Feb. 17, 2023	

	Mobility Corporation 2018 Equity Incentive Plan.					
10.32#	Form of Notice of Grant of Performance Share Units and Award Agreement (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.5	Feb. 17, 2023	
10.33#	Form of Notice of Grant of Performance Share Units and Award Agreement (Non-U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.	8-K	001-37979	10.6	Feb. 17, 2023	
10.34#	Form of Special Grant Notice of Grant of Performance Share Units and Award Agreement.	8-K	001-37979	10.1	Aug. 15, 2023	
10.35#	Verra Mobility Corporation Second Amended and Restated Short-Term Incentive Plan.	8-K	001-37979	10.7	Feb. 17, 2023	
10.36#	Form of Notice of Grant of Performance Share Units and Award Agreement (U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.					X
10.37#	Form of Notice of Grant of Performance Share Units and Award Agreement (Non-U.S. Participants) under the Verra Mobility Corporation 2018 Equity Incentive Plan.					X
16.1	Ernst & Young LLP Consent Letter.	8-K	001-37979	16.1	Aug. 28, 2023	
19.1	Verra Mobility Corporation Insider Trading Policy.					X
21.1	List of Subsidiaries.					X
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.					X
23.2	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.					X
24.1	Power of Attorney (included on the signature pages herein).					X
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					X

	Section 302 of the Sarbanes-Oxley Act of 2002.					
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
97.1	Verra Mobility Corporation Amended and Restated Compensation Clawback Policy.	10-K	001-37979	97.1	Feb. 29, 2024	
101.INS	Inline XBRL Instance Document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					X

Management contract or compensatory plan or arrangement.
* This certification is deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VERRA MOBILITY CORPORATION

Date: February 27, 2025

By: /s/ David Roberts
David Roberts
President and Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints David Roberts and Craig Conti, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her or their substitute or substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Signature	Capacity in Which Signed	Date
/s/ David Roberts David Roberts	President, Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2025
/s/ Craig Conti Craig Conti	Chief Financial Officer (Principal Financial Officer)	February 27, 2025
/s/ Hiten Patel Hiten Patel	Chief Accounting Officer (Principal Accounting Officer)	February 27, 2025
/s/ Patrick Byrne Patrick Byrne	Director	February 27, 2025
/s/ Douglas Davis Douglas Davis	Director	February 27, 2025
/s/ Michael Huerta Michael Huerta	Director	February 27, 2025
/s/ Raj Ratnakar Raj Ratnakar	Director	February 27, 2025
/s/ John Rexford John Rexford	Director	February 27, 2025
/s/ Cynthia Russo Cynthia Russo	Director	February 27, 2025

Appendix A

Verra Mobility Corporation

Schedule II

Consolidated Valuation and Qualifying Accounts for the Years Ended December 31, 2024, 2023 and 2022

($ in thousands)	Beginning Balance	Charged/Credited to Net Income	Charged to Other Account	Charges Utilized/ Write-offs	Ending Balance
Allowance for Credit Losses					
Year Ended December 31, 2024	$ 18,513	$ 13,002	$ —	$ (14,497)	$ 17,018
Year Ended December 31, 2023	15,907	9,054	—	(6,448)	18,513
Year Ended December 31, 2022	12,138	14,481	—	(10,712)	15,907
Tax Valuation Allowance					
Year Ended December 31, 2024	$ 7,011	$ (1,466)	$ (3)	$ —	$ 5,542
Year Ended December 31, 2023	5,263	297	1,451	—	7,011
Year Ended December 31, 2022	3,785	2,438	63	(1,023)	5,263

Exhibit 4.1

DESCRIPTION OF SECURITIES

General

Verra Mobility Corporation (the "Company," we," or "our") is incorporated in the state of Delaware. The rights of our stockholders are generally covered by Delaware law, our certificate of incorporation and our bylaws (each as amended and restated and in effect on the date hereof). The terms of our Class A Common Stock are therefore subject to Delaware law, including the Delaware General Corporation Law ("DGCL") and the common and constitutional law of Delaware.

This exhibit describes the general terms of our Class A Common Stock. It is a summary and is not intended to be a complete description of the rights and preferences of such securities. Our certificate of incorporation and bylaws as they exist on the date of this Annual Report on Form 10-K are incorporated by reference or filed as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part, and amendments or restatements of each will be filed with the Securities and Exchange Commission ("SEC") in future periodic or current reports in accordance with the rules of the SEC.

Authorized Capital Stock

Prior to the consummation of the transactions contemplated by that certain Agreement and Plan of Merger, dated as of June 21, 2018 and as amended, among the Company and the other parties thereto, which consummation occurred on October 17, 2018 (such transactions, the "Business Combination"), our certificate of incorporation authorized the issuance of 261,000,000 shares of capital stock, consisting of (i) 260,000,000 shares of Common Stock, including (A) 250,000,000 shares of Class A Common Stock, $0.0001 par value per share, and (B) 10,000,000 shares of Class F Common Stock, $0.0001 per share, and (ii) 1,000,000 shares of preferred stock, par value $0.0001 per share. Immediately prior to the completion of the Business Combination, each outstanding share of Class F Common Stock automatically converted into one share of Class A Common Stock, and, concurrently with such conversion, the number of authorized shares of Class F Common Stock was automatically reduced to zero.

Voting Rights

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of Common Stock possess all voting power for the election of our directors and all other matters requiring stockholder action and are entitled to one vote per share on matters to be voted on by stockholders. The holders of Class A Common Stock shall at all times vote together as one class on all matters submitted to a vote of the holders of common stock under our certificate of incorporation.

With respect to any matter other than the election of directors or a matter for which the affirmative vote of the holders of a specified portion of the shares entitled to vote is required under Delaware law or by our certificate of incorporation, the act of the stockholders shall be the affirmative vote of the holders of a majority of the shares entitled to vote on, and voted for or against, the matter at a meeting of stockholders at which a quorum is present; provided that, for purposes thereof, all abstentions and broker non-votes shall not be counted as voted either for or against such matter.

Dividends

Subject to the rights, if any, of the holders of any outstanding shares of preferred stock, under our certificate of incorporation, holders of Class A Common Stock will be entitled to receive such dividends and other distributions, if any, as may be declared from time to time by our Board of Directors (the "Board") in its discretion out of funds legally available therefor and shall share equally on a per-share basis in such dividends and distributions.

Liquidation, Dissolution and Winding Up

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Common Stock will be entitled to receive the remaining assets of the Company available for distribution

to stockholders, ratably in proportion to the number of shares of Class A Common Stock held by them, after the rights of holders of the preferred stock have been satisfied.

Preemptive or Other Rights

Our stockholders have no preemptive or other subscription rights, and there are no sinking fund or redemption provisions applicable to our common stock.

Election of Directors

Our Board is currently divided into three classes—Class I, Class II and Class III, with only one class of directors being elected in each year and each class serving a three-year term. There is no cumulative voting with respect to the election of directors, with the result that directors are elected by a plurality of the votes cast at an annual meeting of stockholders by holders of our Common Stock.

Preferred Stock

Our certificate of incorporation provides that shares of preferred stock may be issued from time to time in one or more series. Our Board is authorized to fix the voting rights, if any, designations, powers, preferences and relative, participating, optional, special and other rights, if any, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. Our Board is able, without stockholder approval, to issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of Common Stock and could have anti-takeover effects.

Certain Anti-Takeover Provisions of Delaware Law, our Certificate of Incorporation and Bylaws

We have "opted out" of Section 203 of the DGCL ("Section 203"), regulating corporate takeovers, such election becoming effective on October 17, 2018. Instead, our certificate of incorporation contains a provision that is substantially similar to Section 203, but excludes the investment funds affiliated with The Gores Group and Platinum Equity, each of their successors, certain affiliates and each of their respective transferees from the definition of "interested stockholder."

Section 203 prevents certain Delaware corporations, under certain circumstances, from engaging in a "business combination" with:

- a stockholder who owns fifteen percent (15%) or more of our outstanding voting stock (otherwise known as an "interested stockholder");
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

A "business combination" includes a merger or sale of more than ten percent (10%) of our assets.

However, the above provisions of Section 203 do not apply if:

- our Board approves the transaction that made the stockholder an "interested stockholder," prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least eighty-five percent (85%) of our voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of common stock; or
- on or subsequent to the date of the transaction, the business combination is approved by our Board and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Our certificate of incorporation provides that our Board is classified into three classes of directors. As a result, in most circumstances, a person can gain control of our Board only by successfully engaging in a proxy contest at two or more annual meetings.

Our certificate of incorporation requires the approval by affirmative vote of the holders of at least two-thirds of our Common Stock to make any amendment to key provisions of our certificate of incorporation or bylaws.

In addition, our certificate of incorporation does not provide for cumulative voting in the election of directors. Our Board is empowered to elect a director to fill a vacancy created by the expansion of the Board or the resignation, death, retirement, disqualification, removal or other cause of a director in certain circumstances; directors may be removed from the Board only for cause and only by the affirmative vote of holders of a majority of the voting power of all then outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class. Stockholder action by written consent is prohibited, which forces stockholder action to be taken at an annual or special meeting of our stockholders. Meetings of the stockholders may be called only by the Chairman of the Board, the Chief Executive Officer of the Company or the Board pursuant to a resolution adopted by a majority of the Board, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors.

Our authorized but unissued Common Stock and preferred stock are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Our bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of the Company.

Forum Selection Clause

Subject to certain limitations, our bylaws provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees or our stockholders; (c) any action asserting a claim arising pursuant to any provision of the DGCL or the our certificate of incorporation or bylaws; or (d) any action asserting a claims governed by the internal affairs doctrine. In addition, our bylaws provide that unless consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the federal securities laws of the United States against us, our officers, directors, employees or underwriters.

Transfer Agent

The transfer agent for the Class A Common Stock is Equinity Trust Company, LLC.

Exhibit 10.8

AMENDMENT NO. 2 TO THE AMENDED AND RESTATED FIRST LIEN TERM LOAN CREDIT AGREEMENT

AMENDMENT NO. 2 to the AMENDED AND RESTATED FIRST LIEN TERM LOAN CREDIT AGREEMENT, dated as of March 29, 2023 (this "Amendment"), by and between VM CONSOLIDATED, INC. (f/k/a ATS CONSOLIDATED, INC.), a Delaware corporation (the "Lead Borrower") and BANK OF AMERICA, N.A., as the Administrative Agent (in such capacity, the "Administrative Agent");

WHEREAS, reference is hereby made to the Amended and Restated First Lien Term Loan Credit Agreement, dated as of March 26, 2021, by and among GREENLIGHT ACQUISITION CORPORATION, a Delaware corporation ("Holdings"), the Lead Borrower, AMERICAN TRAFFIC SOLUTIONS, INC., a Kansas corporation ("AT Solutions"), and LASERCRAFT, INC., a Georgia corporation (together with the Lead Borrower and AT Solutions, the "Borrowers"), the other Credit Parties party thereto, the Administrative Agent, BANK OF AMERICA, N.A., as Collateral Agent (in such capacity, the "Collateral Agent") and the Lenders party thereto from time to time (as amended by Amendment No. 1 to the Amended and Restated First Lien Term Loan Credit Agreement, dated as of December 7, 2021 and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof prior to the date hereof, the "Credit Agreement"; the Credit Agreement as amended by this Amendment, the "Amended Credit Agreement");

WHEREAS, the Lead Borrower and the Administrative Agent have jointly agreed to replace LIBO Rate (as defined in the Credit Agreement) with Term SOFR from the Amendment No. 2 Effective Date and make other LIBOR Successor Rate Conforming Changes (as defined in the Credit Agreement) to the Credit Agreement as set forth in this Amendment; and

WHEREAS, the Lead Borrower and the Administrative Agent, in accordance with Section 2.16 of the Credit Agreement, have agreed to (i) amend the Credit Agreement in the form attached hereto as Exhibit A, (ii) amend and restate Exhibit A-1 to the Credit Agreement in the form attached hereto as Exhibit B and (iii) amend and restate Exhibit A-2 to the Credit Agreement in the form attached as Exhibit C hereto, in each case, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1 *Defined Terms; References*. Unless otherwise specifically defined herein, each term used herein which is defined in the Amended Credit Agreement has the meaning assigned to such term in the Amended Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Amended Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby. This Amendment is a "Credit Document" as defined under the Credit Agreement.

Section 2 *Amendments to the Credit Agreement*. Effective as of the Amendment No. 2 Effective Date, the Lead Borrower and the Administrative Agent hereby agree that:

(a) the Credit Agreement is amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the pages of the Amended Credit Agreement attached as Exhibit A hereto; and

(b) the exhibits to the Credit Agreement are, effective as of the Amendment No. 2 Effective Date, hereby amended to (i) amend and restate Exhibit A-1, the Form of Notice of Borrowing, in the form attached as Exhibit B hereto, and (ii) amend and restate Exhibit A-2, the Form of Notice of Conversion/Continuation, in the form attached as Exhibit C hereto (for the avoidance of doubt, all other exhibits to the Credit Agreement will remain in full force and effect in the form attached to the Credit Agreement on the First Restatement Effective Date).

Section 3 *Representations Correct*. By its execution of this Amendment, the Lead Borrower, on behalf of each Credit Party, hereby represents and warrants, as of the date hereof, that each Credit Party has the corporate, partnership, limited liability company, unlimited liability company or other applicable business entity power and authority, as the case may be, to execute, deliver and perform the terms and provisions of this Amendment (and the Amended Credit Agreement) and has taken all necessary corporate, partnership, limited liability company, unlimited liability company or other applicable business entity action, as the case may be, to authorize the execution, delivery and performance by it of this Amendment and the performance by it of the Amended Credit Agreement. The Lead Borrower has duly executed and delivered this Amendment, and this Amendment (and by extension the Amended Credit Agreement) constitutes a legal, valid and binding obligation of each Credit Party, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

Section 4 *Effectiveness*. This Amendment shall become effective on the date (the "Amendment No. 2 Effective Date") when each of the following conditions shall have been satisfied:

(a) the Administrative Agent shall have received from the Lead Borrower either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment;

(b) the Administrative Agent shall not have received a written objection to this Amendment, prior to 5:00 p.m. (New York time) on the fifth (5th) Business Day after the Administrative Agent shall have notified all Lenders and the Lead Borrower of the occurrence of the circumstances described in Section 2.16(a)(iv) of the Credit Agreement, that such Required Lenders object to the implementation of a LIBOR Successor Rate (as defined in the Credit Agreement) pursuant to Section 2.16 of the Credit Agreement; and

(c) the Administrative Agent shall have received payment for all reasonable and documented and invoiced out-of-pocket costs and expenses required to be paid or reimbursed under Section 13.01 of the Amended Credit Agreement on the Amendment No. 2 Effective Date, for which invoices have been presented at least three Business Days prior to the Amendment No. 2 Effective Date.

Section 5 *Acknowledgments and Confirmations*.

(a) Except as expressly set forth herein or in the Amended Credit Agreement, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Agents under the Credit Agreement or under any other Credit Document and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or of any other Credit Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or any Agent under any of the Credit Documents, nor constitute a waiver of any provision of any of the Credit Documents.

(b) The Lead Borrower, on behalf of each Credit Party, hereby expressly acknowledges the terms of this Amendment and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Credit Document (and each joinder to such Credit Documents) to which such Credit Party is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby, (ii) subject to any limitations set forth in the Guaranty Agreement, each Credit Party's guarantee of the Obligations, and (iii) its prior grant of Liens on the Collateral to secure the Obligations owed or otherwise guaranteed by it pursuant to the Security Documents with all such Liens continuing in full force and effect after giving effect to this Amendment.

(c) Notwithstanding the above, the Lead Borrower, on behalf of each Credit Party, consents to the amendments to the Credit Agreement effected by this Amendment and confirms that (i) each applicable Credit Party's obligations as a Guarantor under the Guaranty Agreement are not discharged or otherwise affected by those amendments or the other provisions of this Amendment and shall accordingly, subject to any limitations set forth in the Guaranty Agreement, continue in full force and effect, (ii) each Credit Party's obligations under, and the Liens granted by it in and pursuant to, the Security Documents to which it is a party are not discharged or otherwise affected by those amendments and/or increases or the other provisions of this Amendment and shall accordingly remain in full force and effect, (iii) the Obligations so guaranteed and secured shall, after the Amendment No. 2 Effective Date and subject to any limitations set forth in the Guaranty Agreement, extend to the Obligations under the Credit Documents (including under the Credit Agreement as amended pursuant to this Amendment).

Section 6 *Amendment, Modification and Waiver*. After the effectiveness hereof, this Amendment may not be amended, modified or waived except in accordance with Section 13.12 of the Amended Credit Agreement.

Section 7 *Liens Unimpaired*. After giving effect to this Amendment, neither the modification of the Credit Agreement effected pursuant to this Amendment nor the execution, delivery, performance or effectiveness of this Amendment:

(a) impairs the validity, effectiveness or priority of the Liens granted pursuant to any Credit Document prior to the Amendment No. 2 Effective Date, and such Liens continue unimpaired with the same priority applicable to such Liens immediately prior to giving effect to this Amendment to secure repayment of all Obligations, whether heretofore or hereafter incurred; or

(b) requires that any new filings be made under any Credit Document or that any other action be taken under any Credit Document to perfect or to maintain the perfection of such Liens.

Section 8 *Entire Agreement*. This Amendment, the Amended Credit Agreement and the other Credit Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties hereto with respect to the subject matter hereof. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any party under, the Credit Agreement, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Credit Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. It is understood and agreed that each reference in each Credit Document to the Credit Agreement, whether direct or indirect, shall hereafter be deemed to be a reference to the Credit Agreement as amended hereby and that this Amendment is a Credit Document. This Amendment and the Amended Credit Agreement shall not constitute a novation of the Credit Agreement or any other Credit Document.

Section 9 GOVERNING LAW.

THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. SECTION 13.08 OF THE AMENDED CREDIT AGREEMENT IS HEREBY INCORPORATED MUTATIS MUTANDIS AND SHALL APPLY HERETO.

Section 10 *Severability*. If any provision of this Amendment is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 11 *Counterparts; Electronic Execution*. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Section 13.21 of the Amended Credit Agreement shall apply to this Amendment, *mutatis mutandis*.

Section 12 *Headings*. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 13 *Pre-Amendment Loans*. Notwithstanding anything herein, the parties hereto hereby agree that (a) to the extent any Loan bearing interest at the LIBO Rate (as defined in the Credit Agreement) is outstanding on the Amendment No. 2 Effective Date (such Loans, the "Pre-Amendment Loans"), such Loan shall continue to bear interest at the LIBO Rate until the end of the current Interest Period or payment period applicable to such Loan, it being understood that such Pre-Amendment Loans shall remain subject to the terms of the Credit Agreement (without giving effect to this Amendment) until the end of the applicable Interest Period, (b) in no event shall any Borrower be entitled to request any Loans that are LIBO Rate Term Loans (as defined in the Credit Agreement) after the Amendment No. 2 Effective Date (or submit a notice of conversion or continuation with respect to continuing any such Loans or requesting conversion of a Loan into a LIBO Rate Term Loan) and (c) at the end of the current Interest Period or payment period, as applicable, each Pre-Amendment Loan shall, unless otherwise instructed by the Lead Borrower, be automatically converted to a Term SOFR Term Loan bearing interest at Term SOFR with the same Interest Period as such Pre-Amendment Loan.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

VM CONSOLIDATED, INC.,
as the Lead Borrower

By: /s/ David Roberts
Name: David Roberts
Title: CEO

[Signature Page to Amendment No. 2 to the A&R First Lien Term Loan Credit Agreement]

BANK OF AMERICA, N.A., as the Administrative Agent

By: /s/ Aamir Saleem
Name: Aamir Saleem
Title: Vice President

[Signature Page to Amendment No. 2 to the A&R First Lien Term Loan Credit Agreement]

EXHIBIT A
TO AMENDMENT

AMENDED CREDIT AGREEMENT

[Attached]

EXHIBIT A
to Amendment No. 2 to Amended and Restated First Lien Term Loan Credit Agreement

AMENDED AND RESTATED FIRST LIEN TERM LOAN CREDIT AGREEMENT

among

GREENLIGHT ACQUISITION CORPORATION,
as HOLDINGS,

VM CONSOLIDATED, INC.,
as LEAD BORROWER,

the other Parties listed as a Borrower on the signature pages hereto,
as BORROWERS,

VARIOUS LENDERS

and

BANK OF AMERICA, N.A.,
as ADMINISTRATIVE AGENT and COLLATERAL AGENT

Dated as of March 26, 2021

as amended by Amendment No. 1, dated as of December 7, 2021 and

Amendment No. 2, dated as of March 29, 2023

BANK OF AMERICA, N.A.,
as LEAD ARRANGER and SOLE BOOKRUNNER

TABLE OF CONTENTS

		Page
SECTION 1.	DEFINITIONS AND ACCOUNTING TERMS.	1
1.01	Defined Terms	1
1.02	Terms Generally and Certain Interpretive Provisions	47
1.03	Limited Condition Transactions	48
1.04	Classification and Reclassification	49
1.05	Divisions	49
SECTION 2.	AMOUNT AND TERMS OF CREDIT.	49
2.01	The Commitments.	49
2.02	Minimum Amount of Each Borrowing	51
2.03	Notice of Borrowing	51
2.04	Disbursement of Funds.	51
2.05	Notes.	52
2.06	Interest Rate Conversions.	53
2.07	Pro Rata Borrowings	53
2.08	Interest.	53
2.09	Interest Periods	54
2.10	Increased Costs, Illegality, etc.	55
2.11	Compensation	56
2.12	Change of Lending Office	57
2.13	Replacement of Lenders	57
2.14	Extended Term Loans.	57
2.15	Incremental Term Loan Commitments.	59
2.16	Inability to Determine Rates; Successor Rate.	61
2.17	[Reserved].	63
2.18	Refinancing Term Loans.	63
2.19	Reverse Dutch Auction Repurchases.	64
2.20	Open Market Purchases.	66
2.21	Sponsor and Affiliate Term Loan Purchases	66
SECTION 3.	[RESERVED].	67
SECTION 4.	FEES; REDUCTIONS OF COMMITMENT.	67
4.01	Fees.	67
4.02	Mandatory Reduction of Commitments.	68
SECTION 5.	PREPAYMENTS; PAYMENTS; TAXES.	68
5.01	Voluntary Prepayments.	68
5.02	Mandatory Repayments.	69
5.03	Method and Place of Payment	72
5.04	Net Payments.	72
SECTION 6.	CONDITIONS PRECEDENT TO CREDIT EVENTS ON THE FIRST RESTATEMENT EFFECTIVE DATE	74

Page

6.01	Amendment and Restatement Agreement No. 1	74
6.02	Unsecured Notes Indenture	74
6.03	Opinions of Counsel	74
6.04	Corporate Documents; Proceedings, etc.	74
6.05	Solvency Certificate	74
6.06	Fees, etc	74
6.07	Representations and Warranties	75
6.08	Patriot Act	75
6.09	Notice of Borrowing	75
6.10	Notice of Prepayment	75
6.11	Officer's Certificate	75
6.12	Material Adverse Effect	75
SECTION 7.	CONDITIONS PRECEDENT TO ALL CREDIT EVENTS AFTER THE FIRST RESTATEMENT EFFECTIVE DATE	75
SECTION 8.	REPRESENTATIONS, WARRANTIES AND AGREEMENTS	75
8.01	Organizational Status	75
8.02	Power and Authority; Enforceability	75
8.03	No Violation	76
8.04	Approvals	76
8.05	Financial Statements; Financial Condition; Projections.	76
8.06	Litigation	77
8.07	True and Complete Disclosure	77
8.08	Use of Proceeds; Margin Regulations.	77
8.09	Tax Returns and Payments	77
8.10	ERISA.	77
8.11	The Security Documents.	78
8.12	Properties	79
8.13	Capitalization	79
8.14	Subsidiaries	79
8.15	Compliance with Statutes, OFAC Rules and Regulations; Patriot Act; FCPA.	79
8.16	Investment Company Act	80
8.17	[Reserved].	80
8.18	Environmental Matters	80
8.19	Labor Relations	80
8.20	Intellectual Property	80
8.21	Affected Financial Institutions	80
8.22	Beneficial Ownership Certificate.	81
SECTION 9.	AFFIRMATIVE COVENANTS	81
9.01	Information Covenants	81
9.02	Books, Records and Inspections; Conference Calls.	85
9.03	Maintenance of Property; Insurance.	85
9.04	Existence; Franchises	86
9.05	Compliance with Statutes, etc	86
9.06	Compliance with Environmental Laws.	86
9.07	ERISA	87
9.08	End of Fiscal Years; Fiscal Quarters	87
9.09	Beneficial Ownership Regulation	87
9.10	Payment of Taxes	88
9.11	Use of Proceeds	88
9.12	Additional Security; Further Assurances; etc.	88

		Page
9.13	Post-Closing Actions	89
9.14	Permitted Acquisitions.	89
9.15	Credit Ratings	90
9.16	Designation of Subsidiaries	90
SECTION 10.	NEGATIVE COVENANTS	90
10.01	Liens	91
10.02	Consolidation, Merger, or Sale of Assets, etc	94
10.03	Dividends	97
10.04	Indebtedness	100
10.05	Advances, Investments and Loans	104
10.06	Transactions with Affiliates	107
10.07	Limitations on Payments, Certificate of Incorporation, By-Laws and Certain Other Agreements, etc	108
10.08	Limitation on Certain Restrictions on Subsidiaries	109
10.09	Business.	110
10.10	Negative Pledges	111
SECTION 11.	EVENTS OF DEFAULT	112
11.01	Payments	112
11.02	Representations, etc	112
11.03	Covenants	112
11.04	Default Under Other Agreements	112
11.05	Bankruptcy, etc	113
11.06	ERISA	113
11.07	Security Documents	113
11.08	Guarantees	114
11.09	Judgments	114
11.10	Change of Control	114
SECTION 12.	THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT.	114
12.01	Appointment and Authorization.	114
12.02	Delegation of Duties	115
12.03	Exculpatory Provisions	115
12.04	Reliance by Administrative Agent and Collateral Agent	116
12.05	No Other Duties, Etc	116
12.06	Non-reliance on Administrative Agent, Collateral Agent and Other Lenders	116
12.07	Indemnification by the Lenders	116
12.08	Rights as a Lender	117
12.09	Administrative Agent May File Proofs of Claim; Credit Bidding	117
12.10	Resignation of the Agents	118
12.11	Collateral Matters and Guaranty Matters	118
12.12	Designated Interest Rate Protection Agreements and Designated Treasury Services Agreements	119
12.13	Withholding Taxes	119
12.14	Certain ERISA Matters.	120
12.15	Recovery of Erroneous Payments	121
SECTION 13.	MISCELLANEOUS.	121
13.01	Payment of Expenses, etc.	121
13.02	Right of Setoff.	123
13.03	Notices.	123

Page

13.04	Benefit of Agreement; Assignments; Participations, etc.	124
13.05	No Waiver; Remedies Cumulative	129
13.06	Payments Pro Rata.	129
13.07	Calculations; Computations.	129
13.08	GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL.	130
13.09	Counterparts; Integration; Effectiveness	131
13.10	[Reserved].	131
13.11	Headings Descriptive	131
13.12	Amendment or Waiver; etc.	131
13.13	Survival	133
13.14	Joint and Several Liability of Borrowers.	133
13.15	Confidentiality.	135
13.16	USA Patriot Act Notice	136
13.17	Waiver of Sovereign Immunity	136
13.18	Lead Borrower	137
13.19	INTERCREDITOR AGREEMENTS.	137
13.20	Absence of Fiduciary Relationship	138
13.21	Electronic Execution of Assignments and Certain Other Documents	138
13.22	Entire Agreement	138
13.23	Acknowledgement and Consent to Bail-In of Affected Financial Institutions	139
13.24	Acknowledgement Regarding Any Supported QFCs	139

SCHEDULE 1.01(A) Unrestricted Subsidiaries
SCHEDULE 2.01 Commitments
SCHEDULE 2.19(a) Reverse Dutch Auction Procedures
SCHEDULE 8.12 Real Property
SCHEDULE 8.14 Subsidiaries
SCHEDULE 8.19 Labor Matters
SCHEDULE 9.13 Post-Closing Actions
SCHEDULE 10.01(iii) Existing Liens
SCHEDULE 10.04 Existing Indebtedness
SCHEDULE 10.05(iii) Existing Investments
SCHEDULE 10.06(viii) Affiliate Transactions
SCHEDULE 13.03 Notice Information

EXHIBIT A-1 Form of Notice of Borrowing
EXHIBIT A-2 Form of Notice of Conversion/Continuation
EXHIBIT B Form of Term Note
EXHIBIT C Form of U.S. Tax Compliance Certificate
EXHIBIT D [Reserved]
EXHIBIT E Form of Officers' Certificate
EXHIBIT F [Reserved]
EXHIBIT G [Reserved]
EXHIBIT H [Reserved]
EXHIBIT I Form of Solvency Certificate
EXHIBIT J Form of Compliance Certificate
EXHIBIT K Form of Assignment and Assumption
EXHIBIT L [Reserved]
EXHIBIT M Form of First Lien/Second Lien Intercreditor Agreement

THIS AMENDED AND RESTATED FIRST LIEN TERM LOAN CREDIT AGREEMENT, dated as of March 26, 2021, as amended by Amendment No. 1 and Amendment No. 2, among GREENLIGHT ACQUISITION CORPORATION, a Delaware corporation ("Holdings"), VM CONSOLIDATED, INC., a Delaware corporation ("Lead Borrower"), AMERICAN TRAFFIC SOLUTIONS, INC., a Kansas corporation ("AT Solutions"), and LASERCRAFT, INC., a Georgia corporation (together with Lead Borrower and AT Solutions, the "Borrowers"), the Lenders party hereto from time to time and BANK OF AMERICA, N.A. ("Bank of America"), as the Administrative Agent and the Collateral Agent. All capitalized terms used herein and defined in Section 1 are used herein as therein defined.

W I T N E S S E T H:

WHEREAS, Holdings, the Borrowers, the Administrative Agent, the Collateral Agent and the lenders party thereto entered into that certain First Lien Term Loan Credit Agreement on the Closing Date (as amended by that certain Amendment No. 1, dated as of July 24, 2018, as amended by that certain Amendment No. 2, dated as of February 20, 2020 and as further amended, supplemented or otherwise modified prior to the First Restatement Effective Date, the "Original Credit Agreement").

WHEREAS, the Lead Borrower has requested that on the First Restatement Effective Date, (i) the Initial Term Loan Lenders (including the Refinancing Term Loan Lenders and the Rollover Initial Term Lenders) make the Initial Term Loans in the aggregate principal amount of $650,000,000 and (ii) this Agreement be amended and restated as set forth herein, pursuant to Amendment and Restatement Agreement No. 1.

WHEREAS, the Lenders have indicated their willingness to amend and restate this Agreement on the First Restatement Effective Date and the Refinancing Term Loan Lenders have indicated their willingness make the Initial Term Loans on the First Restatement Effective Date on the terms and subject to the conditions set forth herein and in Amendment and Restatement Agreement No. 1.

The parties hereto intend that (a) the Obligations under the Original Credit Agreement that remain unpaid and outstanding as of the First Restatement Effective Date (the "Original Obligations") shall continue to exist under this Agreement on the terms set forth herein and (b) the Collateral and the Credit Documents shall continue to secure, guarantee, support and otherwise benefit the Original Obligations as well as the other Obligations of the Borrowers and the other Credit Parties under this Agreement and the other Credit Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

Section 1. Definitions and Accounting Terms.

1.01 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"2021 Incremental Term Loan Commitment" shall have the meaning set forth in Amendment No. 1.

"2021 Incremental Term Loan Lender" shall have the meaning set forth in Amendment No. 1.

"2021 Incremental Term Loans" shall mean the Term Loans made by the 2021 Incremental Term Loan Lenders on the Amendment No. 1 Effective Date pursuant to Amendment No. 1. Prior to the 2021 Incremental Term Loans Conversion Date, the 2021 Incremental Term Loans shall constitute a separate new Tranche to Term Loans, *provided* that (x) all terms applicable to the 2021 Incremental Term Loans shall be identical to the terms of the Initial Term Loans (including as to maturity) outstanding under this Agreement immediately prior to the Amendment No. 1 Effective Date, except as expressly set forth herein and (y) all references to Initial Term Loans hereunder shall apply to 2021 Incremental Term Loans *mutatis mutandis* (other than Section 5.02(a)(i)). On and after the 2021 Incremental Term Loans Conversion Date, the 2021 Incremental Term Loans, for all purposes under this Agreement and each of the other Credit Documents, shall have terms identical to the Initial Term Loans (including as to maturity) outstanding hereunder immediately prior to the Amendment No. 1 Effective Date (but

giving effect to any amendments under Amendment No.1) and shall constitute Initial Term Loans, and the Initial Term Loans and 2021 Incremental Term Loans shall collectively comprise a single fungible Tranche of Term Loans.

"2021 Incremental Term Loans Conversion Date" shall have the meaning set forth in Section 2.01(d).

"ABL Collateral" shall have the meaning set forth in the ABL Intercreditor Agreement.

"ABL Collateral Agent" shall mean Bank of America, as collateral agent under the ABL Credit Agreement or any successor thereto acting in such capacity.

"ABL Credit Agreement" shall mean (i) that certain asset-based revolving credit agreement, as in effect on the Closing Date and as the same has been and may be further amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof (including by reference to the ABL Intercreditor Agreement) and thereof, among Holdings, the Borrowers, the other borrowers party thereto, certain lenders party thereto and Bank of America, as the administrative agent and collateral agent, and (ii) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any Indebtedness or other financial accommodation that has been incurred to refinance (subject to the limitations set forth herein (including by reference to the ABL Intercreditor Agreement)) in whole or in part the Indebtedness and other obligations outstanding under (x) the credit agreement referred to in clause (i) or (y) any subsequent ABL Credit Agreement, unless such agreement or instrument expressly provides that it is not intended to be and is not an ABL Credit Agreement hereunder. Any reference to the ABL Credit Agreement hereunder shall be deemed a reference to any ABL Credit Agreement then in existence.

"ABL Credit Documents" shall have the meaning ascribed to the term "Credit Documents" in the ABL Credit Agreement.

"ABL Intercreditor Agreement" shall mean that certain ABL Intercreditor Agreement, dated as of the Closing Date, by and among the Collateral Agent, the ABL Collateral Agent and the other parties party thereto, as may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Acquired Entity or Business" shall mean either (x) the assets constituting a business, division, product line, manufacturing facility or distribution facility of any Person not already a Subsidiary of Lead Borrower, which assets shall, as a result of the respective acquisition, become assets of Lead Borrower or a Restricted Subsidiary of Lead Borrower (or assets of a Person who shall be merged with and into Lead Borrower or a Restricted Subsidiary of Lead Borrower) or (y) a majority of the Equity Interests of any such Person, which Person shall, as a result of the respective acquisition, become a Restricted Subsidiary of Lead Borrower (or shall be merged with and into Lead Borrower or a Restricted Subsidiary of Lead Borrower).

"Additional Initial Term Loan" means a Loan that is made pursuant to the second sentence of Section 2.01(a) of this Agreement on the First Restatement Effective Date.

"Additional Intercreditor Agreement" shall mean an intercreditor agreement among the Collateral Agent and one or more Junior Representatives for holders of Permitted Junior Debt providing that, *inter alia*, the Liens on the Collateral in favor of the Collateral Agent (for the benefit of the Secured Creditors) shall be senior to such Liens in favor of the Junior Representatives (for the benefit of the holders of Permitted Junior Debt), as such intercreditor agreement may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof. The Additional Intercreditor Agreement shall be in a form customary at such time for transactions of the type contemplated thereby and reasonably satisfactory to the Administrative Agent and Lead Borrower (it being understood that the terms of any First Lien/Second Lien Intercreditor Agreement are reasonably satisfactory).

"Additional Refinancing Term Loan Lender" means a Person with an Initial Term Loan Commitment to make Additional Initial Term Loans to the Borrowers on the First Restatement Effective Date.

"Additional Security Documents" shall have the meaning provided in Section 9.12(a).

"Adjusted Consolidated Working Capital" shall mean, at any time, Consolidated Current Assets *less* Consolidated Current Liabilities at such time.

"Administrative Agent" shall mean Bank of America, in its capacity as Administrative Agent for the Lenders hereunder, and shall include any successor to the Administrative Agent appointed pursuant to Section 12.10.

"Administrative Questionnaire" shall mean an administrative questionnaire in the form supplied by the Administrative Agent.

"Advisory Agreement" shall mean that certain Corporate Advisory Services Agreement dated as of May 31, 2017 by and between Greenlight Holding Corporation and the Sponsor, as may be amended, amended and restated, modified, supplemented, extended or renewed from time to time.

"Affected Financial Institution" shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; *provided*, *however*, that neither the Administrative Agent nor any Lender (nor any Affiliate thereof) shall be considered an Affiliate of Lead Borrower or any Subsidiary thereof as a result of this Agreement, the extensions of credit hereunder or its actions in connection therewith.

"Agent Parties" shall have the meaning provided in Section 13.03(d).

"Agents" shall mean the Administrative Agent, the Collateral Agent, any sub-agent or co-agent of either of the foregoing pursuant to the Credit Documents and the Lead Arranger.

"Agreement" shall mean this Amended and Restated First Lien Term Loan Credit Agreement, as amended and restated by Amendment and Restatement Agreement No. 1 on the First Restatement Effective Date and as may be further amended, amended and restated, modified, supplemented, extended or renewed from time to time.

"Amendment and Restatement Agreement No. 1" shall mean that certain Amendment and Restatement No. 1 to First Lien Term Loan Credit Agreement, dated as of March 26, 2021, among Holdings, the Borrowers, the other Guarantors party thereto, the Lenders party thereto, the Administrative Agent and the other parties thereto.

"Amendment No. 1" shall mean Amendment No. 1 to the Amended and Restated First Lien Term Loan Credit Agreement, dated as of the Amendment No. 1 Effective Date, by and among Holdings, the Borrowers, the Guarantors party thereto, the Lenders party thereto, the Administrative Agent, the Collateral Agent and the other parties thereto.

"Amendment No. 1 Effective Date" shall mean December 7, 2021.

"Amendment No. 1 Transactions" shall have the meaning set forth in Amendment No. 1.

"Amendment No. 2" shall mean Amendment No. 2 to the Amended and Restated First Lien Term Loan Credit Agreement, dated as of March 29, 2023, by and among the Lead Borrower and the Administrative Agent.

"Anti-Corruption Laws" shall mean all laws, rules, and regulations of any jurisdiction applicable to Lead Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Increased Term Loan Spread" shall mean, with respect to any then outstanding Initial Term Loans at the time of the incurrence of any new Tranche of Incremental Term Loans pursuant to Section 2.15 within six (6) months after the First Restatement Effective Date, which new Tranche is subject to an Effective Yield that is greater than the Effective Yield applicable to such Initial Term Loans by more than 0.75%, the margin *per annum* (expressed as a percentage) mutually determined by the Administrative Agent and Lead Borrower in good faith (and notified by the Administrative Agent to the Lenders) as the margin *per annum* required to cause the Effective Yield applicable to such then existing Initial Term Loans to equal (i) the Effective Yield applicable to such new Tranche of Incremental Term Loans *minus* (ii) 0.75%. Each mutual determination of the "Applicable Increased Term Loan Spread" by the Administrative Agent and Lead Borrower shall be conclusive and binding on all Lenders absent manifest error.

"Applicable Margin" shall mean a percentage *per annum* equal to, in the case of Initial Term Loans maintained as (a) Base Rate Term Loans, 2.25% and (b) Term SOFR Term Loans, 3.25%.

The Applicable Margins for any Tranche of Incremental Term Loans shall be (i) in the case of Incremental Term Loans added to an existing Tranche, the same as the Applicable Margins for such existing Tranche, and (ii) otherwise, as specified in the applicable Incremental Term Loan Amendment; *provided* that on and after the date of such incurrence of any Tranche of Incremental Term Loans which gives rise to a determination of a new Applicable Increased Term Loan Spread, the Applicable Margins for the Initial Term Loans shall be the higher of (x) the Applicable Increased Term Loan Spread for such Type of Initial Term Loans and (y) the Applicable Margin for such Type of Initial Term Loans as otherwise determined above in the absence of the foregoing clause (x). The Applicable Margins for any Tranche of Refinancing Term Loans shall be as specified in the applicable Refinancing Term Loan Amendment. The Applicable Margins for any Tranche of Extended Term Loans shall be as specified in the applicable Extension Amendment.

"Applicable Asset Sale/Recovery Event Prepayment Percentage" shall mean, at any time, 100%; *provided* that, if, within five Business Days (or within such later period as the Administrative Agent shall determine in its sole discretion) of the receipt of Net Sale Proceeds from the relevant Asset Sale or receipt of Net Insurance Proceeds from the relevant Recovery Event, Lead Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer certifying that on a Pro Forma Basis immediately after giving effect to such Asset Sale or Recovery Event, as applicable, and the application of the proceeds thereof, the Consolidated First Lien Net Leverage Ratio is (i) less than or equal to 3.70:1.00 but greater than 3.20:1.00, the Applicable Asset Sale/Recovery Event Prepayment Percentage shall instead be 25% and (ii) less than or equal to 3.20:1.00, the Applicable Asset Sale/Recovery Event Prepayment Percentage shall instead be 0%.

"Applicable ECF Prepayment Percentage" shall mean, at any time, 50%; *provided* that, if at any time the Consolidated First Lien Net Leverage Ratio as of the last day of the fiscal year for which the Applicable ECF Prepayment Percentage is calculated (as set forth in an officer's certificate delivered pursuant to Section 9.01(e) for such fiscal year) is (i) less than or equal to 3.70:1.00 but greater than 3.20:1.00 the Applicable ECF Prepayment Percentage shall instead be 25% and (ii) less than or equal to 3.20:1.00, the Applicable ECF Prepayment Percentage shall instead be 0%.

"Approved Fund" shall mean any Person (other than a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person)) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) an existing Lender, (b) an Affiliate of an existing Lender or (c) an entity or an Affiliate of an entity that administers or manages an existing Lender.

"Asset Sale" shall mean any sale, transfer or other disposition of all or any part of the property or assets of by Lead Borrower or any of its Restricted Subsidiaries, or entry into any Sale-Leaseback Transaction by Lead Borrower or any of its Restricted Subsidiaries, in each case, pursuant to Sections 10.02(ii), (x) or (xii)(b).

"Assignment and Assumption" shall mean an Assignment and Assumption substantially in the form of Exhibit K (appropriately completed) or such other form as shall be acceptable to the Administrative Agent and Lead Borrower (such approval by Lead Borrower not to be unreasonably withheld, delayed or conditioned).

"AT Solutions" shall have the meaning provided in the preamble hereto.

"Auction" shall have the meaning set forth in Section 2.19(a).

"Auction Manager" shall have the meaning set forth in Section 2.19(a).

"Available Amount" shall mean, on any date (the "Determination Date"), an amount equal to:

(a) the sum of, without duplication:

(i) (A) the greater of $120,000,000 and 8.50% of Consolidated Total Assets (measured at the time of utilization of the Available Amount) *plus* (B) the Cumulative Retained Excess Cash Flow Amount; *plus*

(ii) 100% of the aggregate net cash proceeds and the fair market value of property other than cash received by Lead Borrower since the Closing Date (A) as a contribution to its common equity capital (including any contribution to its common equity capital from any direct or indirect Parent Company with the proceeds of any issue or sale by such Parent Company of its Equity Interests) (other than any (x) Disqualified Stock or (y) Equity Interests sold to a Restricted Subsidiary of Lead Borrower or pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of any Parent Company or its Subsidiaries) or (B) from the issue or sale of the Equity Interests of Lead Borrower (other than Disqualified Stock), in each case, to the extent not otherwise applied to any other basket or exception under this Agreement, *plus*

(iii) 100% of the aggregate net cash proceeds from the issue or sale of Disqualified Stock of Lead Borrower or debt securities of Lead Borrower (other than Disqualified Stock or debt securities issued or sold to a Restricted Subsidiary of Lead Borrower), in each case that have been converted into or exchanged for Equity Interests of Lead Borrower or any direct or indirect Parent Company (other than Disqualified Stock); *plus*

(iv) 100% of the aggregate amount of cash proceeds and the fair market value of property other than cash received by Lead Borrower or a Restricted Subsidiary of Lead Borrower from (A) the sale or disposition (other than to Lead Borrower or a Restricted Subsidiary of Lead Borrower) of Investments made after the Closing Date the permissibility of which was contingent upon the utilization of the Available Amount and from repayments, repurchases and redemptions of such Investments from Lead Borrower and its Restricted Subsidiaries by any Person (other than Lead Borrower or its Restricted Subsidiaries); (B) a return, profit, distribution or similar amounts from an Investment made after the Closing Date the permissibility of which was contingent upon the utilization of the Available Amount, to the extent that such amounts were not otherwise included in the Consolidated Net Income of Lead Borrower for such period, (C) the sale (other than to Lead Borrower or any of its Restricted Subsidiaries) of the Equity Interests of an Unrestricted Subsidiary; (D) a distribution or dividend from an Unrestricted Subsidiary, to the extent that such amounts were not otherwise included in the Consolidated Net Income of Lead Borrower for such period; and (E) any Investment that was made after the Closing Date in a Person that is not a subsidiary at such time that subsequently becomes a Restricted Subsidiary of Lead Borrower; *plus*

(v) in the event that any Unrestricted Subsidiary of Lead Borrower designated as such in reliance on the Available Amount after the Closing Date is redesignated as a Restricted Subsidiary or has been merged or consolidated with or into or transfers or conveys its assets to, or is liquidated into, Lead Borrower or a Restricted Subsidiary of Lead Borrower, the fair market value of Lead Borrower's Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after deducting any Indebtedness associated with the Unrestricted Subsidiary so designated or combined or any

Indebtedness associated with the assets so transferred or conveyed (limited, to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary constituted an Investment not made entirely in reliance on the Available Amount, to the percentage of such fair market value that is proportional to the portion of such Investment that was made in reliance on the Available Amount); *plus*

(vi) the amount of Declined Proceeds;

minus (b) the sum of:

(i) the aggregate amount of the consideration paid by Lead Borrower and its Restricted Subsidiaries in reliance upon the Available Amount under Section 9.14(a) hereof or Section 9.14(a) of the Original Credit Agreement in connection with Permitted Acquisitions consummated on or after the Closing Date and on or prior to the Determination Date;

(ii) the aggregate amount of all Dividends made by Lead Borrower and its Restricted Subsidiaries pursuant to Section 10.03(xiii) hereof or Section 10.03(xiii) of the Original Credit Agreement on or after the Closing Date and on or prior to the Determination Date;

(iii) the aggregate amount of all Investments made by Lead Borrower and its Restricted Subsidiaries pursuant to Section 10.05(xviii) hereof or Section 10.05(xviii) of the Original Credit Agreement on or after the Closing Date and on or prior to the Determination Date; and

(iv) the aggregate amount of repayments, repurchases, redemptions or defeasances of Indebtedness pursuant to Section 10.07(a)(i) hereof or Section 10.07(a)(i) of the Original Credit Agreement on or after the Closing Date and on or prior to the Determination Date.

"Bail-In Action" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" shall mean, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank of America" shall have the meaning provided in the preamble hereto.

"Bankruptcy Code" shall have the meaning provided in Section 11.05.

"Bankruptcy Proceedings" shall have the meaning provided in Section 13.04(g).

"Base Rate" shall mean, for any day, a fluctuating rate *per annum* equal to the highest of (a) the Federal Funds Rate (which, if negative, shall be deemed to be 0.00%) plus ½ of 1%, (b) the Prime Rate and (c) Term SOFR plus 1.00%.

"Base Rate Term Loan" shall mean each Term Loan which is designated or deemed designated as a Term Loan bearing interest at the Base Rate by Lead Borrower at the time of the incurrence thereof or conversion thereto.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. Section 1010.230.

"Benefit Plan" shall mean any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party shall mean an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Borrower Materials" shall have the meaning provided in Section 9.01.

"Borrowers" shall have the meaning provided in the preamble hereto.

"Borrowing" shall mean the borrowing of the same Type of Term Loan pursuant to a single Tranche by the Borrowers from all the Lenders having Commitments with respect to such Tranche on a given date (or resulting from a conversion or conversions on such date), having, in the case of Term SOFR Term Loans, the same Interest Period; *provided* that any Incremental Term Loans incurred pursuant to Section 2.01(b) shall be considered part of the related Borrowing of the then outstanding Tranche of Term Loans (if any) to which such Incremental Term Loans are added pursuant to, and in accordance with the requirements of, Section 2.15(c).

"Business Day" shall mean (i) for all purposes other than as covered by clause (ii) below, any day except Saturday, Sunday and any day which shall be in New York City a legal holiday or a day on which banking institutions are authorized or required by law or other government action to close and (ii) with respect to any interest rate settings as to such Term SOFR Term Loan, any fundings, disbursements, settlements and payments in respect of any such Term SOFR Term Loan and, or any other dealings to be carried out pursuant to this Agreement in respect of any such Term SOFR Term Loan, any day other than a Saturday, Sunday or other day on which commercial banks are authorized or required to close under the laws of the state where the Notice Office is located.

"Capital Expenditures" shall mean, with respect to any Person, all expenditures by such Person which are required to be capitalized in accordance with U.S. GAAP and, without duplication, the amount of Capitalized Lease Obligations incurred by such Person; *provided* that Capital Expenditures shall not include (i) the purchase price paid in connection with a Permitted Acquisition, (ii) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for such existing equipment being traded in at such time, (iii) expenditures made in leasehold improvements, to the extent reimbursed by the landlord, (iv) expenditures to the extent that they are actually paid for by any Person other than a Credit Party or any of its Restricted Subsidiaries and for which no Credit Party or any of its Restricted Subsidiaries has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such third party or any other Person (whether before, during or after such period) and (v) property, plant and equipment taken in settlement of accounts.

"Capitalized Lease Obligations" shall mean, with respect to any Person, all rental obligations of such Person which, under U.S. GAAP, are required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with U.S. GAAP.

"Cash Equivalents" shall mean:

(i) U.S. Dollars, Canadian dollars, pounds sterling, euros, the national currency of any participating member state of the European Union or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(ii) readily marketable direct obligations of any member of the European Economic Area, Switzerland, or Japan, or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of such country, and, at the time of acquisition thereof, having a credit rating of at least Aa3 (or the equivalent grade) by Moody's or AA- by S&P;

(iii) marketable general obligations issued by any state of the United States or any political subdivision thereof or any instrumentality thereof that are guaranteed by the full faith and credit of such state, and, at the time of acquisition thereof, having a credit rating of at least Aa3 (or the equivalent grade) by Moody's or AA- by S&P;

(iv) securities or any other evidence of Indebtedness or readily marketable direct obligations issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities), in such case having maturities of not more than twelve months from the date of acquisition;

(v) certificates of deposit and eurodollar time deposits with maturities of twenty-four months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twenty-four months and overnight bank deposits, in each case, with any Lender party to this Agreement or any commercial bank or trust company having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's;

(vi) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (iv) and (v) above entered into with any financial institution meeting the qualifications specified in clause (v) above;

(vii) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within twenty-four months after the date of acquisition;

(viii) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (i) through (vii) of this definition; and

(ix) Indebtedness or preferred stock issued by Person having a credit rating of at least A-2 (or the equivalent grade) by Moody's or A by S&P, maturing within twenty-four months after the date of acquisition.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as the same has been amended and may hereafter be amended from time to time, 42 U.S.C. § 9601 et seq.

"CFC" shall mean a Subsidiary of Lead Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Law" shall mean the occurrence after the Closing Date or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement, of (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 2.10(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after such applicable date; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Change of Control" shall be deemed to occur if:

(a) any person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date), but excluding (x) any employee benefit plan of such person and its

Subsidiaries and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, (y) any combination of Permitted Holders and (z) any one or more direct or indirect parent companies of Holdings in which the Sponsor, directly or indirectly, owns the largest percentage of such parent company's voting Equity Interests and in which no other person or "group" directly or indirectly owns or controls (by ownership, control or otherwise) more voting Equity Interests of such parent company than the Sponsor, shall have, directly or indirectly, acquired beneficial ownership of Equity Interests representing 35% or more of the aggregate voting power represented by the issued and outstanding Equity Interests of Verra Mobility and the Permitted Holders shall own, directly or indirectly, less than such person or "group" of the aggregate voting power represented by the issued and outstanding Equity Interests of Verra Mobility;

(b) a "change of control" (or similar event) shall occur under (i) the ABL Credit Agreement, (ii) the Unsecured Notes Indenture or (iii) the definitive agreements pursuant to which any Refinancing Notes or Indebtedness permitted under Section 10.04(xxvii) or (xxix) was issued or incurred, in each case of this subclause (iii) with an aggregate outstanding principal amount in respect of such series of Refinancing Notes or other Indebtedness in excess of the Threshold Amount; or

(c) (i) Holdings shall cease to own, directly or indirectly, 100% of the Equity Interests of Lead Borrower or (ii) Verra Mobility shall cease to own, directly or indirectly, 100% of the Equity Interests of Holdings.

Notwithstanding anything to the contrary in this definition or any provision of Section 13d-3 of the Exchange Act, no person or "group" shall be deemed to beneficially own Equity Interests to be acquired by such person or "group" pursuant to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement until the consummation of the acquisition of the Equity Interests in connection with the transactions contemplated by such agreement.

"Claim" shall have the meaning provided in Section 13.04(g).

"Closing Date" shall mean March 1, 2018.

"CME" shall mean CME Group Benchmark Administration Limited.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean all property (whether real, personal or otherwise) with respect to which any security interests have been granted (or purported to be granted) pursuant to any Security Document (including any Additional Security Documents), including, without limitation, all "Collateral" as described in the Security Agreement and all Mortgaged Properties; *provided* that in no event shall the term "Collateral" include any Excluded Collateral.

"Collateral Agent" shall mean Bank of America, in its capacity as Collateral Agent for the Secured Creditors pursuant to the Security Documents, and shall include any successor to the Collateral Agent appointed pursuant to Section 12.10.

"Commitment" shall mean any of the commitments of any Lender, whether an Initial Term Loan Commitment, Refinancing Term Loan Commitment or an Incremental Term Loan Commitment (including the 2021 Incremental Term Loan Commitment) of such Lender.

"Commodity Exchange Act" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Consolidated Current Assets" shall mean, at any time, the consolidated current assets of Lead Borrower and its Restricted Subsidiaries at such time (other than cash and Cash Equivalents, amounts related to current or

deferred Taxes based on income or profits, assets held for sale, loans to third parties that are permitted under this Agreement, pension assets, deferred bank fees and derivative financial instruments).

"Consolidated Current Liabilities" shall mean, at any time, the consolidated current liabilities of Lead Borrower and its Restricted Subsidiaries at such time (other than the current portion of any Indebtedness under this Agreement, the current portion of any other long-term Indebtedness which would otherwise be included therein, accruals of Interest Expense (excluding Interest Expense that is due and unpaid), accruals for current or deferred Taxes based on income or profits, accruals of any costs or expenses related to restructuring reserves to the extent permitted to be included in the calculation of Consolidated EBITDA and the current portion of pension liabilities).

"Consolidated Depreciation and Amortization Expense" shall mean, with respect to any Person, for any period, the total amount of depreciation and amortization expense, including (i) amortization of deferred financing fees and debt issuance costs, commissions, fees and expenses, (ii) amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits and (iii) amortization of intangibles (including, without limitation, amortization of turnaround costs, goodwill and organizational costs) (excluding any such adjustment to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such adjustment is subsequently reversed), in each case of such Person and its Restricted Subsidiaries for such period on a consolidated basis in accordance with U.S. GAAP.

"Consolidated EBITDA" shall mean, with respect to any Person for any period, Consolidated Net Income of such Person for such period; *plus* (without duplication):

(i) provision for taxes based on income, profits or capital (including state franchise taxes and similar taxes in the nature of income tax) of such Person and its Restricted Subsidiaries for such period, franchise taxes and foreign withholding taxes and including an amount equal to the tax distributions actually made to the holders of the Equity Interests of such Person or any direct or indirect parent of such Person in respect of such period in accordance with Section 10.03(vi) as though such amounts had been paid as income taxes directly by such Person, in each case, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(ii) the Consolidated Depreciation and Amortization Expense of such Person and its Restricted Subsidiaries for such period, to the extent such expenses were deducted in computing such Consolidated Net Income; *plus*

(iii) the Consolidated Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Consolidated Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(iv) any other non-cash charges of such Person and its Restricted Subsidiaries for such period, to the extent that such non-cash charges were included in computing such Consolidated Net Income; *provided* that if any such non-cash charge represents an accrual or reserve for anticipated cash charges in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period; *plus*

(v) any losses from foreign currency transactions (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such losses were taken into account in computing such Consolidated Net Income; *plus*

(vi) (a) the Specified Permitted Adjustment and (b) any other cost savings, operating expense reductions, operating improvements and synergies permitted to be added back to this definition pursuant to the definition of "Pro Forma Cost Savings" (including, without limitation, costs and expenses incurred after the First Restatement Effective Date related to employment of terminated employees incurred by such Person during such period to the extent such costs and expenses were deducted in computing Consolidated Net Income); *plus*

(vii) losses in respect of post-retirement benefits of such Person, as a result of the application of ASC 715, *Compensation-Retirement Benefits*, to the extent that such losses were deducted in computing such Consolidated Net Income; *plus*

(viii) the amount of fees and expenses incurred or reimbursed by such Person pursuant (a) to the Advisory Agreement as in effect on the Closing Date during such period or pursuant to any amendment, modification or supplement thereto or replacement thereof, so long as the Advisory Agreement, as so amended, modified, supplemented or replaced, taken as a whole, is otherwise permitted hereunder and (b) Section 10.06(xii) hereunder; *plus*

(ix) any proceeds from business interruption insurance received by such Person during such period, to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income; *plus*

(x) any fees and expenses related to a Qualified Securitization Transaction or any Receivables Facility to the extent such fees and expenses are included in computing Consolidated Net Income; *plus*

(xi) the amount of loss on sales of receivables and related assets to a Securitization Entity in connection with a Qualified Securitization Transaction or otherwise in connection with a Receivables Facility to the extent included in computing Consolidated Net Income; *minus*

(xii) the amount of any gain in respect of post-retirement benefits as a result of the application of ASC 715, to the extent such gains were taken into account in computing such Consolidated Net Income; *minus*

(xiii) any gains from foreign currency transactions (including gains related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such gains were taken into account in computing such Consolidated Net Income; *minus*

(xiv) non-cash gains increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business and other than reversals of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period,

in each case, on a consolidated basis and determined in accordance with U.S. GAAP.

"Consolidated First Lien Net Leverage Ratio" shall mean, with respect to any Test Period, the ratio of (i) Consolidated First Lien Secured Debt as of the last day of such Test Period to (ii) Consolidated EBITDA of Lead Borrower and its Restricted Subsidiaries for such Test Period, in each case, calculated on a Pro Forma Basis.

"Consolidated First Lien Secured Debt" shall mean, at any time, (i) the sum of all Consolidated Indebtedness at such time that is secured by a Lien on any assets of Lead Borrower or any of its Restricted Subsidiaries, *less* (ii) the aggregate principal amount of Indebtedness of Lead Borrower and its Restricted Subsidiaries at such time that is secured solely by a Lien on the assets of Lead Borrower and its Restricted Subsidiaries that is junior to the Lien securing the Obligations, *less* (iii) the aggregate amount of (a) unrestricted cash and Cash Equivalents of Lead Borrower and its Restricted Subsidiaries and (b) cash and Cash Equivalents of Lead Borrower and its Restricted Subsidiaries restricted solely in favor of or pursuant to (x) any ABL Credit Document, any Credit Document, any Permitted Pari Passu Notes Documents, any Refinancing Note Documents (to the extent such Refinancing Notes constitute Permitted Pari Passu Notes) or Refinancing Term Loan Amendment and (y) any Permitted Junior Debt Documents and any Refinancing Note Documents (to the extent such Refinancing Notes constitute Permitted Junior Debt), in the case of this clause (y), to the extent such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis.

"Consolidated Fixed Charge Coverage Ratio" shall mean, with respect to any Test Period, the ratio of (a) Consolidated EBITDA of Lead Borrower and its Restricted Subsidiaries for such Test Period to (b) Consolidated Fixed Charges for such Test Period, in each case, calculated on a Pro Forma Basis.

"Consolidated Fixed Charges" shall mean, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, to the extent such expense was deducted in computing Consolidated Net Income, including, without limitation, amortization of original issue discount, the interest component of all payments associated with Capitalized Lease Obligations, and the net of the effect of all payments made or received pursuant to Interest Rate Protection Agreements (but excluding any non-cash interest expense attributable to the mark-to-market valuation of Interest Rate Protection Agreements or other derivatives pursuant to U.S. GAAP) and excluding amortization or write-off of deferred financing fees and expensing of any other financing fees, including any expensing of bridge or commitment fees and the non-cash portion of interest expense resulting from the reduction in the carrying value under purchase accounting of outstanding Indebtedness of such Person and its Restricted Subsidiaries and commissions, discounts, yield and other fees and charges (including any interest expense) relating to any securitization transaction; *provided* that, for purposes of calculating consolidated interest expense, no effect will be given to the discount and/or premium resulting from the bifurcation of derivatives under ASC 815, *Derivatives and Hedging*, as a result of the terms of the Indebtedness to which such consolidated interest expense applies; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) all cash dividends, whether paid or accrued, on any series of preferred stock or any series of Disqualified Stock of such Person or any of its Restricted Subsidiaries, excluding items eliminated in consolidation, in each case, determined on a consolidated basis in accordance with U.S. GAAP; *minus*

(4) the consolidated interest income of such Person and its Restricted Subsidiaries for such period, whether received or accrued, to the extent such income was included in determining Consolidated Net Income.

"Consolidated Indebtedness" shall mean, at any time, the sum of (without duplication) (i) all Capitalized Lease Obligations of Lead Borrower and its Restricted Subsidiaries, (ii) all Indebtedness of Lead Borrower and its Restricted Subsidiaries of the type described in clause (i)(A) of the definition of "Indebtedness" and (iii) all Contingent Obligations of Lead Borrower and its Restricted Subsidiaries in respect of Indebtedness of any third Person of the type referred to in the preceding clauses (i) and (ii), in each case, determined on a consolidated basis in accordance with U.S. GAAP and calculated on a Pro Forma Basis; *provided* that Consolidated Indebtedness shall not include Indebtedness in respect of any Refinancing Notes or Permitted Notes that have been defeased or satisfied and discharged in accordance with the applicable indenture or with respect to which the required deposit has been made in connection with a call for repurchase or redemption to occur within the time period set forth in the applicable indenture, in each case to the extent such transactions are permitted by Section 10.07(a). For the avoidance of doubt, it is understood that obligations under any Receivables Facility and any Qualified Securitization Transaction do not constitute Consolidated Indebtedness.

"Consolidated Net Income" shall mean, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with U.S. GAAP; *provided* that:

(i) any after-tax effect of all extraordinary (as determined in accordance with U.S. GAAP prior to giving effect to Accounting Standards Update No. 2015-01, *Income Statement—Extraordinary and Unusual Items (Subtopic 225-20), Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*), nonrecurring or unusual gains or losses or income or expenses (including related to the Transaction) or any restructuring charges or reserves, including, without limitation, any expenses

related to any reconstruction, recommissioning or reconfiguration of fixed assets for alternate uses, retention, severance, system establishment cost, contract termination costs, costs to consolidate facilities and relocate employees, advisor fees and other out of pocket costs and non-cash charges to assess and execute operational improvement plans and restructuring programs, will be excluded;

(ii) any expenses, costs or charges incurred, or any amortization thereof for such period, in connection with any equity issuance, Investment, acquisition, disposition, recapitalization or incurrence or repayment of Indebtedness permitted under this Agreement, including a refinancing thereof (in each case whether or not successful) (including any such costs and charges incurred in connection with the Transaction), and all gains and losses realized in connection with any business disposition or any disposition of assets outside the ordinary course of business or the disposition of securities or the early extinguishment of Indebtedness, together with any related provision for taxes on any such gain, loss, income or expense will be excluded;

(iii) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be excluded; *provided* that the income of such Person will be included to the extent of the amount of dividends or similar distributions paid in cash (or converted to cash) to the specified Person or a Restricted Subsidiary of the Person;

(iv) the net income (or loss) of any Person and its Restricted Subsidiaries will be calculated without deducting the income attributed to, or adding the losses attributed to, the minority equity interests of third parties in any non-Wholly-Owned Restricted Subsidiary except to the extent of the dividends paid in cash (or convertible into cash) during such period on the shares of Equity Interests of such Restricted Subsidiary held by such third parties;

(v) solely for the purpose of determining the amount available under clause (a)(i)(B) of the definition of "Available Amount", the net income (but not loss) of any Restricted Subsidiary of Lead Borrower (other than any Borrower or any Subsidiary Guarantor) will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any Requirement of Law, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived; *provided* that the Consolidated Net Income of such Person will be increased by the amount of dividends or distributions or other payments actually paid in cash (or converted to cash) by any such Restricted Subsidiary to such Person in respect of such period, to the extent not already included therein;

(vi) the cumulative effect of any change in accounting principles will be excluded;

(vii) (a) any non-cash expenses resulting from the grant or periodic remeasurement of stock options, restricted stock grants or other equity incentive programs (including any stock appreciation and similar rights) and (b) any costs or expenses incurred pursuant to any management equity plan or stock option plan or other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent, in the case of clause (b), that such costs or expenses are funded with cash proceeds contributed to the common equity capital of Lead Borrower or a Restricted Subsidiary of Lead Borrower, will be excluded;

(viii) the effect of any non-cash impairment charges or write-ups, write-downs or write-offs of assets or liabilities resulting from the application of U.S. GAAP and the amortization of intangibles arising from the application of U.S. GAAP, including pursuant to ASC 805, *Business Combinations*, ASC 350, *Intangibles-Goodwill and Other*, or ASC 360, *Property*, *Plant and Equipment*, as applicable, will be excluded;

(ix) any net after-tax income or loss from disposed, abandoned or discontinued operations and any net after-tax gains or losses on disposed, abandoned or discontinued, transferred or closed operations will be excluded;

(x) any increase in amortization or depreciation, or effect of any adjustments to inventory, property, plant or equipment, software, goodwill and other intangibles, debt line items, deferred revenue or rent expense, any one time cash charges (such as purchased in process research and development or capitalized manufacturing profit in inventory) or any other effects, in each case, resulting from purchase accounting in connection with any acquisition prior to or following the First Restatement Effective Date will be excluded;

(xi) an amount equal to the tax distributions actually made to the holders of the Equity Interests of such Person or any direct or indirect parent of such Person in respect of such period in accordance with Section 10.03(vi) will be included as though such amounts had been paid as income taxes directly by such Person for such period;

(xii) unrealized gains and losses relating to foreign currency transactions, including those relating to mark-to-market of Indebtedness resulting from the application of U.S. GAAP, including pursuant to ASC 830, *Foreign Currency Matters*, (including any net loss or gain resulting from hedge arrangements for currency exchange risk) will be excluded;

(xiii) any net gain or loss in connection with the early extinguishment of Indebtedness or obligations under Interest Rate Protection Agreements or Other Hedging Agreements (including of ASC 815, *Derivatives and Hedging*) will be excluded; and

(xiv) the amount of any restructuring, business optimization, acquisition and integration costs and charges (including, without limitation, retention, severance, systems establishment costs, excess pension charges, information technology costs, rebranding costs, contract termination costs, including future lease commitments, costs related to the start-up, closure or relocation or consolidation of facilities and costs to relocate employees) will be excluded.

"Consolidated Secured Net Leverage Ratio" shall mean, with respect to any Test Period, the ratio of (i) Consolidated Secured Debt as of the last day of such Test Period to (ii) Consolidated EBITDA of Lead Borrower and its Restricted Subsidiaries for such Test Period, in each case, calculated on a Pro Forma Basis.

"Consolidated Secured Debt" shall mean, at any time, (i) the sum of all Consolidated Indebtedness at such time that is secured by a Lien on any assets of Lead Borrower or any of its Restricted Subsidiaries, *less* (ii) the aggregate amount of (a) unrestricted cash and Cash Equivalents of Lead Borrower and its Restricted Subsidiaries and (b) cash and Cash Equivalents of Lead Borrower and its Restricted Subsidiaries restricted solely in favor of or pursuant to (x) any ABL Credit Document, any Credit Document, any Permitted Pari Passu Notes Documents, any Refinancing Note Documents (to the extent such Refinancing Notes constitute Permitted Pari Passu Notes) or Refinancing Term Loan Amendment and (y) any Permitted Junior Debt Documents and any Refinancing Note Documents (to the extent such Refinancing Notes constitute Permitted Junior Debt), in the case of this clause (y), to the extent such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis.

"Consolidated Total Assets" shall mean, as of any date of determination, the amount that would, in conformity with U.S. GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of Lead Borrower and the Restricted Subsidiaries as of the last day of the most recently ended Test Period.

"Consolidated Total Net Leverage Ratio" shall mean, with respect to any Test Period, the ratio of (i) Consolidated Indebtedness as of the last day of such Test Period, *less* the aggregate amount of (a) unrestricted cash and Cash Equivalents of Lead Borrower and its Restricted Subsidiaries and (b) cash and Cash Equivalents of Lead Borrower and its Restricted Subsidiaries restricted solely in favor of or pursuant to (x) any ABL Credit Document, any Credit Document, any Permitted Pari Passu Notes Documents, any Refinancing Note Documents (to the extent such Refinancing Notes constitute Permitted Pari Passu Notes) or Refinancing Term Loan Amendment and (y) any Permitted Junior Debt Documents and any Refinancing Note Documents (to the extent such Refinancing Notes constitute Permitted Junior Debt), in the case of this clause (y), to the extent such cash and Cash Equivalents also secure the Indebtedness hereunder on a senior priority basis, to (ii) Consolidated EBITDA of Lead Borrower and its Restricted Subsidiaries for such Test Period, in each case, calculated on a Pro Forma Basis.

"Contingent Obligation" shall mean, as to any Person, any obligation of such Person as a result of such Person being a general partner of any other Person, unless the underlying obligation is expressly made non-recourse as to such general partner, and any obligation of such Person guaranteeing or intended to guarantee any Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any such obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided*, *however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. Except as otherwise provided herein, the amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

"Contract Consideration" shall have the meaning provided to such term in the definition of "Excess Cash Flow."

"Contribution Indebtedness" shall mean Indebtedness of Lead Borrower or any Restricted Subsidiary in an aggregate principal amount not greater than the aggregate amount of cash contributions (other than the proceeds from the issuance of Disqualified Stock, contributions by Lead Borrower or any Restricted Subsidiary or any Specified Equity Contribution (as defined in the ABL Credit Agreement) or any similar "cure amounts" with respect to any financial covenant under any subsequent ABL Credit Agreement) made to the capital of Lead Borrower or such Restricted Subsidiary after the Closing Date (whether through the issuance or sale of capital stock or otherwise), in each case, to the extent not otherwise applied to increase the Available Amount or any other basket or exception under this Agreement; *provided* that (a) the maturity date of such Contribution Indebtedness is no earlier than the Latest Maturity Date as of the date such Contribution Indebtedness was incurred and (b) such Contribution Indebtedness is so designated as Contribution Indebtedness pursuant to a certificate of a Responsible Officer of Lead Borrower promptly following incurrence thereof.

"Covered Entity" shall mean any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" shall have the meaning provided in Section 13.24(a).

"Credit Documents" shall mean this Agreement, Amendment and Restatement No. 1, Amendment No. 1, Amendment No. 2, each Note, the Guaranty Agreement, each Security Document, the ABL Intercreditor Agreement, any First Lien/Second Lien Intercreditor Agreement, any Additional Intercreditor Agreement, any Pari Passu Intercreditor Agreement, each Incremental Term Loan Amendment, each Refinancing Term Loan Amendment and each Extension Amendment.

"Credit Event" shall mean the making of any Term Loan.

"Credit Party" shall mean Holdings, each Borrower and each Subsidiary Guarantor.

"Cumulative Retained Excess Cash Flow Amount" shall mean, as of any date, an amount equal to the sum of (i) aggregate cumulative sum of Retained Excess Cash Flow Amounts for all Excess Cash Flow Payment Periods ending after the First Restatement Effective Date and prior to such date and (ii) the "Cumulative Retained Excess Cash Flow Amount" under the Original Credit Agreement immediately prior to the First Restatement Effective Date.

"Debt Fund Affiliate" shall mean any Affiliate of the Sponsor (other than Holdings, Lead Borrower and its Restricted Subsidiaries) that invests in commercial bank loans in the ordinary course of business at the time of the relevant sale or assignment thereto pursuant to Section 2.21 and so long as the individuals who are employees, officers or directors of the Sponsor and who are primarily responsible for the advisement or management of such Affiliate do not include any individual who is primarily responsible for the advisement or management of Holdings or Lead Borrower and its Restricted Subsidiaries, and the individuals who are employees, officers or directors of the Sponsor and who are primarily responsible for the advisement and management of Holdings or Lead Borrower and its Restricted Subsidiaries do not have the right to direct the credit decisions of such Affiliate.

"Debtor Relief Laws" shall mean the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Declined Proceeds" shall have the meaning assigned to such term in Section 5.02(k).

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" shall mean, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and Lead Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified Lead Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or Lead Borrower, to confirm in writing to the Administrative Agent and Lead Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Lead Borrower), or (d) has, or has a direct or indirect parent company that has, other than via an Undisclosed Administration, (i) become the subject of (A) a proceeding under any Debtor Relief Law or (B) a Bail-In Action, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to Lead Borrower and each other Lender promptly following such determination.

"Designated Interest Rate Protection Agreement" shall mean each Interest Rate Protection Agreement and Other Hedging Agreements entered into by Lead Borrower or any of its Restricted Subsidiaries with a Guaranteed Creditor that is (i) so designated as a "Designated Interest Rate Protection Agreement" in a writing executed by such

Guaranteed Creditor and Lead Borrower and delivered to the Administrative Agent (for purposes of the preceding notice requirement, all Interest Rate Protection Agreements under a specified master agreement, whether previously entered into or to be entered into in the future, may be designated as Designated Interest Rate Protection Agreements pursuant to a single notice); *provided* that the Lead Borrower may not make any such designation during the continuance of an Event of Default and (ii) secured by the Security Documents. It is hereby understood that an Interest Rate Protection Agreement or Other Hedging Agreement may not be a Designated Interest Rate Protection Agreement to the extent it is similarly treated as such under the ABL Credit Agreement. Notwithstanding the foregoing, in no event shall any agreement evidencing any Excluded Swap Obligation with respect to a Subsidiary Guarantor constitute a Designated Interest Rate Protection Agreement with respect to such Subsidiary Guarantor.

"Designated Non-cash Consideration" shall mean the fair market value of non-cash consideration received by Lead Borrower or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an officers' certificate, setting forth the basis of such valuation, *less* the amount of cash and Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"Designated Treasury Services Agreement" shall mean each Treasury Services Agreement entered into by Lead Borrower or any of its Restricted Subsidiaries with a Guaranteed Creditor that is (i) so designated as a "Designated Treasury Services Agreement" in a writing executed by such Guaranteed Creditor and Lead Borrower and delivered to the Administrative Agent; *provided* that Lead Borrower may not make any such designation during the continuance of an Event of Default and (ii) secured by the Security Documents. It is hereby understood that a Treasury Services Agreement may not be a Designated Treasury Services Agreement to the extent it is similarly treated as such under the ABL Credit Agreement.

"Determination Date" shall have the meaning provided in the definition of the term "Available Amount."

"Disqualified Lender" shall mean (a) competitors of Lead Borrower and its Subsidiaries, and any person controlling or controlled by any such competitor, in each case identified in writing by Lead Borrower (or its counsel) to the Administrative Agent at any time, (b) institutions previously designated in writing by Lead Borrower (or its counsel) to the Administrative Agent (or its counsel) on March 14, 2021 and (c) any affiliates of any such competitors, controlling or controlled persons or institutions reasonably identifiable as affiliates solely on the basis of their names (other than bona fide fixed income investors or debt funds that are affiliates of competitors described in clause (a) above but not of institutions described in clause (b) above) or identified by Lead Borrower (or its counsel) in writing to the Administrative Agent at any time (it being understood that any update pursuant to clause (a) or clause (c) above shall not become effective until the third business day following the Administrative Agent's receipt of such notice, and, in any event, shall not apply retroactively or to any entity that is party to a pending trade as of the date of such notice).

"Disqualified Stock" shall mean, with respect to any Person, any capital stock of such Person other than common Equity Interests or Qualified Preferred Stock of such Person.

"Dividend" shall mean, with respect to any Person, that such Person has paid a dividend, distribution or returned any equity capital to its stockholders, partners or members or made or caused to be made any other payment or delivery of property (other than common equity of such Person) to its stockholders, partners or members as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any shares of any class of its capital stock or any partnership or membership interests outstanding on or after the First Restatement Effective Date (or any options or warrants issued by such Person with respect to its Equity Interests).

"Domestic Subsidiary" shall mean, as to any Person, any Subsidiary of such Person incorporated or organized under the laws of the United States, any state thereof or the District of Columbia.

"EEA Financial Institution" shall mean (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Yield" shall mean, as to any Term Loan or other Indebtedness, the effective yield on such Term Loan or other Indebtedness as mutually determined by the Administrative Agent and Lead Borrower in good faith, taking into account the applicable interest rate margins in effect from time to time, any interest rate floors or similar devices in effect from time to time and all fees, including upfront or similar fees or original issue discount (amortized over the shorter of (x) the Weighted Average Life to Maturity of such Term Loan or other Indebtedness and (y) the four years following the date of incurrence thereof) payable generally to lenders providing such Term Loan or other Indebtedness (and, in the case of Incremental Term Loans added to (and forming part of) of such Term Loans of the applicable Tranche, weighted average original issue discount based on the relative sizes of the Term Loans immediately prior to the addition of such Incremental Term Loans, on the one hand, and such Incremental Term Loans, on the other), but excluding any arrangement, structuring, commitment, underwriting or similar fees (regardless of whether paid in whole or in part to any lenders) and other fees payable in connection therewith that are not generally shared with the relevant lenders and customary consent fees paid generally to consenting lenders. Each mutual determination of the "Effective Yield" by the Administrative Agent and Lead Borrower shall be conclusive and binding on all Lenders absent manifest error.

"Eligible Transferee" shall mean and include any existing Lender, any Approved Fund or any commercial bank, an insurance company, a finance company, a financial institution, any fund that invests in loans or any other "accredited investor" (as defined in Regulation D of the Securities Act) but in any event excluding (i) any natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), (ii) any Disqualified Lender (solely, in the case of a sale of a participation to such Person, to the extent that the list of Disqualified Lenders has been disclosed to all Lenders) and (iii) except to the extent provided in Sections 2.19, 2.20, 2.21 and 13.04(d) and (g), the Sponsor, Holdings, each of the Borrowers and their respective Subsidiaries and Affiliates (other than Debt Fund Affiliates).

"Environment" shall mean ambient air, indoor air, surface water, groundwater, drinking water, land surface and sub-surface strata and natural resources such as wetlands, flora and fauna.

"Environmental Claims" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, claims, liens, notices of noncompliance or violation, investigations and/or proceedings relating in any way to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law, including, without limitation, (a) any and all Environmental Claims by governmental or regulatory authorities for enforcement, investigation, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Environmental Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief arising out of or relating to an alleged injury or threat of injury to human health, safety or the Environment due to the presence of Hazardous Materials, including any Release or threat of Release of any Hazardous Materials.

"Environmental Law" shall mean any federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding guideline and rule of common law, now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of the Environment, occupational health or Hazardous Materials.

"Equity Interests" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest, but excluding, for the avoidance of doubt, any Indebtedness convertible into or exchangeable for the foregoing.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and, unless the context indicates otherwise, the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any successor Section thereof.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) which together with Lead Borrower or a Restricted Subsidiary of Lead Borrower would be deemed to be a "single employer" within the meaning of Section 414(b) or (c) of the Code and solely with respect to Section 412 of the Code, Section 414(b), (c), (m) or (o) of the Code.

"ERISA Event" shall mean (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, but excluding any event for which the 30-day notice period is waived with respect to a Plan, (b) any failure to make a required contribution to any Plan that would result in the imposition of a Lien or other encumbrance or the failure to satisfy the minimum funding standards set forth in Section 412 or 430 of the Code or Section 302 or 303 of ERISA, or the arising of such a Lien or encumbrance, with respect to a Plan, (c) the incurrence by Lead Borrower, a Restricted Subsidiary of Lead Borrower, or an ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal (including under Section 4062(e) of ERISA) of any of Lead Borrower, a Restricted Subsidiary of Lead Borrower, or an ERISA Affiliate from any Plan or Multiemployer Plan, (d) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA, (e) the receipt by Lead Borrower, a Restricted Subsidiary of Lead Borrower, or an ERISA Affiliate from the PBGC or a plan administrator of any notice of intent to terminate any Plan or Multiemployer Plan or to appoint a trustee to administer any Plan, (f) the adoption of any amendment to a Plan that would require the provision of security pursuant to the Code, ERISA or other applicable law, (g) the receipt by Lead Borrower, a Restricted Subsidiary of Lead Borrower, or an ERISA Affiliate of any written notice concerning statutory liability arising from the withdrawal or partial withdrawal of Lead Borrower, a Restricted Subsidiary of Lead Borrower, or an ERISA Affiliate from a Multiemployer Plan or a written determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA, (h) the occurrence of any non-exempt "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to which Lead Borrower or any Restricted Subsidiary is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which Lead Borrower or any Restricted Subsidiary could reasonably be expected to have liability, (i) the occurrence of any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of any Plan or the appointment of a trustee to administer any Plan, (j) the filing of any request for or receipt of a minimum funding waiver under Section 412(c) of the Code with respect to any Plan or Multiemployer Plan, (k) a determination that any Plan is in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (l) the receipt by Lead Borrower, a Restricted Subsidiary of Lead Borrower or any ERISA Affiliate of any notice, that a Multiemployer Plan is, or is expected to be, in endangered or critical status under Section 305 of ERISA, or (m) any other extraordinary event or condition with respect to a Plan or Multiemployer Plan which would reasonably be expected to result in a Lien or any acceleration of any statutory requirement to fund all or a substantial portion of the unfunded accrued benefit liabilities of such plan.

"Event of Default" shall have the meaning provided in Section 11.

"Excess Cash Flow" shall mean, for any period, the remainder of (a) the sum of, without duplication, (i) Consolidated Net Income for such period and (ii) the decrease, if any, in Adjusted Consolidated Working Capital from the first day to the last day of such period (but excluding any such decrease in Adjusted Consolidated Working Capital arising from a Permitted Acquisition or dispositions of any Person by Lead Borrower and/or its Restricted Subsidiaries during such period), *minus* (b) the sum of, without duplication, (i) the aggregate amount of all Capital Expenditures made by Lead Borrower and its Restricted Subsidiaries during such period to the extent financed with Internally Generated Cash, (ii) without duplication of amounts deducted pursuant to clause (iii) below, the aggregate amount of all cash payments made in respect of all Permitted Acquisitions and other Investments (excluding Investments in Cash Equivalents or in Lead Borrower or a Person that, prior to and immediately following the making of such Investment, was and remains a Restricted Subsidiary) permitted under Section 10.05 made by Lead Borrower and its Restricted Subsidiaries during such period, in each case to the extent financed with Internally Generated Cash, (iii) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by Lead Borrower or any of its Restricted Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period relating to Permitted

Acquisitions, Investments or Capital Expenditures to be consummated or made during the period of four consecutive fiscal quarters of Lead Borrower following the end of such period; *provided* that to the extent the aggregate amount of Internally Generated Cash actually utilized to finance such Permitted Acquisitions, Investments or Capital Expenditures during such period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters, (iv) Dividends made in cash during such fiscal year to the extent otherwise permitted by Section 10.03(iii), (iv), (v), (vi), (vii), (viii), (ix) or (x), to the extent paid for with Internally Generated Cash, (v) (A) the aggregate amount of Scheduled Repayments and other permanent principal payments of Indebtedness of Lead Borrower and its Restricted Subsidiaries during such period (other than (x) voluntary prepayments of Term Loans, Refinancing Notes and Indebtedness incurred pursuant to Section 10.04(xxvii) that rank *pari passu* with the Term Loans, (y) prepayments of revolving loans under the ABL Credit Agreement or any other revolving credit facility secured by a Lien on the Collateral ranking *pari passu* with the Lien on the Collateral securing the ABL Credit Agreement or senior or *pari passu* with the Lien on the Collateral securing the Indebtedness hereunder and (z) prepayments of any other revolving credit facility except to the extent accompanied by a permanent reduction in commitments therefor) in each case to the extent paid for with Internally Generated Cash and (B) prepayments and repayments of Term Loans pursuant to Sections 5.02(d) or 5.02(f) to the extent the Asset Sale or Recovery Event giving rise to such prepayment or repayment resulted in an increase to Consolidated Net Income (but not in excess of the amount of such increase), (vi) the portion of Transaction Costs and other transaction costs and expenses related to items (i)-(v) above paid in cash during such fiscal year not deducted in determining Consolidated Net Income, (vii) the increase, if any, in Adjusted Consolidated Working Capital from the first day to the last day of such period (but excluding any such increase in Adjusted Consolidated Working Capital arising from a Permitted Acquisition or disposition of any Person by Lead Borrower and/or the Restricted Subsidiaries during such period), (viii) cash payments in respect of non-current liabilities (other than Indebtedness) to the extent made with Internally Generated Cash, (ix) the aggregate amount of expenditures actually made by Lead Borrower and its Restricted Subsidiaries with Internally Generated Cash during such period (including expenditures for the payment of financing fees, taxes, rent and pension and other retirement benefits) to the extent such expenditures are not expensed during such period, (x) the aggregate amount of any premium, make-whole or penalty payments actually paid with Internally Generated Cash during such period that are required to be made in connection with any prepayment of Indebtedness, (xi) Dividends made pursuant to clause (xiii) of Section 10.03 or, to the extent used to service Indebtedness of any Parent Company, clause (xv) of Section 10.03, and (xii) all non-cash gains to the extent included in Consolidated Net Income for such period (excluding any non-cash gains to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income in any prior period).

"Excess Cash Flow Payment Date" shall mean the date occurring 10 Business Days after the date on which the Borrower's annual audited financial statements are required to be delivered pursuant to Section 9.01(b) (commencing with respect to the fiscal year ending December 31, 2022).

"Excess Cash Flow Payment Period" shall mean, with respect to any Excess Cash Flow Payment Date, the immediately preceding fiscal year of the Borrower.

"Exchanged Term Loans" shall mean each Term B-1 Loan outstanding on the First Restatement Effective Date (or portion thereof) and held by a Rollover Initial Term Lender on the First Restatement Effective Date immediately prior to the extension of credit hereunder on the First Restatement Effective Date and as to which the Rollover Initial Term Lender thereof has consented to exchange into an Initial Term Loan and the Administrative Agent has allocated into an Initial Term Loan.

"Excluded Collateral" shall have the meaning assigned to such term in the Security Agreement.

"Excluded Subsidiary" shall mean any Subsidiary of Lead Borrower that is (a) a Foreign Subsidiary, (b) an Unrestricted Subsidiary, (c) a FSHCO, (d) not a Wholly-Owned Subsidiary of Lead Borrower or one or more of its Wholly-Owned Restricted Subsidiaries, (e) an Immaterial Subsidiary, (f) established or created pursuant to Section 10.05(xi) and meeting the requirements of the proviso thereto; *provided* that such Subsidiary shall only be an Excluded Subsidiary for the period prior to such acquisition, (g) prohibited (but only for so long as such Subsidiary would be prohibited) by applicable law, rule or regulation from guaranteeing the facilities under this Agreement, or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guarantee, in each case, unless such consent, approval, license or authorization has been received (but without

obligation to seek the same), (h) prohibited (but only for so long as such Subsidiary would be prohibited) from guaranteeing the Obligations by any contractual obligation in existence (x) on the Closing Date or (y) at the time of the acquisition of such Subsidiary after the Closing Date (to the extent such prohibition was not entered into in contemplation of such acquisition), (i) a Subsidiary with respect to which a guarantee by it of the Obligations would result in a material adverse tax consequence to Holdings, Lead Borrower or any of the Restricted Subsidiaries, as reasonably determined in good faith by Lead Borrower and notified in writing to the Administrative Agent, (j) a not-for-profit Subsidiary or a Subsidiary regulated as an insurance company, (k) any other Subsidiary with respect to which Lead Borrower and the Administrative Agent reasonably agree in writing that the cost or other consequences of guaranteeing the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom, and (l) any Domestic Subsidiary that is a direct or indirect Subsidiary of a CFC or that is a FSHCO; *provided* that, notwithstanding the above, (x) Lead Borrower may designate any Restricted Subsidiary that would otherwise constitute an "Excluded Subsidiary" hereunder as a "Subsidiary Guarantor" and cause such Subsidiary to execute the Guaranty Agreement as a "Subsidiary Guarantor" (and from and after the execution of the Guaranty Agreement, such Subsidiary shall no longer constitute an "Excluded Subsidiary" unless released from its obligations under the Guaranty Agreement as a "Subsidiary Guarantor" in accordance with the terms hereof and thereof; *provided* that such Restricted Subsidiary shall not be released solely on the basis that it was not required to become a Guarantor) so long as the Administrative Agent has consented to such designation, and such Subsidiary shall grant a perfected lien on substantially all of its assets to the Collateral Agent for the benefit of the Secured Creditors regardless of whether such Subsidiary is organized in a jurisdiction other than the United States (notwithstanding anything to the contrary in this Agreement), pursuant to arrangements reasonably agreed between the Administrative Agent and Lead Borrower and subject to customary limitations in such jurisdiction to be reasonably agreed to between the Administrative Agent and Lead Borrower and (y) if a Subsidiary serves as a guarantor under the ABL Credit Agreement, then it shall not constitute an "Excluded Subsidiary." For the avoidance of doubt, no Borrower shall constitute an Excluded Subsidiary.

"Excluded Swap Obligation" shall mean, with respect to any Guarantor, (x) as it relates to all or a portion of the Guaranty of such Guarantor, any Swap Obligation if, and to the extent that, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder (determined after giving effect to any "keepwell, support or other agreement" for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Credit Parties) at the time the Guaranty of such Guarantor becomes effective with respect to such Swap Obligation or (y) as it relates to all or a portion of the grant by such Guarantor of a security interest, any Swap Obligation if, and to the extent that, such Swap Obligation (or such security interest in respect thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder (determined after giving effect to any "keepwell, support or other agreement" for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Credit Parties) at the time the security interest of such Guarantor becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes illegal.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Credit Party under any Credit Document, (a) Taxes imposed on (or measured by) its net income and franchise (and similar) Taxes imposed on it in lieu of income Taxes, either pursuant to the laws of the jurisdiction in which such recipient is organized or in which the principal office or applicable lending office of such recipient is located (or any political subdivision thereof) or as a result of any other present or former connection between it and the jurisdiction imposing such Tax (other than a connection arising from such Administrative Agent, Lender or other recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Term Loan or Credit Document), (b) any branch profits Taxes under Section 884(a) of the Code or any similar Tax imposed by any jurisdiction described in clause (a) above, (c) in the case of a Lender (other than an assignee pursuant to a request by a Borrower under Section 2.13), any U.S. federal withholding Tax that (i) is imposed on amounts payable

to or for the account of such Lender at the time such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent such recipient (or its assignor, if any) was entitled, immediately before the designation of a new lending office (or assignment), to receive additional amounts from the Credit Parties with respect to such withholding tax pursuant to Section 5.04(a) or (ii) is attributable to such recipient's failure to comply with Section 5.04(b) or Section 5.04(c), (d) any Taxes imposed under FATCA and (e) U.S. federal backup withholding Taxes pursuant to Code Section 3406.

"Existing Term Loan Tranche" shall have the meaning provided in Section 2.14(a).

"Extended Term Loan Maturity Date" shall mean, with respect to any Tranche of Extended Term Loans, the date specified as such in the applicable Extension Amendment.

"Extended Term Loans" shall have the meaning provided in Section 2.14(a).

"Extending Term Loan Lender" shall have the meaning provided in Section 2.14(c).

"Extension" shall mean any establishment of Extended Term Loans pursuant to Section 2.14 and the applicable Extension Amendment.

"Extension Amendment" shall have the meaning provided in Section 2.14(d).

"Extension Election" shall have the meaning provided in Section 2.14(c).

"Extension Request" shall have the meaning provided in Section 2.14(a).

"Extension Series" shall have the meaning provided in Section 2.14(a).

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any such amended or successor version), any intergovernmental agreements between a non-U.S. jurisdiction and the United States with respect to any of the foregoing and any Requirement of Law adopted and any agreements entered into pursuant to any such intergovernmental agreement.

"FCPA" shall mean the United States Foreign Corrupt Practices Act of 1977, as amended.

"Federal Funds Rate" shall mean, for any day, the rate *per annum* equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as reasonably determined by the Administrative Agent.

"Fees" shall mean all amounts payable pursuant to or referred to in Section 4.01.

"First Lien/Second Lien Intercreditor Agreement" shall mean any First Lien/Second Lien Intercreditor Agreement substantially in the form of Exhibit M.

"First Restatement Effective Date" shall have the meaning provided in the Amendment and Restatement Agreement No. 1, such date being March 26, 2021.

"Flood Insurance Laws" shall mean, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (v) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Foreign Asset Sale" shall have the meaning provided in Section 5.02(j).

"Foreign Pension Plan" shall mean any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States by any Borrower or any one or more of its Restricted Subsidiaries primarily for the benefit of employees of such Borrower or such Restricted Subsidiaries residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"Foreign Recovery Event" shall have the meaning provided in Section 5.02(j).

"Foreign Subsidiaries" shall mean each Subsidiary of a Borrower that is not a Domestic Subsidiary.

"FSHCO" shall mean any Domestic Subsidiary that is a disregarded entity that has no material assets other than Equity Interests in one or more Foreign Subsidiaries that are CFCs.

"Governmental Authority" shall mean the government of the United States of America, any other, supranational authority or nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guaranteed Creditors" shall mean and include (x) each of the Lender Creditors, (y) any Person that was the Administrative Agent, the Collateral Agent, any Lender and any Affiliate of the Administrative Agent, the Collateral Agent or any Lender (even if the Administrative Agent, the Collateral Agent or such Lender subsequently ceases to be the Administrative Agent, the Collateral Agent or a Lender under this Agreement for any reason) (i) at the time of entry into a particular Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement or (ii) in the case of a Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement existing on the Closing Date, on the Closing Date and (z) any other Secured Creditor.

"Guarantor" shall mean and include Holdings, each Borrower (other than with respect to its own Obligations) and each Subsidiary Guarantor.

"Guaranty" shall mean, as to any Guarantor, the guarantees granted by such Guarantor pursuant to the terms of the Guaranty Agreement.

"Guaranty Agreement" shall mean that certain First Lien Guaranty Agreement, dated as of the Closing Date, by and among the Guarantors party thereto and each additional Guarantor that becomes a party thereto from time to time.

"Hazardous Materials" shall mean (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous substances," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance regulated under any Environmental Law.

"Holdings" shall have the meaning provided in the preamble hereto.

"Immaterial Subsidiary" shall mean any Restricted Subsidiary of Lead Borrower that, as of the end of the most recently ended Test Period, does not have, when taken together with all other Immaterial Subsidiaries, (a) assets in excess of 5.00% of Consolidated Total Assets; or (b) revenues for the period of four consecutive fiscal quarters ending on such date in excess of 5.00% of the combined revenues of Lead Borrower and the Restricted Subsidiaries for such period.

"Incremental Amount" shall mean, as of any date of determination, the sum of (a) the greater of $250,000,000 and 100% of Consolidated EBITDA of Lead Borrower and its Restricted Subsidiaries for the most recently ended Test Period (calculated on a Pro Forma Basis) (the "First Lien Fixed Dollar Incremental Amount"), *plus* (b) an amount (the "Prepayment Available Incremental Amount") equal to the sum of all voluntary prepayments of Term Loans, Refinancing Notes and Indebtedness incurred pursuant to Section 10.04(xxvii) (limited, in the case of any voluntary prepayment in accordance with the provisions of Section 2.19 or Section 2.20 or similar provisions in the definitive documentation with respect to such Refinancing Notes or other Indebtedness, to the cash payment made by any Credit Party or Restricted Subsidiary therefor) (in each case other than with the proceeds of long-term Indebtedness (other than Indebtedness under the ABL Credit Agreement)) in each case prior to such date; *provided* that no Incremental Term Loan or Indebtedness incurred pursuant to Section 10.04(xxvii) in reliance on the Prepayment Available Incremental Amount shall be secured on a greater priority basis than that by which the Indebtedness so repaid and underlying such portion of the Prepayment Available Incremental Amount so utilized was secured, *less* (c) the aggregate principal amount of Incremental Term Loans incurred pursuant to Section 2.15(a)(v)(x) and Permitted Pari Passu Notes or Permitted Junior Debt incurred pursuant to Section 10.04(xxvii)(A)(1) prior to such date (clauses (a), (b) and (c), collectively, the "Fixed Dollar Incremental Amount"), *plus* (d) an unlimited amount so long as either (i) (A) in the case of any Indebtedness secured by a Lien on the Collateral that is *pari passu* with any Lien on the Collateral securing the Obligations, the Consolidated First Lien Net Leverage Ratio, determined on a Pro Forma Basis as of such date would not exceed either (x) 4.20:1.00 or (y) at the election of Lead Borrower in connection with any Permitted Acquisition or similar Investment permitted hereunder, the Consolidated First Lien Net Leverage Ratio as of the end of the most recently ended Test Period, (B) solely for purposes of Section 10.04(xxvii), in the case of any Permitted Junior Debt consisting of Indebtedness secured by the Collateral on a junior-lien basis relative to the Liens on such Collateral securing the Obligations, the Consolidated Secured Net Leverage Ratio, determined on a Pro Forma Basis as of such date would not exceed either (x) 5.20:1.00 or (y) at the election of Lead Borrower in connection with any Permitted Acquisition or similar Investment permitted hereunder, the Consolidated Secured Net Leverage Ratio as of the end of the most recently ended Test Period or (C) solely for purposes of Section 10.04(xxvii), in the case of any Permitted Junior Debt consisting of unsecured Indebtedness, the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of such date would not either (x) exceed 5.20:1.00 or (y) at the election of Lead Borrower in connection with any Permitted Acquisition or similar Investment permitted hereunder, the Consolidated Total Net Leverage Ratio as of the end of the most recently ended Test Period or (ii) the Consolidated Fixed Charge Coverage Ratio, determined on a Pro Forma Basis as of such date would not be less than either (x) 2.00:1.00 or (y) at the election of Lead Borrower in connection with any Permitted Acquisition or similar Investment permitted hereunder, the Consolidated Fixed Charge Coverage Ratio as of the end of the most recently ended Test Period (amounts pursuant to this clause (d), the "Incurrence-Based Incremental Amount" and each of clauses (d)(i)(A), (d)(i)(B), (d)(i)(C) and (d)(ii), an "Incurrence-Based Incremental Facility Test") (it being understood that (1) the Borrowers may utilize the Incurrence-Based Incremental Amount prior to the Fixed Dollar Incremental Amount and that amounts under each of the Fixed Dollar Incremental Amount and the Incurrence-Based Incremental Amount may be used in a single transaction and (2) any amounts utilized under the Fixed Dollar Incremental Amount shall be reclassified, as Lead Borrower may elect from time to time, as incurred under the Incurrence-Based Incremental Amount if the Borrower meets any applicable Incurrence-Based Incremental Facility Test at such time on a Pro Forma Basis, and if any applicable Incurrence-Based Incremental Facility Test would be satisfied on a Pro Forma Basis as of the end of any subsequent Test Period after the initial utilization under the Fixed Dollar Incremental Amount, such reclassification shall be deemed to have automatically occurred whether or not elected by Lead Borrower).

"Incremental Term Loan" shall have the meaning provided in Section 2.01(b).

"Incremental Term Loan Amendment" shall mean an amendment to this Agreement among the Borrowers, the Administrative Agent and each Lender or Eligible Transferee providing the Incremental Term Loan Commitments to be established thereby, which amendment shall be not inconsistent with Section 2.15.

"Incremental Term Loan Borrowing Date" shall mean, with respect to each Incremental Term Loan, each date on which Incremental Term Loans are incurred pursuant to Section 2.01(b), which date shall be the date of the effectiveness of the respective Incremental Term Loan Amendment pursuant to which such Incremental Term Loans are to be made.

"Incremental Term Loan Commitment" shall mean, for each Lender, any commitment to make Incremental Term Loans provided by such Lender pursuant to Section 2.15 on a given Incremental Term Loan Borrowing Date, in such amount as agreed to by such Lender in the Incremental Term Loan Amendment delivered pursuant to Section 2.15, as the same may be terminated pursuant to Sections 4.02 and/or 11.

"Incremental Term Loan Commitment Requirements" shall mean, with respect to any provision of an Incremental Term Loan Commitment on a given Incremental Term Loan Borrowing Date, the satisfaction of each of the following conditions: (a) no Event of Default then exists or would result therefrom (*provided*, that with respect to any Incremental Term Loan Commitment requested with respect to any Limited Condition Transaction, such requirement shall be limited to the absence of an Event of Default pursuant to Section 11.01 or Section 11.05); (b) the delivery by the relevant Credit Parties of such technical amendments, modifications and/or supplements to the respective Security Documents as are reasonably requested by the Collateral Agent to ensure that the additional Obligations to be incurred pursuant to the Incremental Term Loan Commitments are secured by, and entitled to the benefits of, the relevant Security Documents, and each of the Lenders hereby agrees to, and authorizes the Collateral Agent to enter into, any such technical amendments, modifications or supplements and (c) the delivery by Lead Borrower to the Administrative Agent of an officer's certificate executed by a Responsible Officer certifying as to compliance with preceding clause (a); it being understood that in no event shall any representations and warranties contained herein and in the other Credit Documents be required to be made or true and correct on any Incremental Term Loan Borrowing Date except to the extent required by the Lenders providing such Incremental Term Loan Commitment.

"Incremental Term Loan Lender" shall have the meaning provided in Section 2.15(b).

"Indebtedness" shall mean, as to any Person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such Person (A) for borrowed money or (B) for the deferred purchase price of property or services, (ii) the maximum amount available to be drawn under all letters of credit, bankers' acceptances and similar obligations issued for the account of such Person and all unpaid drawings in respect of such letters of credit, bankers' acceptances and similar obligations, (iii) all Indebtedness of the types described in clause (i), (ii), (iv), (v), (vi) or (vii) of this definition secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person (*provided* that, if the Person has not assumed or otherwise become liable in respect of such Indebtedness, such Indebtedness shall be deemed to be in an amount equal to the lesser of (x) the aggregate unpaid amount of Indebtedness secured by such Lien and (y) the fair market value of the property to which such Lien relates as determined in good faith by such Person), (iv) the aggregate amount of all Capitalized Lease Obligations of such Person, (v) all Contingent Obligations of such Person, (vi) all obligations under any Interest Rate Protection Agreement, any Other Hedging Agreement, any Treasury Services Agreement or under any similar type of agreement and (vii) all Off-Balance Sheet Liabilities of such Person. Notwithstanding the foregoing, Indebtedness shall not include (a) trade payables and accrued expenses incurred by any Person in accordance with customary practices and in the ordinary course of business of such Person or (b) earn-outs and contingent payments in respect of acquisitions except to the extent that the liability on account of any such earn-outs or contingent payment has become fixed, due and payable for more than 10 Business Days without being paid and is required by U.S. GAAP to be reflected as a liability on the consolidated balance sheet of Lead Borrower and its Restricted Subsidiaries.

"Indemnified Person" shall have the meaning provided in Section 13.01(a).

"Indemnified Taxes" shall mean Taxes imposed on or with respect to any payment by or on account of any obligation of any Credit Party under any Credit Document other than (i) Excluded Taxes and (ii) Other Taxes.

"Independent Assets or Operations" shall mean, with respect to any Parent Company, that such Parent Company's total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in Lead Borrower and the Restricted

Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such Parent Company, is more than 5.00% of such Parent Company's corresponding consolidated amount.

"Initial Incremental Term Loan Maturity Date" shall mean, for any Tranche of Incremental Term Loans, the final maturity date set forth for such Tranche of Incremental Term Loans in the Incremental Term Loan Amendment relating thereto; *provided* that the initial final maturity date for all Incremental Term Loans of a given Tranche shall be the same date.

"Initial Maturity Date for Initial Term Loans" shall mean the date that is seven years after the First Restatement Effective Date, or if such date is not a Business Day, the next preceding Business Day.

"Initial Term Loan Commitment" shall mean, with respect to an Additional Refinancing Term Loan Lender, the commitment of such Additional Refinancing Term Loan Lender to make an Additional Initial Term Loan hereunder on the First Restatement Effective Date, in the amount set forth opposite such Lender's name on Schedule 2.01, as the same may be terminated pursuant to Sections 4.02 and/or 11. The aggregate amount of the Initial Term Loan Commitments of all Additional Refinancing Term Loan Lenders shall equal the outstanding aggregate principal amount of Non-Exchanged Term Loans minus $215,642,005.40.

"Initial Term Loans" shall mean (i) prior to the 2021 Incremental Term Loan Conversion Date, the Term Loans made on the First Restatement Effective Date pursuant to Section 2.01(a) and (ii) on and after the 2021 Incremental Term Loans Conversion Date, the Term Loans made on the First Restatement Effective Date pursuant to Section 2.01(a) and the 2021 Incremental Term Loans.

"Initial Tranche" shall have the meaning provided in the definition of the term "Tranche."

"Intellectual Property" shall have the meaning provided in Section 8.20.

"Interest Determination Date" shall mean, with respect to any Term SOFR Term Loan, the second Business Day prior to the commencement of any Interest Period relating to such Term SOFR Term Loan.

"Interest Expense" shall mean the aggregate consolidated interest expense (net of interest income) of Lead Borrower and its Restricted Subsidiaries in respect of Indebtedness determined on a consolidated basis in accordance with U.S. GAAP, including amortization or original issue discount on any Indebtedness and amortization of all fees payable in connection with the incurrence of such Indebtedness, including, without limitation, the interest portion of any deferred payment obligation and the interest component of any Capitalized Lease Obligations, and, to the extent not included in such interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities.

"Interest Payment Date" shall mean (a) with respect to any Base Rate Term Loan, the last day of each March, June, September and December and (b) with respect to any Term SOFR Term Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" shall have the meaning provided in Section 2.09.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest rate cap agreement, interest collar agreement, interest rate hedging agreement or other similar agreement or arrangement.

"Internally Generated Cash" shall mean cash generated from Lead Borrower and its Restricted Subsidiaries' operations or borrowings under the ABL Credit Agreement, any similar working capital facility permitted under Section 10.04 or any Qualified Securitization Transaction or Receivables Facility permitted under Section 10.04 and not representing (i) a reinvestment by Lead Borrower or any Restricted Subsidiaries of the Net Sale Proceeds of any Asset Sale or Net Insurance Proceeds of any Recovery Event, (ii) the proceeds of any issuance

of any Equity Interests or any Indebtedness of Lead Borrower or any Restricted Subsidiary (excluding borrowings under the ABL Credit Agreement, any similar working capital facility permitted under Section 10.04 or any Qualified Securitization Transaction or Receivables Facility permitted under Section 10.04) or (iii) any credit received by Lead Borrower or any Restricted Subsidiary with respect to any trade-in of property for substantially similar property or any "like kind exchange" of assets.

"Investments" shall have the meaning provided in Section 10.05.

"ISDA Definitions" shall mean the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"Junior Representative" shall mean, with respect to any series of Permitted Junior Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Permitted Junior Debt is issued, incurred or otherwise obtained and each of their successors in such capacities.

"Latest Maturity Date" shall mean, at any time, the latest Maturity Date applicable to any Term Loan hereunder at such time, including the latest maturity date of any Incremental Term Loan, Refinancing Term Loan or Extended Term Loan, in each case as extended in accordance with this Agreement from time to time.

"LCT Election" shall have the meaning provided in Section 1.03.

"LCT Test Date" shall have the meaning provided in Section 1.03.

"Lead Arranger" shall mean Bank of America, N.A. in its capacity as lead arranger and sole bookrunner (including, for the avoidance of doubt, in its capacity as lead arranger and sole bookrunner for the 2021 Incremental Term Loans).

"Lead Borrower" shall have the meaning provided in the preamble hereto.

"Lender" shall mean each financial institution listed on Schedule 2.01, as well as any Person that becomes a "Lender" hereunder pursuant to Section 2.13, 2.15, 2.18 or 13.04(b).

"Lender Creditors" shall mean the Agents, the Lenders and the Indemnified Persons.

"Lien" shall mean any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, encumbrance, deemed or statutory trust, security conveyance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, and any lease having substantially the same effect as any of the foregoing).

"Limited Condition Acquisition" shall mean any acquisition (including by way of merger) or similar Investment whose consummation is not conditioned on the availability of, or on obtaining, financing.

"Limited Condition Transaction" shall mean any acquisition (including by way of merger) or similar Investment (including the assumption or incurrence of Indebtedness), the making of any Dividend and/or the making of any voluntary or optional payment or prepayment on or redemption or acquisition for value of any Indebtedness subject to Section 10.07(a).

"Limited Originator Recourse" shall mean a letter of credit, cash collateral account or other such credit enhancement issued in connection with the incurrence of Indebtedness by a Securitization Entity under a Qualified Securitization Transaction, in each case, solely to the extent required to satisfy Standard Securitization Undertakings.

"Loans" shall mean the loans made by the Lenders to the Borrowers pursuant to this Agreement.

"Location" of any Person shall mean such Person's "location" as determined pursuant to Section 9-307 of the Uniform Commercial Code of the State of New York.

"Majority Lenders" of any Tranche shall mean those Non-Defaulting Lenders which would constitute the Required Lenders under, and as defined in, this Agreement if all outstanding Obligations of the other Tranches under this Agreement were repaid in full and all Commitments with respect thereto were terminated.

"Margin Stock" shall have the meaning provided in Regulation U.

"Material Adverse Effect" shall mean (i) a material adverse effect on the business, assets, financial condition or results of operations of Lead Borrower and its Restricted Subsidiaries, taken as a whole, (ii) a material and adverse effect on the rights and remedies of the Administrative Agent and Collateral Agent, on behalf of the Lenders, taken as a whole, under the Credit Documents or (iii) a material and adverse effect on the ability of the Credit Parties, taken as a whole, to perform their payment obligations under the Credit Documents.

"Material Real Property" shall mean each parcel of Real Property that is now or hereafter owned in fee by any Credit Party that (together with any other parcels constituting a single site or operating property) has a fair market value (as determined by Lead Borrower in good faith) of at least $27,000,000.

"Maturity Date" shall mean (a) with respect to any Initial Term Loans, the Initial Maturity Date for Initial Term Loans and (b) with respect to any Tranche of Extended Term Loans, the Extended Term Loan Maturity Date applicable thereto. For the avoidance of doubt, the parties understand that no waiver of any Default, Event of Default or mandatory prepayment shall constitute an extension of the Maturity Date.

"Minimum Borrowing Amount" shall mean $1,000,000.

"Minimum Purchase Condition" shall have the meaning assigned to such term in Section 2.19(b).

"Moody's" shall mean Moody's Investors Service, Inc.

"Mortgage" shall mean a mortgage, debenture, leasehold mortgage, deed of trust, leasehold deed of trust, deed to secure debt, leasehold deed to secure debt or similar security instrument in form and substance reasonably satisfactory to the Administrative Agent, in favor of the Collateral Agent for the benefit of the Secured Creditors, as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time.

"Mortgaged Property" shall mean any Material Real Property of Lead Borrower or any of its Restricted Subsidiaries which is required to be encumbered by a Mortgage.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA under which Lead Borrower or a Restricted Subsidiary of Lead Borrower has any obligation or liability, including on account of an ERISA Affiliate.

"Net Debt Proceeds" shall mean, with respect to any incurrence of Indebtedness for borrowed money, an amount in cash equal to the gross cash proceeds received by the respective Person from such incurrence, net of underwriting discounts, commissions, fees and other costs of, and expenses associated with, such incurrence.

"Net Insurance Proceeds" shall mean, with respect to any Recovery Event, an amount in cash equal to the gross cash proceeds received by the respective Person in connection with such Recovery Event, net of (i) costs of, and expenses associated with, such Recovery Event (including any costs incurred by Lead Borrower or any of its Restricted Subsidiaries in connection with the adjustment, settlement or collection of any claims of Lead Borrower or such Restricted Subsidiary in respect thereof), (ii) any taxes paid or payable as a result of such Recovery Event (including Lead Borrower's good faith estimate of any incremental income taxes that will be payable as a result of such Recovery Event, including pursuant to tax sharing arrangements or any tax distributions), (iii) required

payments of any Indebtedness or other obligations (other than the Loans and Indebtedness secured on a *pari passu* or junior basis to the Loans) which are secured by the assets which were the subject of such Recovery Event or would be in default under the terms thereof as a result of such theft, loss, physical destruction, damage, taking or similar event underlying such Recovery Event and (iv) to the extent such Recovery Event involves any theft, loss, physical destruction, damage, taking or similar event with respect to Investments made after the First Restatement Effective Date, the permissibility of which was contingent upon the utilization of the Available Amount, the portion of the Available Amount so utilized in connection with such initial Investment.

"Net Sale Proceeds" shall mean, with respect to any Asset Sale (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale), an amount in cash equal to the gross cash proceeds (including any cash received by way of deferred payment pursuant to a promissory note, receivable or otherwise, but only as and when received) received from such Asset Sale, net of (i) costs of, and expenses associated with, such Asset Sale (including fees and commissions), (ii) any taxes paid or payable as a result of such Asset Sale (including Lead Borrower's good faith estimate of any incremental income taxes that will be payable as a result of such Asset Sale, including pursuant to tax sharing arrangements or any tax distributions), (iii) payments of unassumed liabilities relating to the assets sold and required payments of any Indebtedness or other obligations (other than the Loans and Indebtedness secured on a *pari passu* or junior basis to the Loans) which are secured by the assets which were sold or would be in default under the terms thereof as a result of such Asset Sale), (iv) amounts provided as a reserve in accordance with U.S. GAAP against any liabilities under any indemnification obligation or purchase price adjustment associated with such Asset Sale (*provided* that to the extent and at the time any such amounts are released from such reserve to Lead Borrower or any of its Restricted Subsidiaries, such amounts shall constitute Net Sale Proceeds), (v) cash escrows from the sale price for such Asset Sale (*provided* that to the extent and at the time any such amounts are released from escrow to Lead Borrower or any of its Restricted Subsidiaries, such amounts shall constitute Net Sale Proceeds) and (vi) to the extent such Asset Sale involves any disposition of Investments made after the First Restatement Effective Date, the permissibility of which was contingent upon the utilization of the Available Amount, the portion of the Available Amount so utilized in connection with such initial Investment.

"Non-Defaulting Lender" shall mean and include each Lender other than a Defaulting Lender.

"Non-Exchanged Term Loan" means each Term B-1 Loan outstanding immediately prior to the First Restatement Effective Date (or portion thereof) under this Agreement (as in effect immediately prior to the First Restatement Effective Date) other than an Exchanged Term Loan.

"Note" shall mean each Term Note.

"Notice of Borrowing" shall have the meaning provided in Section 2.03.

"Notice of Conversion/Continuation" shall have the meaning provided in Section 2.06(a).

"Notice Office" shall mean the office of the Administrative Agent set forth in Schedule 13.03, or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"Notice of Prepayment" shall have the meaning provided in Section 5.01(a).

"Obligations" shall mean (i) all now existing or hereafter arising debts, obligations, covenants, and duties of payment or performance by any Credit Party of every kind, matured or unmatured, direct or contingent, owing, arising, due, or payable to any Lender, Agent or Indemnified Person by any Credit Party arising out of this Agreement or any other Credit Document, including, without limitation, all obligations to repay principal or interest on the Term Loans, and to pay interest, fees, costs, charges, expenses, professional fees, and all sums chargeable to any Credit Party or for which any Credit Party is liable as indemnitor under the Credit Documents, whether or not evidenced by any note or other instrument (in each case, including interest, fees and other amounts accruing during any proceeding under any Debtor Relief Laws, regardless of whether allowed or allowable in such proceeding) and (ii) liabilities and indebtedness of Lead Borrower or any of its Restricted Subsidiaries owing under any Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement (with respect to any Subsidiary

Guarantor, other than any Excluded Swap Obligation of such Subsidiary Guarantor) entered into by Lead Borrower or any of its Restricted Subsidiaries, whether now in existence or hereafter arising. Notwithstanding anything to the contrary contained above, (x) obligations of any Credit Party or Restricted Subsidiary under any Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement shall be secured and guaranteed pursuant to the Credit Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed and (y) any release of Collateral or Guarantors effected in the manner permitted by this Agreement shall not require the consent of holders of obligations under Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement.

"OFAC" shall mean the U.S. Treasury Department Office of Foreign Assets Control.

"Off-Balance Sheet Liabilities" of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any Sale-Leaseback Transactions that do not create a liability on the balance sheet of such Person, (iii) any obligation under a Synthetic Lease or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

"Open Market Purchase" shall have the meaning provided in Section 2.20(a).

"Original Credit Agreement" shall have the meaning provided in the recitals hereto.

"Original Obligations" shall have the meaning provided in the recitals hereto.

"Other Hedging Agreements" shall mean any foreign exchange contracts, currency swap agreements, commodity agreements or other similar arrangements, or arrangements designed to protect against fluctuations in currency values or commodity prices.

"Other Taxes" shall mean any and all present or future stamp, court or documentary, intangible, recording, filing or property Taxes or similar Taxes arising from any payment made under, from the execution, delivery, registration, performance or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document except any such Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.13) that are imposed as a result of any present or former connection between the relevant Lender and the jurisdiction imposing such Tax (other than a connection arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Term Loan or Credit Document).

"Parent Company" shall mean any direct or indirect parent company of Lead Borrower (other than the Sponsor).

"Pari Passu Intercreditor Agreement" shall mean an intercreditor agreement among the Administrative Agent, the Collateral Agent and one or more Pari Passu Representatives for holders of Permitted Pari Passu Notes (or Permitted Refinancing Indebtedness in respect thereof) providing that, *inter alia*, the Liens on the Collateral in favor of the Collateral Agent (for the benefit of the Secured Creditors) shall be *pari passu* with such Liens in favor of the Pari Passu Representatives (for the benefit of the holders of Permitted Pari Passu Notes (or Permitted Refinancing Indebtedness in respect thereof)), as such intercreditor agreement may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof. The Pari Passu Intercreditor Agreement shall be in a form customary at such time for transactions of the type contemplated thereby and otherwise reasonably satisfactory to the Administrative Agent and Lead Borrower.

"Pari Passu Representative" shall mean, with respect to any series of Permitted Pari Passu Notes (or Permitted Refinancing Indebtedness in respect thereof), the trustee, collateral agent, security agent or similar agent under the indenture or other agreement pursuant to which such Permitted Pari Passu Notes (or Permitted Refinancing Indebtedness in respect thereof) are issued and each of their successors in such capacities.

"Participant" shall have the meaning provided in Section 13.04(c).

"Participant Register" shall have the meaning provided in Section 13.04(c).

"Patent Security Agreement" shall have the meaning assigned to such term in the Security Agreement.

"Patriot Act" shall have the meaning provided in Section 13.16.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Perfection Certificate" shall have the meaning provided in the Security Agreement.

"Permitted Acquisition" shall mean (x) the Redflex Acquisition and (y) any other acquisition by Lead Borrower or any of its Restricted Subsidiaries of an Acquired Entity or Business; *provided* that, in the case of this clause (y), (i) the Acquired Entity or Business acquired is in a business permitted by Section 10.09 and (ii) all applicable requirements of Section 9.14 are satisfied.

"Permitted Encumbrance" shall mean, with respect to any Mortgaged Property, such exceptions to title as are set forth in the mortgage title insurance policy delivered with respect thereto, all of which exceptions must be reasonably acceptable to the Administrative Agent in its reasonable discretion.

"Permitted Holders" shall mean (i) the Sponsor, (ii) any Related Party of the Sponsor and (iii) any "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that in the case of such "group" and without giving effect to the existence of such "group" or any other "group," such Persons specified in clauses (i) or (ii) above, collectively, have beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the voting stock of Lead Borrower or any of its direct or indirect parent entities held by such "group."

"Permitted Investment" shall have the meaning provided in Section 10.05.

"Permitted Junior Debt" shall mean any Permitted Junior Notes and any Permitted Junior Loans.

"Permitted Junior Debt Documents" shall mean any Permitted Junior Notes Documents and any Permitted Junior Loan Documents.

"Permitted Junior Loan Documents" shall mean, after the execution and delivery thereof, each agreement, document or instrument relating to the incurrence of Permitted Junior Loans, in each case as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Permitted Junior Loans" shall mean any Indebtedness of Lead Borrower or any Restricted Subsidiary in the form of unsecured or secured loans; *provided* that (i) except as provided in clause (v) below, no such Indebtedness, to the extent incurred by any Credit Party, shall be secured by any asset of Lead Borrower or any of its Subsidiaries, (ii) no such Indebtedness, to the extent incurred by any Credit Party, shall be guaranteed by any Person other than Holdings, a Borrower or a Subsidiary Guarantor, (iii) no such Indebtedness shall be subject to scheduled amortization or have a final stated maturity (excluding for this purpose, interim loan financings that provide for automatic rollover, subject to customary conditions, to Indebtedness otherwise meeting the maturity requirements of this clause), in either case prior to the date occurring ninety-one (91) days following the Latest Maturity Date as of the date such Indebtedness was incurred, (iv) any "asset sale" mandatory prepayment provision included in the agreement governing such Indebtedness, to the extent incurred by any Credit Party, shall not prohibit Lead Borrower or the respective Subsidiary from repaying obligations under this Agreement before prepaying or offering to prepay such Indebtedness, (v) in the case of any such Indebtedness incurred by a Credit Party that is secured, (a) such Indebtedness is secured only by assets comprising Collateral on a junior-lien basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of any Credit

Party other than the Collateral, (b) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are necessary to reflect the differing lien priorities or as otherwise reasonably satisfactory to the Collateral Agent) and (c) a Junior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Additional Intercreditor Agreement; *provided* that if such Indebtedness is the initial incurrence of Permitted Junior Debt that is secured by assets of any Credit Party, then the Administrative Agent, the Collateral Agent and the Junior Representative for such Indebtedness shall have executed and delivered, and each Credit Party shall have acknowledged, the Additional Intercreditor Agreement and (vi) to the extent incurred by any Credit Party, the covenants and events of default, taken as a whole, shall not be materially more favorable to the lenders providing such Permitted Junior Loans than the related provisions contained in this Agreement; *provided* that (x) any such terms may be more favorable to the extent they take effect after the Latest Maturity Date as of the date such Indebtedness was incurred, and (y) in the event that any agreement evidencing such Indebtedness contains financial maintenance covenants that are effective prior to the Latest Maturity Date as of the date such Indebtedness was incurred, the Borrowers shall have offered in good faith to enter into an amendment to this Agreement to add any such financial covenants as are not then contained in this Agreement (*provided* that a certificate of a Responsible Officer of Lead Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that Lead Borrower has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (vi), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to Lead Borrower of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)).

"Permitted Junior Notes" shall mean any Indebtedness of Lead Borrower or any Restricted Subsidiary in the form of notes and incurred pursuant to one or more issuances of such notes; *provided* that (i) except as provided in clause (vii) below, no such Indebtedness, to the extent incurred by any Credit Party, shall be secured by any asset of Lead Borrower or any of its Subsidiaries, (ii) no such Indebtedness, to the extent incurred by any Credit Party, shall be guaranteed by any Person other than Holdings, a Borrower or a Subsidiary Guarantor, (iii) no such Indebtedness shall be subject to scheduled amortization or have a final stated maturity, in either case prior to the date occurring ninety-one (91) days following the Latest Maturity Date as of the date such Indebtedness was incurred, (iv) any "asset sale" offer to purchase covenant included in the indenture governing such Indebtedness, to the extent incurred by any Credit Party, shall not prohibit Lead Borrower or the respective Subsidiary from repaying obligations under this Agreement before offering to purchase such Indebtedness, (v) the indenture governing such Indebtedness shall not include any financial maintenance covenants, (vi) the "default to other indebtedness" event of default contained in the indenture governing such Indebtedness shall provide for a "cross-acceleration" or a "cross-acceleration" and "cross-payment default" rather than a "cross-default," (vii) in the case of any such Indebtedness incurred by a Credit Party that is secured, (a) such Indebtedness is secured only by assets comprising Collateral on a junior-lien basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of any Credit Party other than the Collateral, (b) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such differences as are necessary to reflect the differing lien priorities or as otherwise reasonably satisfactory to the Collateral Agent) and (c) a Junior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Additional Intercreditor Agreement; *provided* that if such Indebtedness is the initial incurrence of Permitted Junior Debt that is secured by assets of any Credit Party, then the Administrative Agent, the Collateral Agent and the Junior Representative for such Indebtedness shall have executed and delivered, and each Credit Party shall have acknowledged, the Additional Intercreditor Agreement and (viii) to the extent incurred by any Credit Party, the negative covenants and events of default, taken as a whole, contained in the indenture governing such Indebtedness shall not be materially more favorable to the holders of such Permitted Junior Notes than the related provisions contained in this Agreement; *provided* that any such terms may be more favorable to the extent they take effect after the Latest Maturity Date as of the date such Indebtedness was incurred (*provided* that a certificate of a Responsible Officer of Lead Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that Lead Borrower has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (viii), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to Lead Borrower of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)).

"Permitted Junior Notes Documents" shall mean, after the execution and delivery thereof, each Permitted Junior Notes Indenture, and the Permitted Junior Notes, in each case as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Permitted Junior Notes Indenture" shall mean any indenture or similar agreement entered into in connection with the issuance of Permitted Junior Notes, as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Permitted Liens" shall have the meaning provided in Section 10.01.

"Permitted Notes" shall mean and include (i) any Permitted Junior Notes and (ii) any Permitted Pari Passu Notes.

"Permitted Pari Passu Notes" shall mean any Indebtedness of Lead Borrower or any Restricted Subsidiary in the form of notes and incurred pursuant to one or more issuances of such notes; *provided* that (i) no such Indebtedness, to the extent incurred by any Credit Party, shall be guaranteed by any Person other than Holdings, a Borrower or a Subsidiary Guarantor, (ii) no such Indebtedness shall be subject to scheduled amortization or have a final stated maturity, in either case prior to the Latest Maturity Date as of the date such Indebtedness was incurred, (iii) any "asset sale" offer to purchase covenant included in the indenture governing such Indebtedness, to the extent incurred by any Credit Party, shall not prohibit Lead Borrower or the respective Subsidiary from repaying obligations under this Agreement on at least a *pro rata* basis with such Indebtedness from asset sale proceeds, (iv) the indenture governing such Indebtedness shall not include any financial maintenance covenants, (v) the "default to other indebtedness" event of default contained in the indenture governing such Indebtedness shall provide for a "cross-acceleration" or a "cross-acceleration" and "cross-payment default" rather than a "cross-default," (vi) (a) such Indebtedness is secured only by assets comprising Collateral on a *pari passu* basis relative to the Liens on such Collateral securing the Obligations of the Credit Parties, and not secured by any property or assets of any Credit Party other than the Collateral, (b) the security agreements relating to such Indebtedness are substantially the same in all material respects as the Security Documents (or with such differences as are reasonably satisfactory to the Collateral Agent) and (c) a Pari Passu Representative acting on behalf of the holders of such Indebtedness shall have become party to the Pari Passu Intercreditor Agreement; *provided* that if such Indebtedness is the initial issue of Permitted Pari Passu Notes by a Credit Party, then the Administrative Agent, the Collateral Agent and the Pari Passu Representative for such Indebtedness shall have executed and delivered, and each Credit Party shall have acknowledged, the Pari Passu Intercreditor Agreement and (vii) the negative covenants and events of defaults, taken as a whole, contained in the indenture governing such Indebtedness shall not be materially more favorable to the holders of such Permitted Pari Passu Notes than the related provisions contained in this Agreement; *provided* that any such terms may be more favorable to the extent they take effect after the Latest Maturity Date as of the date such Indebtedness was incurred (*provided* that a certificate of a Responsible Officer of Lead Borrower delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that Lead Borrower has determined in good faith that such terms and conditions satisfy the requirement set out in the foregoing clause (vii), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to Lead Borrower of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)).

"Permitted Pari Passu Notes Documents" shall mean, after the execution and delivery thereof, each Permitted Pari Passu Notes Indenture and the Permitted Pari Passu Notes, in each case as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Permitted Pari Passu Notes Indenture" shall mean any indenture or similar agreement entered into in connection with the issuance of Permitted Pari Passu Notes, as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Permitted Refinancing Indebtedness" shall mean Indebtedness incurred by Lead Borrower or any Restricted Subsidiary which serves to extend, replace, refund, refinance, renew or defease ("Refinance") any Indebtedness, including any previously issued Permitted Refinancing Indebtedness, so long as:

(1) the principal amount of such new Indebtedness does not exceed (a) the principal amount of Indebtedness (including any unused commitments therefor that are able to be drawn at such time) being so extended, replaced, refunded, refinanced, renewed or defeased (such Indebtedness, the "Refinanced Debt"), plus (b) any accrued and unpaid interest and fees on such Refinanced Debt, plus (c) the amount of any tender or redemption premium paid thereon or any penalty or premium required to be paid under the terms of the instrument or documents governing such Refinanced Debt and any costs, fees and expenses incurred in connection with the issuance of such new Indebtedness and the Refinancing of such Refinanced Debt;

(2) such Permitted Refinancing Indebtedness (excluding for this purpose, interim loan financings that provide for automatic rollover, subject to customary conditions, to Indebtedness otherwise meeting the requirements of this clause) has a:

(a) Weighted Average Life to Maturity at the time such Permitted Refinancing Indebtedness is incurred that is not less than the remaining Weighted Average Life to Maturity of the applicable Refinanced Debt; and

(b) final scheduled maturity date equal to or later than the final scheduled maturity date of the Refinanced Debt (or, if earlier, the date that is 91 days after the Latest Maturity Date as of the date such Indebtedness was incurred);

(3) to the extent such Permitted Refinancing Indebtedness Refinances (a) Indebtedness that is expressly subordinated in right of payment to the Obligations (other than Indebtedness assumed or acquired in an acquisition and not created in contemplation thereof), such Permitted Refinancing Indebtedness is subordinated to the Obligations on terms that are, taken as a whole, not materially less favorable to the Lenders than the subordination terms applicable to the Refinanced Debt, (b) secured by Liens that are subordinated to the Liens securing the Obligations, such Permitted Refinancing Indebtedness is (i) unsecured or (ii) secured by Liens that are subordinated to the Liens that secure the Obligations on terms that are, taken as a whole, not materially less favorable to the Lenders than the Lien subordination terms applicable to the Refinanced Debt or (c) secured by Liens that are *pari passu* with the Liens securing the Obligations, such Permitted Refinancing Indebtedness is (i) unsecured or (ii) secured by Liens that are *pari passu* or subordinated to the Liens that secure the Obligations on terms that are, taken as a whole, not materially less favorable to the Lenders than the Collateral sharing provisions applicable to the Refinanced Debt; and

(4) subject to Section 10.01(vi), such Permitted Refinancing Indebtedness shall not be secured by any assets or property of Lead Borrower or any Restricted Subsidiary that does not secure the Refinanced Debt being Refinanced (*plus* improvements and accessions thereon and proceeds in respect thereof);

provided that (a) Permitted Refinancing Indebtedness will not include Indebtedness of a Restricted Subsidiary of Lead Borrower that is not a Borrower or a Subsidiary Guarantor that refinances Indebtedness of a Borrower or a Subsidiary Guarantor and (b) clause (2) of this definition will not apply to any Refinancing of any Indebtedness under clause (iii) or (v) of Section 10.04.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" shall mean any pension plan as defined in Section 3(2) of ERISA other than a Foreign Pension Plan or a Multiemployer Plan, which is maintained or contributed to by (or to which there is an obligation to contribute

of) Lead Borrower or a Restricted Subsidiary of Lead Borrower or with respect to which Lead Borrower or a Restricted Subsidiary of Lead Borrower has, or may have, any liability, including, for greater certainty, liability arising from an ERISA Affiliate.

"Plan of Reorganization" shall have the meaning provided in Section 13.04(j)(ii).

"Platform" shall mean Debt Domain, Intralinks, Syndtrak, ClearPar, or a substantially similar electronic transmission system.

"Pledged Collateral" shall have the meaning provided in the Security Agreement.

"Pre-Adjustment Successor Rate" has the meaning specified in Section 2.16(a).

"Prime Rate" shall mean the rate publicly announced from time to time by the Administrative Agent as its "prime rate," such "prime rate" to change when and as such prime lending rate changes. The Prime Rate is set by the Administrative Agent based upon various factors including Administrative Agent's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

"Pro Forma Basis" shall mean, with respect to the calculation of any test, financial ratio, basket or covenant under this Agreement, including the Consolidated First Lien Net Leverage Ratio, Consolidated Fixed Charge Coverage Ratio, Consolidated Secured Net Leverage Ratio and the Consolidated Total Net Leverage Ratio and the calculation of Consolidated Total Assets, of any Person and its Restricted Subsidiaries, as of any date, that *pro forma* effect will be given to the Transaction, any acquisition, merger, consolidation, Investment, any issuance, incurrence, assumption or repayment or redemption of Indebtedness (including Indebtedness issued, incurred or assumed or repaid or redeemed as a result of, or to finance, any relevant transaction and for which any such test, financial ratio, basket or covenant is being calculated) (but excluding the identifiable proceeds of any Indebtedness being incurred substantially simultaneously therewith or as part of the same transaction or series of related transactions for purposes of netting cash to calculate the applicable ratio), any issuance or redemption of preferred stock, all sales, transfers and other dispositions or discontinuance of any Subsidiary, line of business, division, segment or operating unit, any operational change (including the entry into any material contract or arrangement) or any designation of a Restricted Subsidiary to an Unrestricted Subsidiary or of an Unrestricted Subsidiary to a Restricted Subsidiary, in each case that have occurred during the four consecutive fiscal quarter period of such Person being used to calculate such test, financial ratio, basket or covenant (the "Reference Period"), or subsequent to the end of the Reference Period but prior to such date or prior to or simultaneously with the event for which a determination under this definition is made (including any such event occurring at a Person who became a Restricted Subsidiary of the subject Person or was merged or consolidated with or into the subject Person or any other Restricted Subsidiary of the subject Person after the commencement of the Reference Period), as if each such event occurred on the first day of the Reference Period.

For purposes of making any computation referred to above:

(1) if any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date for which a determination under this definition is made had been the applicable rate for the entire period (taking into account any Interest Rate Protection Agreements or Other Hedging Agreements applicable to such Indebtedness);

(2) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer, in his or her capacity as such and not in his or her personal capacity, of Lead Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with U.S. GAAP;

(3) interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as Lead Borrower may designate; and

(4) interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period.

Any *pro forma* calculation may include, without limitation, adjustments calculated in accordance with Regulation S-X under the Securities Act; *provided* that any such adjustments, other than Specified Permitted Adjustments, that consist of reductions in costs and other operating improvements or synergies (whether added pursuant to this definition, the definition of "Pro Forma Cost Savings" or otherwise added to Consolidated Net Income or Consolidated EBITDA) shall be calculated in accordance with, and satisfy the requirements specified in, the definition of "Pro Forma Cost Savings."

"Pro Forma Cost Savings" shall mean, without duplication of any amounts referenced in the definition of "Pro Forma Basis," an amount equal to the amount of cost savings, operating expense reductions, operating improvements (including the entry into any material contract or arrangement) and acquisition synergies, in each case, projected in good faith to be realized (calculated on a *pro forma* basis as though such items had been realized on the first day of such period) as a result of actions taken on or prior to, or to be taken by Lead Borrower (or any successor thereto) or any Restricted Subsidiary within 24 months of, the date of such *pro forma* calculation, net of the amount of actual benefits realized or expected to be realized during such period that are otherwise included in the calculation of Consolidated EBITDA from such action; *provided* that (a) such cost savings, operating expense reductions, operating improvements and synergies are factually supportable and reasonably identifiable (as determined in good faith by a responsible financial or accounting officer, in his or her capacity as such and not in his or her personal capacity, of Lead Borrower (or any successor thereto)) and are reasonably anticipated to be realized within 24 months after the date of such *pro forma* calculation and (b) no cost savings, operating expense reductions, operating improvements and synergies shall be added pursuant to this definition to the extent duplicative of any expenses or charges otherwise added to Consolidated Net Income or Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, for such period; *provided*, *further*, that the aggregate amount added in respect of the foregoing proviso (or otherwise added to Consolidated Net Income or Consolidated EBITDA) shall no longer be permitted to be added back to the extent the cost savings, operating expense reductions, operating improvements and synergies have not been achieved within 24 months of the action or event giving rise to such cost savings, operating expense reductions, operating improvements and synergies.

"Projections" shall mean the detailed projected consolidated financial statements of Lead Borrower and its Subsidiaries (after giving effect to the Transaction) delivered to the Administrative Agent on or prior to the First Restatement Effective Date.

"PTE" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public-Sider" shall mean a Lender whose representatives may trade in securities of Lead Borrower or its controlling person or any of its Subsidiaries while in possession of the financial statements provided by Lead Borrower under the terms of this Agreement.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" shall have the meaning provided in Section 13.24.

"Qualified Preferred Stock" shall mean any preferred capital stock of Holdings or Lead Borrower so long as the terms of any such preferred capital stock (x) do not contain any mandatory put, redemption, repayment, sinking fund or other similar provision prior to the 91st day after the Latest Maturity Date as of the date such

Qualified Preferred Stock was issued other than (i) provisions requiring payment solely (or with provisions permitting Holdings or Lead Borrower, as applicable, to opt to make payment solely) in the form of common Equity Interests, Qualified Preferred Stock of Holdings or Lead Borrower or cash in lieu of fractional shares, as applicable, or any Equity Interests of any direct or indirect Parent Company of Holdings or Lead Borrower, as applicable, (ii) provisions requiring payment solely as a result of a change of control or asset sale, so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale are subject to the payment in full of all Obligations in cash (other than unasserted contingent indemnification obligations) or such payment is otherwise permitted by this Agreement (including as a result of a waiver or amendment hereunder) and (iii) with respect to preferred capital stock issued to any plan for the benefit of employees of Holdings or Lead Borrower, as applicable, or its Subsidiaries or by any such plan to such employees, provisions requiring the repurchase thereof in order to satisfy applicable statutory or regulatory obligations and (y) give Holdings or Lead Borrower the option to elect to pay such dividends or distributions on a non-cash basis or otherwise do not require the cash payment of dividends or distributions at any time that such cash payment is not permitted under this Agreement or would result in an Event of Default hereunder.

"Qualified Securitization Transaction" shall mean any Securitization Transaction of a Securitization Entity that meets the following conditions:

(1) the board of directors of Lead Borrower (or the board of directors of any direct or indirect parent of the Lead Borrower) or the applicable Restricted Subsidiary shall have determined in good faith that such Qualified Securitization Transaction (including financing terms, covenants, termination events or other provisions) is in the aggregate economically fair and reasonable to Lead Borrower or the applicable Restricted Subsidiary;

(2) all sales of accounts receivable and related assets to the Securitization Entity are made at fair market value (as determined in good faith by Lead Borrower or the applicable Restricted Subsidiary) and may include Standard Securitization Undertakings; and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by Lead Borrower) and may include Standard Securitization Undertakings and Limited Originator Recourse.

Notwithstanding anything to the contrary, the grant of a security interest in any accounts receivable of any Credit Party to secure Indebtedness or other obligations under this Agreement, the ABL Credit Agreement shall not be deemed a Qualified Securitization Transaction.

"Real Property" of any Person shall mean, collectively, the right, title and interest of such Person (including any leasehold, mineral or other estate) in and to any and all land, improvements and fixtures owned, leased or operated by such Person, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"Receivables Assets" shall mean (a) any accounts receivable and the proceeds thereof owed to a Borrower or a Restricted Subsidiary subject to a Receivables Facility and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with an accounts receivable factoring arrangement and which are, in each case, sold, conveyed, assigned or otherwise transferred or pledged by a Borrower or a Restricted Subsidiary to a commercial bank in connection with a Receivables Facility.

"Receivables Facility" shall mean an agreement between the Borrower or a Restricted Subsidiary and a commercial bank that is entered into at the request of a customer of the Borrower or a Restricted Subsidiary, pursuant to which (a) the Borrower or such Restricted Subsidiary, as applicable, agrees to sell to such commercial bank accounts receivable owing by such customer, together with Receivables Assets related thereto, at a maximum discount, for each such account receivable, not to exceed 5.0% of the face value thereof, and (b) the obligations of

the Borrower or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Borrower and such Restricted Subsidiary.

"Recovery Event" shall mean the receipt by Lead Borrower or any of its Restricted Subsidiaries of any cash insurance proceeds or condemnation awards payable (i) by reason of theft, loss, physical destruction, damage, taking or any other similar event with respect to any property or assets of Lead Borrower or any of its Restricted Subsidiaries (but not by reason of any loss of revenues or interruption of business or operations caused thereby) and (ii) under any policy of insurance required to be maintained under Section 9.03, in each case to the extent such proceeds or awards do not constitute reimbursement or compensation for amounts previously paid by Lead Borrower or any of its Restricted Subsidiaries in respect of any such event.

"Redflex Acquisition" shall mean the acquisition of Redflex Holdings Limited, a public company limited by shares, incorporated in Australia and listed on the Australian Securities Exchange.

"Reference Period" shall have the meaning provided in the definition of the term "Pro Forma Basis."

"Refinanced Debt" shall have the meaning provided in the definition of the term "Permitted Refinancing Indebtedness."

"Refinancing Effective Date" shall have the meaning specified in Section 2.18(a).

"Refinancing Note Documents" shall mean the Refinancing Notes, the Refinancing Notes Indenture and all other documents executed and delivered with respect to the Refinancing Notes or Refinancing Notes Indenture, as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Refinancing Notes" shall mean Permitted Junior Debt or Permitted Pari Passu Notes (or Indebtedness that would constitute Permitted Junior Debt or Permitted Pari Passu Notes except as a result of a failure to comply with any maturity or amortization requirement applicable thereto), in each case, that constitute Permitted Refinancing Indebtedness in respect of any Term Loans.

"Refinancing Notes Indenture" shall mean the indenture entered into with respect to the Refinancing Notes and pursuant to which same shall be issued.

"Refinancing Term Loan Amendment" shall have the meaning specified in Section 2.18(c).

"Refinancing Term Loan Commitments" shall mean one or more commitments hereunder to provide a new Tranche of Refinancing Term Loans or Refinancing Term Loans under an existing Tranche of Term Loans.

"Refinancing Term Loan Lender" shall have the meaning specified in Section 2.18(b).

"Refinancing Term Loan Series" shall have the meaning specified in Section 2.18(b).

"Refinancing Term Loans" shall have the meaning specified in Section 2.18(a).

"Register" shall have the meaning provided in Section 13.04(b)(iv).

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"Regulation T" shall mean Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Regulation X" shall mean Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Rejection Notice" shall have the meaning assigned to such term in Section 5.02(k).

"Related Adjustment" shall mean, in determining any Successor Rate, the first relevant available alternative set forth in the order below that can be determined by the Administrative Agent applicable to such Successor Rate:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant Pre-Adjustment Successor Rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto) and which adjustment or method is published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion; or

(b) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).

"Related Party" shall mean (a) with respect to Platinum Equity Advisors, LLC, (i) any investment fund controlled by or under common control with Platinum Equity Advisors, LLC, any officer or director of the foregoing persons, or any entity controlled by any of the foregoing persons and (ii) any spouse or lineal descendant (including by adoption or stepchildren) of the officers and directors referred to in clause (a)(i); (b) with respect to any officer of Lead Borrower or its Subsidiaries, (i) any spouse or lineal descendant (including by adoption and stepchildren) of such officer and (ii) any trust, corporation or partnership or other entity, in each case to the extent not an operating company, of which an 80% or more controlling interest is held by the beneficiaries, stockholders, partners or owners who are the officer, any of the persons described in clause (b)(i) above or any combination of these identified relationships and (c) with respect to any Agent, such Agent's Affiliates and the respective directors, officers, employees, agents and advisors of such Agent and such Agent's Affiliates.

"Release" shall mean actively or passively disposing, discharging, injecting, spilling, pumping, leaking, leaching, dumping, emitting, escaping, emptying, pouring, seeping, migrating or the like, of any Hazardous Material into, through or upon the Environment or within, from or into any building, structure, facility or fixture.

"Relevant Governmental Body" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York.

"Replaced Lender" shall have the meaning provided in Section 2.13.

"Replacement Lender" shall have the meaning provided in Section 2.13.

"Repricing Transaction" shall mean (1) the incurrence by Lead Borrower or any of its Restricted Subsidiaries of any Indebtedness in the form of syndicated term loans secured by the Collateral on a *pari passu* basis relative to the Liens on such Collateral securing the Obligations (including, without limitation, any new or additional term loans under this Agreement (including Refinancing Term Loans), whether incurred directly or by way of the conversion of Initial Term Loans into a new tranche of replacement term loans under this Agreement) (i) having an Effective Yield that is less than the Effective Yield for Initial Term Loans, (ii) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, outstanding principal of Initial Term Loans or (2) an amendment to this Agreement resulting in an effective reduction in the Applicable Margin for Initial Term Loans (with such determination to be made in the reasonable judgment of the Administrative Agent, consistent with generally accepted financial practices), in each case, to the extent the primary purpose of such incurrence or amendment is to reduce the Effective Yield applicable to the Initial Term Loans; *provided* that any prepayment, replacement or amendment in connection with a Change of Control or acquisition or Investment not permitted by this Agreement or permitted but with respect to which Lead Borrower has determined

in good faith that this Agreement will not provide sufficient flexibility for the operation of the combined business following consummation thereof shall not constitute a Repricing Transaction.

"Required Lenders" shall mean Non-Defaulting Lenders, the sum of whose outstanding principal of Term Loans as of any date of determination represents greater than 50% of the sum of all outstanding principal of Term Loans of Non-Defaulting Lenders at such time.

"Requirement of Law" or "Requirements of Law" shall mean, with respect to any Person, any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Rescindable Amount" has the meaning as defined in Section 2.04(b).

"Resolution Authority" shall mean an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" shall mean, with respect to any Person, its chief financial officer, chief executive officer, president, or any vice president, managing director, treasurer, controller or other officer of such Person having substantially the same authority and responsibility and, solely for purposes of notices given pursuant to Section 2, any other officer or employee of the applicable Credit Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Credit Party designated in or pursuant to an agreement between the applicable Credit Party and the Administrative Agent; *provided* that, with respect to compliance with financial covenants, "Responsible Officer" shall mean the chief financial officer, treasurer or controller of Lead Borrower, or any other officer of Lead Borrower having substantially the same authority and responsibility.

"Restricted Subsidiary" shall mean each Subsidiary of Lead Borrower other than any Unrestricted Subsidiaries. Each Subsidiary of Lead Borrower that is a Borrower shall constitute a Restricted Subsidiary.

"Retained ECF Percentage" shall mean, with respect to any Excess Cash Flow Payment Period (a) 100% *minus* (b) the Applicable ECF Prepayment Percentage with respect to such Excess Cash Flow Payment Period.

"Retained Excess Cash Flow Amount" shall mean, with respect to any Excess Cash Flow Payment Period, an amount (which shall not be less than zero) equal to the Retained ECF Percentage multiplied by Excess Cash Flow for such Excess Cash Flow Payment Period.

"Returns" shall have the meaning provided in Section 8.09.

"Rollover Initial Term Lender" means each Lender with a Term B-1 Loan outstanding on the First Restatement Effective Date that has consented to exchange such Term B-1 Loan into an Initial Term Loan, and that has been allocated such Initial Term Loan by the Administrative Agent.

"S&P" shall mean S&P Global Ratings, a division of S&P Global Inc., and any successor owner of such division.

"Sale-Leaseback Transaction" shall mean any arrangements with any Person providing for the leasing by Lead Borrower or any of its Restricted Subsidiaries of real or personal property which has been or is to be sold or transferred by Lead Borrower or such Restricted Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person in connection therewith.

"Sanctioned Country" shall mean a country, region or territory that at any time is the subject or target of any comprehensive territorial Sanctions (as of the Closing Date, the Crimea region of the Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any European Union member state, (b) any Person organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clause (a) or (b).

"Sanctions" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom.

"Scheduled Repayment" shall have the meaning provided in Section 5.02(a).

"Scheduled Repayment Date" shall have the meaning provided in Section 5.02(a).

"Scheduled Unavailability Date" shall have the meaning provided in Section 2.16(a).

"SEC" shall have the meaning provided in Section 9.01(g).

"Section 9.01 Financials" shall mean the annual and quarterly financial statements required to be delivered pursuant to Sections 9.01(a) and (b).

"Secured Creditors" shall have the meaning assigned that term in the respective Security Documents.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Securitization Assets" shall mean (a) the accounts receivable subject to a Securitization Transaction and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guaranties or other obligations in respect of such accounts receivable, lockbox accounts and records with respect to such accounts receivable and any other assets customarily transferred (or in respect of which security interests are customarily granted), together with accounts receivable in a securitization financing and which in the case of clause (a) and (b) above are sold, conveyed, assigned or otherwise transferred or pledged by Lead Borrower or any Restricted Subsidiary in connection with a Securitization Financing.

"Securitization Entity" shall mean a Wholly-Owned Restricted Subsidiary of Lead Borrower (or another Person formed for the purposes of engaging in a Qualified Securitization Transaction with Lead Borrower in which Lead Borrower or any Restricted Subsidiary of Lead Borrower makes an Investment and to which Lead Borrower or any Restricted Subsidiary of Lead Borrower transfers Securitization Assets) that is designated by the board of directors of Lead Borrower (or the board of directors of any direct or indirect parent of the Lead Borrower) (as provided below) as a Securitization Entity and engages in no activities other than in connection with the financing of Securitization Assets and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (a) is guaranteed by Lead Borrower or any of its Subsidiaries (other than the Securitization Entity) (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings or Limited Originator Recourse), (b) is recourse to or obligates Lead Borrower or any of its Subsidiaries (other than the Securitization Entity) in any way other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse or (c) subjects any asset of Lead Borrower or any of its Subsidiaries (other than the Securitization Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings or Limited Originator Recourse;

(2) with which neither Lead Borrower nor any of its Subsidiaries has any material contract, agreement, arrangement or understanding other than on terms not materially less favorable to Lead Borrower or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of Lead Borrower; and

(3) to which neither Lead Borrower nor any of its Subsidiaries has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

"Securitization Fees" shall mean distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not a Securitization Entity in connection with any Qualified Securitization Transaction or a Receivables Facility.

"Securitization Repurchase Obligation" shall mean any obligation of a seller of receivables in a Qualified Securitization Transaction or a Receivables Facility, as applicable, to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"Securitization Transaction" shall mean any transaction or series of transactions that may be entered into by Lead Borrower, any of its Restricted Subsidiaries or a Securitization Entity pursuant to which Lead Borrower, such Restricted Subsidiary or such Securitization Entity may sell, convey or otherwise transfer to, or grant a security interest in for the benefit of, (1) a Securitization Entity, Lead Borrower or any of its Restricted Subsidiaries which subsequently transfers to a Securitization Entity (in the case of a transfer by Lead Borrower or such Restricted Subsidiary) and (2) any other Person (in the case of transfer by a Securitization Entity), any accounts receivable (whether now existing or arising or acquired in the future) of Lead Borrower or any of its Restricted Subsidiaries which arose in the ordinary course of business of Lead Borrower or such Restricted Subsidiary, and any assets related thereto, including, without limitation, all collateral securing such accounts receivable, all contracts and contract rights and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets (including contract rights) which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Security Agreement" shall mean that certain First Lien Security Agreement, dated as of the Closing Date, by and among Holdings, the Lead Borrower, the Collateral Agent and the other parties party thereto.

"Security Document" shall mean and include each of the Security Agreement, each Mortgage and, after the execution and delivery thereof, each Additional Security Document.

"Similar Business" shall mean any business and any services, activities or businesses incidental, or reasonably related or similar to, or complementary to any line of business engaged in by Lead Borrower and its Restricted Subsidiaries on the First Restatement Effective Date (after giving effect to the Transaction) or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

"SOFR" shall mean the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

"SOFR Adjustment" shall mean, with respect to Term SOFR, 0.11448% (11.448 basis points) for an Interest Period of one-month's duration, 0.26161% (26.161 basis points) for an Interest Period of three-month's duration, 0.42826% (42.826 basis points) for an Interest Period of six-months' duration and 0.71513% (71.513 basis points) for an Interest Period of twelve–months' duration.

"Solvent" and "Solvency" shall mean, with respect to any Person on any date of determination, that on such date (i) the fair value of the assets of such Person and its Subsidiaries, on a consolidated basis, is greater than the

total amount of liabilities, including contingent liabilities, of such Person and its Subsidiaries, on a consolidated basis (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability); (ii) the present fair saleable value of the assets of such Person and its Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities, including contingent liabilities, of such Person and its Subsidiaries, on a consolidated basis (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability); (iii) such Person and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities (including, without limitation, contingent and subordinated liabilities) as they become absolute and mature in the ordinary course of business on their respective stated maturities and are otherwise "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances; and (iv) such Person and its Subsidiaries on a consolidated basis have, and will have, adequate capital with which to conduct the business they are presently conducting and reasonably anticipate conducting.

"Specified Permitted Adjustments" shall mean all adjustments identified in the calculation of "Pro Forma Adjusted EBITDA" in the confidential information memorandum for the Initial Term Loans to the extent such adjustments, without duplication, continue to be applicable to the reference period (it being understood that such adjustments shall be calculated net of the amount of actual benefits realized or expected to be realized during such reference period that are otherwise included in the calculation of Consolidated EBITDA).

"Specified Representations" shall mean the representations and warranties of the Credit Parties set forth in Sections 8.02, 8.03(iii) (in the case of any Tranche of Term Loans with respect to which such Specified Representations are made, limited to the incurrence of such Tranche of Term Loans in the case of the Borrowers, the provision or reaffirmation of the applicable Guaranty in the case of each Guarantor and the grant or reaffirmation of the Liens in the Collateral to the Collateral Agent for the benefit of the Secured Creditors in the case of all Credit Parties), 8.05(b), 8.08(c) (in the case of any Tranche of Term Loans with respect to which such Specified Representations are made, limited to the incurrence and use of proceeds thereof), 8.08(d) (in the case of any Tranche of Term Loans with respect to which such Specified Representations are made, limited to the incurrence and use of proceeds thereof), 8.11, 8.15 (in the case of any Tranche of Term Loans with respect to which such Specified Representations are made, limited to the incurrence and use of proceeds thereof and solely with respect to Patriot Act, OFAC, FCPA, Sanctions and other anti-terrorism, anti-money laundering and Anti-Corruption Laws) and 8.16.

"Sponsor" shall mean Platinum Equity Advisors, LLC and its Affiliates (excluding any operating portfolio company thereof).

"Sponsor Affiliate" shall mean the collective reference to any entities (other than a portfolio company) controlled directly or indirectly by the Sponsor.

"Standard Securitization Undertakings" shall mean representations, warranties, covenants, indemnities and guarantees of performance entered into by Lead Borrower or any of its Subsidiaries which Lead Borrower has determined in good faith to be customary in a Securitization Transaction including, without limitation, those relating to the servicing of the assets of a Securitization Entity, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Subordinated Indebtedness" shall mean any Indebtedness that is expressly subordinated in right of payment to the Obligations.

"Subsequent Transaction" shall have the meaning provided in Section 1.03.

"Subsidiary" shall mean, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or

other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% Equity Interest at the time.

"Subsidiary Guarantor" shall mean each Restricted Subsidiary that is not a Borrower in existence on the First Restatement Effective Date (after giving effect to the Transaction) other than any Excluded Subsidiary, as well as each Restricted Subsidiary that is not a Borrower established, created or acquired after the First Restatement Effective Date which becomes a party to the Guaranty Agreement in accordance with the requirements of this Agreement or the provisions of the Guaranty Agreement.

"Successor Rate" shall have the meaning assigned to such term in Section 2.16(a).

"Successor Rate Conforming Changes" shall mean, with respect to any proposed Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such Successor Rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Credit Document).

"Supermajority Lenders" of any Tranche shall mean those Non-Defaulting Lenders which would constitute the Required Lenders under, and as defined in, this Agreement if (x) all outstanding Obligations of the other Tranches under this Agreement were repaid in full and all Commitments with respect thereto were terminated and (y) the percentage "50%" contained therein were changed to "66-2/3%."

"Supported QFC" shall have the meaning provided in Section 13.24.

"Swap Obligation" shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Synthetic Lease" shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an "operating lease" by the lessee and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"Target Person" shall have the meaning provided in Section 10.05.

"Tax Group" shall have the meaning provided in Section 10.03(vi)(B).

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges, fees, assessments, liabilities or withholdings imposed by any Governmental Authority in the nature of a tax, including interest, penalties and additions to tax with respect thereto.

"Term B-1 Loan" shall have the meaning assigned to such term in the Original Credit Agreement as in effect immediately prior to the First Restatement Effective Date.

"Term Loan Commitment" shall mean, for each Lender, its Initial Term Loan Commitment, its Refinancing Term Loan Commitment or its Incremental Term Loan Commitment (including any 2021 Incremental Term Loan Commitment).

"Term Loan Percentage" of a Tranche of Term Loans shall mean, at any time, a fraction (expressed as a percentage), the numerator of which is equal to the aggregate outstanding principal amount of all Term Loans of

such Tranche at such time and the denominator of which is equal to the aggregate outstanding principal amount of all Term Loans of all Tranches at such time.

"Term Loans" shall mean the Initial Term Loans, each Incremental Term Loan, each Refinancing Term Loan and each Extended Term Loan.

"Term Note" shall have the meaning provided in Section 2.05(a).

"Term SOFR" shall mean:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such term;

provided that if Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than 0.00%, Term SOFR shall be deemed 0.00% for purposes of this Agreement.

"Term SOFR Replacement Date" has the meaning specified in Section 2.16(a).

"Term SOFR Screen Rate" shall mean the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent in consultation with the Borrower) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent in consultation with the Borrower from time to time).

"Term SOFR Term Loan" shall mean each Term Loan which is designated as a Term Loan bearing interest at a rate based on clause (a) of the definition of the "Term SOFR" at the time of the incurrence thereof or conversion thereto.

"Test Period" shall mean each period of four consecutive fiscal quarters of Lead Borrower (in each case taken as one accounting period) for which Section 9.01 Financials have been (or were required to be) delivered or are otherwise internally available.

"Threshold Amount" shall mean $45,000,000.

"Total Commitment" shall mean, at any time, the sum of the Total Initial Term Loan Commitment, the Total Incremental Term Loan Commitment and the Total Refinancing Term Loan Commitment.

"Total Incremental Term Loan Commitment" shall mean, at any time, the sum of the Incremental Term Loan Commitments of each of the Lenders with such a Commitment at such time.

"Total Initial Term Loan Commitment" shall mean, at any time, the sum of the Initial Term Loan Commitments of each of the Lenders at such time.

"Total Refinancing Term Loan Commitment" shall mean, at any time, the sum of the Refinancing Term Loan Commitments of each of the Lenders with such a Commitment at such time.

"Trademark Security Agreement" shall have the meaning assigned to such term in the Security Agreement.

"Tranche" shall mean the respective facilities and commitments utilized in making Initial Term Loans or Incremental Term Loans made pursuant to one or more tranches designated pursuant to the respective Incremental Term Loan Amendments in accordance with the relevant requirements specified in Section 2.15 (collectively, the "Initial Tranches" and, each, an "Initial Tranche"), and after giving effect to the Extension pursuant to Section 2.14, shall include any group of Extended Term Loans, extended, directly or indirectly, from the same Initial Tranche and having the same Maturity Date, interest rate and fees and after giving effect to any Refinancing Term Loan Amendment pursuant to Section 2.18, shall include any group of Refinancing Term Loans refinancing, directly or indirectly, the same Initial Tranche having the same Maturity Date, interest rate and fees; *provided* that only in the circumstances contemplated by Section 2.18(b), Refinancing Term Loans may be made part of a then existing Tranche of Term Loans; *provided further* that only in the circumstances contemplated by Section 2.15(c), Incremental Term Loans may be made part of a then existing Tranche of Term Loans.

"Transaction" shall mean, collectively, (i) the repayment of the Term B-1 Loans under the Original Credit Agreement, (ii) the entering into of the Credit Documents and the incurrence of Initial Term Loans on the First Restatement Effective Date, (iii) the entering into of the Unsecured Notes Indenture and the incurrence of the Unsecured Notes and (iv) the payment of all Transaction Costs.

"Transaction Costs" shall mean the fees, premiums, commissions and expenses payable by Holdings, Lead Borrower and its Subsidiaries in connection with the transactions described in clauses (i) through (iii) of the definition of "Transaction."

"Treasury Services Agreement" shall mean any agreement relating to treasury, depositary and cash management services or automated clearinghouse transfer of funds.

"Type" shall mean the type of Term Loan determined with regard to the interest option applicable thereto, i.e., whether a Base Rate Term Loan or a Term SOFR Term Loan.

"UCC" shall mean the Uniform Commercial Code as from time to time in effect in the relevant jurisdiction.

"UK Financial Institution" shall mean any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Undisclosed Administration" shall mean, in relation to a Lender or its direct or indirect parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or such parent company is subject to home jurisdiction, if applicable law requires that such appointment not be disclosed.

"Unfunded Pension Liability" of any Plan subject to Title IV of ERISA shall mean the amount, if any, by which the value of the accumulated plan benefits under the Plan determined on a plan termination basis in accordance with actuarial assumptions at such time consistent with those prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds the fair market value of all plan assets of such Plan.

"United States" and "U.S." shall each mean the United States of America.

"Unrestricted Subsidiary" shall mean (i) on the First Restatement Effective Date, each Subsidiary of Lead Borrower listed on Schedule 1.01(A), except to the extent redesignated as a Restricted Subsidiary in accordance with such Section 9.16, (ii) any other Subsidiary of Lead Borrower designated by the board of directors of Lead Borrower (or the board of directors of any direct or indirect parent of the Lead Borrower) as an Unrestricted Subsidiary pursuant to Section 9.16 subsequent to the First Restatement Effective Date, except to the extent redesignated as a Restricted Subsidiary in accordance with such Section 9.16 and (iii) any Subsidiary of an Unrestricted Subsidiary pursuant to the foregoing clause (i) or (ii).

"Unsecured Notes" shall mean the senior notes issued under the Unsecured Notes Indenture.

"Unsecured Notes Documents" shall mean the Unsecured Notes Indenture and all other documents executed and delivered with respect to the Unsecured Notes or the Unsecured Notes Indenture, as the same may be amended, amended and restated, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

"Unsecured Notes Indenture" shall mean that certain Indenture, dated as of March 26, 2021 (as amended, restated, supplemented or otherwise modified from time to time), by and among Holdings, the Lead Borrower, as issuer, the other guarantors party thereto and Wilmington Trust, National Association, as trustee, pursuant to which $350,000,000 aggregate principal amount of 5.50% senior notes due 2029 were issued.

"U.S. Dollars" and the sign "$" shall each mean freely transferable lawful money (expressed in dollars) of the United States.

"U.S. GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time; *provided* that determinations made pursuant to this Agreement in accordance with U.S. GAAP are subject (to the extent provided therein) to Section 13.07(a).

"U.S. Government Securities Business Day" shall mean any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

"U.S. Special Resolution Regimes" shall have the meaning provided in Section 13.24.

"U.S. Tax Compliance Certificate" shall have the meaning provided in Section 5.04(c).

"Verra Mobility" shall mean, Verra Mobility Corporation, a Delaware corporation, the public indirect parent company of Lead Borrower.

"Weighted Average Life to Maturity" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the then outstanding principal amount of such Indebtedness into (ii) the product obtained by multiplying (x) the amount of each then remaining installment or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (y) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

"Wholly-Owned Domestic Subsidiary" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person which is a Domestic Subsidiary of such Person.

"Wholly-Owned Restricted Subsidiary" shall mean, as to any Person, any Wholly-Owned Subsidiary of such Person which is a Restricted Subsidiary of such Person.

"Wholly-Owned Subsidiary" shall mean, as to any Person, (i) any corporation 100% of whose capital stock is at the time owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person and (ii) any partnership, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person owns 100% of the Equity Interests at such time (other than, in the case of a Foreign

Subsidiary with respect to preceding clauses (i) or (ii), director's qualifying shares and/or other nominal amounts of shares required to be held by Persons other than Lead Borrower and its Subsidiaries under applicable law).

"Write-Down and Conversion Powers" shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 Terms Generally and Certain Interpretive Provisions. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement unless the context shall otherwise require. All references herein to Sections, paragraphs, clauses, subclauses, Exhibits and Schedules shall be deemed references to Sections, paragraphs, clauses and subclauses of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Unless otherwise expressly provided herein, (a) all references to documents, instruments and other agreements (including the Credit Documents and organizational documents) shall be deemed to include all subsequent amendments, restatements, amendments and restatements, supplements and other modifications thereto, but only to the extent such amendments, restatements, amendments and restatements, supplements and other modifications are not prohibited by any Credit Document and (b) references to any law, statute, rule or regulation shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.03 Limited Condition Transactions. Notwithstanding anything to the contrary in this Agreement, in connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test, including the Consolidated First Lien Net Leverage Ratio, Consolidated Fixed Charge Coverage Ratio, Consolidated Secured Leverage Ratio and Consolidated Total Net Leverage Ratio (and, for the avoidance of doubt, any financial ratio set forth in Section 2.15(a)); or

(ii) testing availability under baskets set forth in this Agreement (including baskets determined by reference to Consolidated EBITDA or Consolidated Total Assets); or

(iii) determining other compliance with this Agreement (including the determination that no Default or Event of Default (or any type of Default or Event of Default) has occurred, is continuing or would result therefrom);

in each case, at the option of Lead Borrower (Lead Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), the date of determination of whether any such action is permitted hereunder shall be made (1) in the case of any acquisition (including by way of merger) or similar Investment (including the assumption or incurrence of Indebtedness in connection therewith), at the time of (or, in the case of any calculation or any financial ratio or test, with respect to, or as of the last day of, the most recently ended Test Period at the time of) either (x) the execution of the definitive agreement with respect to such acquisition or Investment, (y) the public announcement of an intention to make an offer in respect of the target of such acquisition or Investment or (z) the consummation of such acquisition or Investment, (2) in the case of any

Dividend, at the time of (or, in the case of any calculation or any financial ratio or test, with respect to, or as of the last day of, the most recently ended Test Period at the time of) (x) the declaration of such Dividend or (y) the making of such Dividend and (3) in the case of any voluntary or optional payment or prepayment on or redemption or acquisition for value of any Indebtedness subject to Section 10.07(a), at the time of (or, in the case of any calculation or any financial ratio or test, with respect to, or as of the last day of, the most recently ended Test Period at the time of) (x) delivery of irrevocable (which may be conditional) notice with respect to such payment or prepayment or redemption or acquisition of such Indebtedness or (y) the making of such voluntary or optional payment or prepayment on or redemption or acquisition for value of any Indebtedness (the "LCT Test Date"), and if, for the Limited Condition Transaction (and the other transactions to be entered into in connection therewith), Lead Borrower or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if Lead Borrower has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been complied with as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of Lead Borrower or the Person subject to such Limited Condition Transaction, at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have failed to have been complied with as a result of such fluctuations. If Lead Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any calculation of any ratio, test or basket availability with respect to the incurrence of Indebtedness or Liens, the making of Dividends, the making of any Permitted Investment, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of Lead Borrower, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary (each, a "Subsequent Transaction") following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement, public announcement or irrevocable notice for such Limited Condition Transaction is terminated, revoked or expires without consummation of such Limited Condition Transaction, for purposes of determining whether such Subsequent Transaction is permitted under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

1.04 Classification and Reclassification. It is understood and agreed that any Lien, sale, lease or other disposition of assets, Dividend, Indebtedness, Investment, Affiliate transaction or prepayment of Indebtedness need not be permitted solely by reference to one category of permitted Lien, sale, lease or other disposition of assets, Dividend, Indebtedness, Investment, Affiliate transaction or prepayment of Indebtedness under Sections 10.01, 10.02, 10.03, 10.04, 10.05, 10.06 and 10.07(a), respectively, but may instead be permitted in part under any combination thereof (it being understood that Lead Borrower may utilize amounts under any category that is subject to any financial ratio or test, including the Consolidated First Lien Net Leverage Ratio, Consolidated Fixed Charge Coverage Ratio, Consolidated Secured Leverage Ratio or Consolidated Total Net Leverage Ratio, prior to amounts under any other category). For purposes of determining compliance at any time with Sections 10.01 and 10.04, in the event that any Lien or Indebtedness meets the criteria of more than one of the categories of transactions or items permitted pursuant to any clause of such Sections 10.01 and 10.04, Lead Borrower, in its sole discretion, may, from time to time, classify or reclassify such transaction or item (or portion thereof) and will only be required to include the amount and type of such transaction (or portion thereof) in any one category. Reclassifications of any utilization of the Incremental Amount shall occur automatically to the extent set forth in the definition thereof.

1.05 Divisions. For all purposes under the Credit Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 2. Amount and Terms of Credit.

2.01 The Commitments.

(a) Subject to the terms and conditions set forth herein and in the Amendment and Restatement Agreement No. 1, each Rollover Initial Term Lender severally agrees to exchange its Exchanged Term Loans for a like principal amount of Initial Term Loans on the First Restatement Effective Date. Subject to the terms and conditions set forth herein and in the Amendment and Restatement Agreement No. 1, each Additional Refinancing Term Loan Lender severally agrees to make an Additional Initial Term Loan (which shall be considered an increase to (and part of) the Initial Term Loans) to the Borrowers pursuant to a single drawing on the First Restatement Effective Date in the principal amount equal to its Initial Term Loan Commitment on the First Restatement Effective Date. The Borrowers shall prepay the Non-Exchanged Term Loans with a like amount of the gross proceeds of the Additional Initial Term Loans and the Unsecured Notes, substantially concurrently with the receipt thereof. The Borrowers shall pay to the Rollover Lenders immediately prior to the effectiveness of the Amendment and Restatement Agreement No. 1 all accrued and unpaid interest on the Term B-1 Loans to, but not including, the First Restatement Effective Date on such First Restatement Effective Date. The Initial Term Loans shall have the terms set forth in this Agreement and the other Loan Documents, including as modified by the Amendment and Restatement Agreement No. 1, it being understood that the Initial Term Loans (and all principal, interest and other amounts in respect thereof) will constitute "Obligations" under this Agreement and the other Credit Documents. The Initial Term Loans (i) shall be denominated in U.S. Dollars, (ii) shall be, except as hereinafter provided, at the option of the Lead Borrower, incurred and maintained as, and/or converted into, one or more Borrowings of Base Rate Term Loans or Term SOFR Term Loans, provided that except as otherwise specifically provided in Section 2.10(b), all Initial Term Loans comprising the same Borrowing shall at all times be of the same Type and (iii) shall be made by each such Lender in that aggregate principal amount which did not exceed the Initial Term Loan Commitment of such Lender on the First Restatement Effective Date (before giving effect to the termination thereof pursuant to Section 4.02(a)(i)). Once repaid, Initial Term Loans may not be reborrowed.

(b) Subject to and upon the terms and conditions set forth herein, each Lender with an Incremental Term Loan Commitment from time to time severally agrees to make term loans (each, an "Incremental Term Loan" and, collectively, the "Incremental Term Loans") to the Borrowers, which Incremental Term Loans (i) shall be incurred pursuant to a single drawing on the applicable Incremental Term Loan Borrowing Date, (ii) shall be denominated in U.S. Dollars, (iii) shall, except as hereinafter provided, at the option of Lead Borrower, be incurred and maintained as, and/or converted into one or more Borrowings of Base Rate Term Loans or Term SOFR Term Loans; *provided* that all Incremental Term Loans of a given Tranche made as part of the same Borrowing shall at all times consist of Incremental Term Loans of the same Type, and (iv) shall not exceed for any such Incremental Term Loan Lender at any time of any incurrence thereof, the Incremental Term Loan Commitment of such Incremental Term Loan Lender for such Tranche (before giving effect to the termination thereof on such date pursuant to Section 4.02(b)). Once repaid, Incremental Term Loans may not be reborrowed.

(c) Each Lender may, at its option, make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not (i) affect in any manner the obligation of the Borrowers to repay such Loan in accordance with the terms of this Agreement or (ii) excuse or relieve any Lender from its Commitment to make any such Loan to the extent not so made by such branch or Affiliate.

(d)

(i) Subject to and upon the terms and conditions set forth herein and in Amendment No. 1, each Lender with a 2021 Incremental Term Loan Commitment severally agrees to make a 2021 Incremental Term Loan to the Borrowers, which 2021 Incremental Term Loans (i) shall be incurred pursuant to a single drawing on the Amendment No. 1 Effective Date, (ii) shall be denominated in U.S. Dollars, (iii) shall, except as hereinafter provided, at the option of Lead Borrower, be incurred and maintained as, and/or converted into one or more Borrowings of Base Rate Term Loans or Term SOFR Term Loans; *provided* that except as otherwise specifically provided in Section 2.10(b), all 2021 Incremental Term Loans comprising the same Borrowing shall at all times be of the same Type, and (iv) shall not exceed for any such 2021 Incremental Term Loan Lender at any time of any incurrence thereof, the 2021 Incremental Term Loan Commitment of such 2021 Incremental Term Loan Lender on the Amendment No. 1 Effective Date (before giving effect to the termination thereof on such date pursuant to Section 4.02(b)). Once repaid, Incremental Term Loans may not be reborrowed.

(ii) On December 31, 2021 (after giving effect to the mandatory payment of Initial Term Loans (other than 2021 Incremental Term Loans) pursuant to Section 5.02(a) on the last Business Day of December 2021), all 2021 Incremental Term Loans outstanding at such time shall be automatically, without any action or consent of any party to this Agreement, converted into Initial Term Loans (the date of such conversion, the "2021 Incremental Term Loans Conversion Date"), shall constitute part of, and be added to, the Initial Term Loans (including as to maturity) outstanding hereunder immediately prior to the 2021 Incremental Term Loans Conversion Date and the Initial Term Loans and 2021 Incremental Term Loans shall collectively comprise a single fungible Tranche of Term Loans. On the 2021 Incremental Term Loans Conversion Date, notwithstanding anything to the contrary set forth in Section 2.09, 2021 Incremental Term Loans shall be added to (and form part of) each Borrowing of Initial Term Loans outstanding hereunder immediately prior to the 2021 Incremental Term Loans Conversion Date on a *pro rata* basis (based on the relative sizes of the various outstanding Borrowings), so that each Lender holding such Incremental Term Loans on and after the 2021 Incremental Term Loans Conversion Date participates in each outstanding Borrowing of Initial Term Loans (after giving effect to the conversion of 2021 Incremental Term Loans pursuant to this Section 2.01(d)) on a *pro rata* basis.

2.02 Minimum Amount of Each Borrowing. The aggregate principal amount of each Borrowing of Term Loans under any Tranche shall not be less than the Minimum Borrowing Amount. More than one Borrowing may occur on the same date, but at no time shall there be outstanding more than eight (8) Borrowings of Term SOFR Term Loans in the aggregate for all Tranches of Term Loans.

2.03 Notice of Borrowing. Whenever the Borrowers desire to make a Borrowing of Term Loans hereunder, Lead Borrower shall give the Administrative Agent at its Notice Office at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of each Borrowing of Base Rate Term Loans to be made hereunder and at least two Business Days' (or such shorter period as the Administrative Agent shall agree in its sole and absolute discretion) prior written notice (or telephonic notice promptly confirmed in writing) of each Term SOFR Term Loan to be made hereunder; *provided* that (a) in each case, any such notice shall be deemed to have been given on a certain day only if given, with respect to Base Rate Term Loans, before 12:00 Noon (New York City time) on such day or, with respect to Term SOFR Term Loans, before 11:00 a.m. (New York City time) on such day (or, in each case, such later time as the Administrative Agent shall agree in it its sole and absolute discretion), (b) in any event, any such notice with respect to Initial Term Loans to be incurred on the First Restatement Effective Date may be given (including in the case of any LIBO rate Borrowing) one Business Day prior to the First Restatement Effective Date and (c) that if the Borrowers wish to request Term SOFR Term Loans having an Interest Period other than one, three or six months in duration, or less than one month in duration with the consent of the Administrative Agent, in each case as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m., four Business Days prior to the requested date of such Borrowing, conversion or continuation, in each case, having an Interest Period other than one, three or six months in duration, whereupon the Administrative Agent shall give prompt notice to each applicable Lender with a Commitment of the relevant Tranche of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., two Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify Lead Borrower (which notice may be by telephone) whether or not the requested Interest Period that is other than one, three or six months in duration has been consented to by such Lenders and/or the Administrative Agent, as applicable. Each such notice (each, a "Notice of Borrowing"), except as otherwise expressly provided in Section 2.11, shall be irrevocable and shall be in writing, or by telephone promptly confirmed in writing by or on behalf of Lead Borrower, in the form of Exhibit A-1 or such other form as may be approved by the Administrative Agent including any form on an electronic platform or electronic transmission as shall be approved by the Administrative Agent, appropriately completed by a Responsible Officer of Lead Borrower to specify: (i) the aggregate principal amount of the Term Loans to be made pursuant to such Borrowing, (ii) the date of such Borrowing (which shall be a Business Day), (iii) whether the respective Borrowing shall consist of Initial Term Loans, Incremental Term Loans or Refinancing Term Loans, (iv) whether the Term Loans being made pursuant to such Borrowing are to be initially maintained as Base Rate Term Loans or Term SOFR Term Loans, (v) in the case of Term SOFR Term Loans, the Interest Period to be initially applicable thereto and (vi) the account of the Borrowers into which the proceeds of such Term Loans shall be deposited or other wire instructions therefor. The Administrative Agent shall promptly give each Lender of the Tranche specified in the respective Notice of Borrowing, notice of such proposed Borrowing, of such Lender's

proportionate share thereof (determined in accordance with Section 2.07) and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

2.04 Disbursement of Funds.

(a) No later than 1:00 P.M. (New York City time) on the date specified in each Notice of Borrowing, each Lender with a Commitment of the relevant Tranche will make available its *pro rata* portion (determined in accordance with Section 2.07) of each such Borrowing requested to be made on such date. All such amounts will be made available in U.S. Dollars and in immediately available funds at the Notice Office, and the Administrative Agent will make all funds so received by it in like funds as received by the Administrative Agent by wire transfer of such funds to the account designated in writing by Lead Borrower (including in any Notice of Borrowing) from time to time. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any Borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any Borrowing to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrowers a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify Lead Borrower and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent also shall be entitled to recover on demand from such Lender or the Borrowers interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrowers until the date such corresponding amount is recovered by the Administrative Agent, at a rate *per annum* equal to (i) if recovered from such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking rules on interbank compensation and (ii) if recovered from the Borrowers, the rate of interest applicable to the relevant Borrowing, as determined pursuant to Section 2.08. Nothing in this Section 2.04 shall be deemed to relieve any Lender from its obligation to make Term Loans hereunder or to prejudice any rights which the Borrowers may have against any Lender as a result of any failure by such Lender to make Term Loans hereunder.

(b) Payments by a Borrower; Presumptions by Administrative Agent.

Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due.

With respect to any payment that the Administrative Agent makes for the account of the Lenders as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount") : (1) the applicable Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by a Borrower (whether or not then owed); or (3) the Administrative agent has for any reason otherwise erroneously made such payment; then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this clause (b) shall be conclusive, absent manifest error.

2.05 Notes.

(a) Each Borrower's obligation to pay the principal of, and interest on, the Term Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 13.04 and shall, if requested by such Lender, also be evidenced by a promissory note duly executed and delivered by the

Borrowers substantially in the form of Exhibit B, with blanks appropriately completed in conformity herewith (each, a "Term Note").

(b) Each Lender will note on its internal records the amount of each Term Loan made by it and each payment in respect thereof and prior to any transfer of any of its Notes will endorse on the reverse side thereof the outstanding principal amount of Term Loans evidenced thereby. Failure to make any such notation or any error in such notation shall not affect each Borrower's obligations in respect of such Term Loans. For the avoidance of doubt, to the extent any conflict arises between the records maintained pursuant to this Section and the Register, the Register shall control.

(c) Notwithstanding anything to the contrary contained above in this Section 2.05 or elsewhere in this Agreement, Notes shall only be delivered to Lenders that at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Term Loans to the Borrowers shall affect or in any manner impair the obligations of the Borrowers to pay the Term Loans (and all related Obligations) incurred by the Borrowers which would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guarantees therefor provided pursuant to the various Credit Documents. Any Lender that does not have a Note evidencing its outstanding Term Loans shall in no event be required to make the notations otherwise described in the preceding clause (b). At any time when any Lender requests the delivery of a Note to evidence any of its Term Loans, the Borrowers shall promptly execute and deliver to the respective Lender the requested Note in the appropriate amount or amounts to evidence such Term Loans.

2.06 Interest Rate Conversions.

(a) Lead Borrower shall have the option to convert, on any Business Day, all or a portion equal to at least the Minimum Borrowing Amount of the outstanding principal amount of Term Loans of a given Tranche made pursuant to one or more Borrowings of one or more Types of Term Loans, into a Borrowing (of the same Tranche) of another Type of Term Loan; *provided* that (i) except as otherwise provided in Section 2.11, Term SOFR Term Loans may be converted into Base Rate Term Loans only on the last day of an Interest Period applicable to the Term Loans being converted and no such partial conversion of Term SOFR Term Loans, as the case may be, shall reduce the outstanding principal amount of such Term SOFR Term Loans, made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) to the extent the Required Lenders have, or the Administrative Agent at the request of the Required Lenders has, so notified Lead Borrower in writing, Base Rate Term Loans may not be converted into Term SOFR Term Loans if any Event of Default is in existence on the date of the conversion, and (iii) no conversion pursuant to this Section 2.06 shall result in a greater number of Borrowings of Term SOFR Term Loans than is permitted under Section 2.02. Such conversion shall be effected by Lead Borrower by giving the Administrative Agent at the Notice Office a notice no later than 11:00 a.m. (New York City time) two Business Days prior to the date of such conversion or continuation (in the case of any conversion to or continuation of Term SOFR Term Loans) or 12:00 noon (New York City time) one Business Day prior to the date of such conversion (in the case of any conversion to Base Rate Term Loans) (each, a "Notice of Conversion/Continuation") in the form of Exhibit A-2 or such other form as may be approved by the Administrative Agent including any form on an electronic platform or electronic transmission as shall be approved by the Administrative Agent, appropriately completed by a Responsible Officer of Lead Borrower to specify the Term Loans of a given Tranche to be so converted, the Borrowing or Borrowings pursuant to which such Term Loans were incurred and, if to be converted into Term SOFR Term Loans, the Interest Period to be initially applicable thereto. The Administrative Agent shall give each Lender prompt notice of any such proposed conversion affecting any of its Term Loans.

2.07 Pro Rata Borrowings. All Borrowings of Term Loans under this Agreement, subject to Section 2.10(d), shall be incurred from the Lenders *pro rata* on the basis of such Lenders' Commitments as the case may be. No Lender shall be responsible for any default by any other Lender of its obligation to make Term Loans hereunder, and each Lender shall be obligated to make the Term Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Term Loans hereunder.

2.08 Interest.

(a) The Borrowers agree, jointly and severally, to pay interest in respect of the unpaid principal amount of each Base Rate Term Loan (including with respect to any Term SOFR Term Loan converted into a Base

Rate Term Loan pursuant to Section 2.06 or 2.09) made to the Borrowers hereunder from the date of Borrowing thereof (or, in the circumstances described in the immediately preceding parenthetical, from the date of conversion of the respective Term SOFR Term Loan into a Base Rate Term Loan) until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Base Rate Term Loan to a Term SOFR Term Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate *per annum* which shall be equal to the sum of the Applicable Margin *plus* the Base Rate, as in effect from time to time.

(b) The Borrowers agree, jointly and severally, to pay interest in respect of the unpaid principal amount of each Term SOFR Term Loan made to the Borrowers from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Term SOFR Term Loan to a Base Rate Term Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate *per annum* which shall, during each Interest Period applicable thereto, be equal to the sum of the Applicable Margin *plus* the applicable Term SOFR for such Interest Period.

(c) Upon the occurrence and during the continuance of any Event of Default under Section 11.01 or 11.05 (x) overdue principal and, to the extent permitted by law, overdue interest in respect of each Term Loan shall bear interest at a rate *per annum* equal to (i) for Base Rate Term Loans and associated interest, 2.00% *per annum* in excess of the Applicable Margin for Base Rate Term Loans *plus* the Base Rate, (ii) for Term SOFR Term Loans and associated interest, 2.00% *per annum* in excess of the Applicable Margin for Term SOFR Term Loans *plus* Term SOFR and (y) overdue amounts with respect to Fees shall bear interest at a rate *per annum* equal to 2.00% *per annum* in excess of the Applicable Margin for Base Rate Term Loans *plus* the Base Rate, each as in effect from time to time, in each case with such interest to be payable on demand.

(d) Accrued (and theretofore unpaid) interest shall be calculated daily and payable (i) on each Interest Payment Date and (ii) on (w) the date of any conversion of a Term SOFR Term Loan to a Base Rate Term Loan (on the amount so converted) prior to the last day of the Interest Period applicable thereto, (x) the date of any prepayment or repayment thereof (on the amount prepaid or repaid), (y) at maturity (whether by acceleration or otherwise) and (z) after such maturity, on demand.

(e) Upon each Interest Determination Date, the Administrative Agent shall determine Term SOFR for each Interest Period applicable to the respective Term SOFR Term Loans and shall promptly notify Lead Borrower and the Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto.

(f) All interest hereunder and any Fees hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Base Rate at times when the Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate or Term SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

2.09 Interest Periods. At the time Lead Borrower gives any Notice of Borrowing or Notice of Conversion/Continuation in respect of the making of, or conversion into, any Term SOFR Term Loan (in the case of the initial Interest Period applicable thereto) or prior to 12:00 Noon (New York City time) on the third Business Day prior to the expiration of an Interest Period applicable to such Term SOFR Term Loan (in the case of any subsequent Interest Period), Lead Borrower shall have the right to elect the interest period (each, an "Interest Period") applicable to such Term SOFR Term Loan, which Interest Period shall, at the option of Lead Borrower be a one, three or six month period, or, such other period that is twelve months or less requested by the Borrower and consented to by all relevant Lenders participating in the relevant Tranche and the Administrative Agent (in the case of each requested Interest Period, subject to availability); *provided* that (in each case):

(i) all Term SOFR Term Loans comprising a Borrowing shall at all times have the same Interest Period;

(ii) the initial Interest Period for any Term SOFR Term Loan shall commence on the date of Borrowing of such Term SOFR Term Loan (including, in the case of Term SOFR Term Loans, the date of

any conversion thereto from a Borrowing of Base Rate Term Loans) and each Interest Period occurring thereafter in respect of such Term SOFR Term Loan shall commence on the day on which the next preceding Interest Period applicable thereto expires;

(iii) if any Interest Period for a Term SOFR Term Loan begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of such calendar month;

(iv) if any Interest Period for a Term SOFR Term Loan would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided*, *however*, that if any Interest Period for a Term SOFR Term Loan would otherwise expire on a day which is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day;

(v) unless the Required Lenders otherwise agree, no Interest Period for a Term SOFR Term Loan may be selected at any time when an Event of Default is then in existence; and

(vi) no Interest Period in respect of any Borrowing of any Tranche of Term Loans shall be selected which extends beyond the Maturity Date therefor.

With respect to any Term SOFR Term Loans, at the end of any Interest Period applicable to a Borrowing thereof, Lead Borrower may elect to split the respective Borrowing of a single Type under a single Tranche into two or more Borrowings of different Types under such Tranche or combine two or more Borrowings under a single Tranche into a single Borrowing of the same Type under such Tranche, in each case, by Lead Borrower giving notice thereof together with its election of one or more Interest Periods applicable thereto, in each case so long as each resulting Borrowing (x) has an Interest Period which complies with the foregoing requirements of this Section 2.09, (y) has a principal amount which is not less than the Minimum Borrowing Amount applicable to Borrowings of the respective Type and Tranche, and (z) does not cause a violation of the requirements of Section 2.02. If by 12:00 Noon (New York City time) on the third Business Day prior to the expiration of any Interest Period applicable to a Borrowing of Term SOFR Term Loans, Lead Borrower has failed to elect, or is not permitted to elect, a new Interest Period to be applicable to such Term SOFR, Lead Borrower shall be deemed to have elected in the case of Term SOFR Term Loans, to convert such Term SOFR Term Loans into Base Rate Term Loans with such conversion to be effective as of the expiration date of such current Interest Period.

2.10 Increased Costs, Illegality, etc.

(a) In the event:

(i) the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) on any Interest Determination Date that, by reason of any changes arising after the date of this Agreement affecting the interbank market, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of "Term SOFR"; or

(ii) the Administrative Agent is advised by the Required Lenders that Term SOFR for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to Lead Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies Lead Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Notice of Conversion/Continuation that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Borrowing of a Term SOFR Term Loan shall be ineffective and (ii) if any Notice of Borrowing requests a Borrowing of a Term SOFR Term Loan, such Borrowing shall be made as a Borrowing of a Base Rate Term Loan.

(b) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender;

(ii) impose on any Lender or the interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender; or

(iii) subject any Lender or the Administrative Agent to any Taxes (other than (A) Indemnified Taxes, (B) Excluded Taxes or (C) Other Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or the Administrative Agent of making, continuing, converting or maintaining any Term Loan (or of maintaining its obligation to make any such Term Loan) or to reduce the amount of any sum received or receivable by such Lender or the Administrative Agent hereunder (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender or the Administrative Agent, as the case may be, such additional amount or amounts as will compensate such Lender or the Administrative Agent, as the case may be, for such additional costs incurred or reduction suffered.

(c) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Term Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(d) If any Lender determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund Term SOFR Term Loans, or to determine or charge interest rates based upon Term SOFR, then, on notice thereof by such Lender to Lead Borrower through the Administrative Agent, any obligation of such Lender to make or continue Term SOFR Term Loans or to convert Base Rate Term Loans to Term SOFR Term Loans shall be suspended until such Lender notifies the Administrative Agent and Lead Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Term Loans of such Lender to Base Rate Term Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Term SOFR Term Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Term Loans. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

(e) A certificate of a Lender or the Administrative Agent setting forth the amount or amounts necessary to compensate such Lender or the Administrative Agent or its holding company, as the case may be, as specified in clause (b) or (c) of this Section, and certifying that it is the general practice and policy of such Lender to demand such compensation from similarly situated borrowers in similar circumstances at such time to the extent it is legally permitted to do so, shall be delivered to Lead Borrower and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the Administrative Agent, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(f) Failure or delay on the part of any Lender or the Administrative Agent to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Administrative Agent's right to demand such compensation; *provided* that the Borrowers shall not be required to compensate a Lender or the Administrative Agent pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or the Administrative Agent, as the case may be, notifies Lead Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Administrative Agent's intention to claim compensation therefor; *provided*, *further*, that, if the Change in Law giving rise to such increased costs or

reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.11 Compensation. The Borrowers agree, jointly and severally, to compensate each Lender, upon its written request (which request shall set forth in reasonable detail the basis for requesting such compensation and the calculation of the amount of such compensation; it being understood that no Lender shall be required to disclose (i) any confidential or price sensitive information, or (ii) any other information, to the extent prohibited by any Requirement of Law), for all losses, expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds required by such Lender to fund its Term SOFR Term Loans but excluding loss of anticipated profits (and without giving effect to the minimum "Term SOFR")) which such Lender may sustain: (i) if for any reason (other than a default by such Lender or the Administrative Agent) a Borrowing of, or conversion from or into, Term SOFR Term Loans does not occur on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation); (ii) if any prepayment or repayment (including any prepayment or repayment made pursuant to Section 5.01, Section 5.02 or as a result of an acceleration of the Term Loans pursuant to Section 11) or conversion of any of its Term SOFR Term Loans occurs on a date which is not the last day of an Interest Period with respect thereto; (iii) if any prepayment of any Term SOFR Term Loans is not made on any date specified in a notice of prepayment given by Lead Borrower; or (iv) as a consequence of any other default by the Borrowers to repay Term SOFR Term Loans when required by the terms of this Agreement or any Note held by such Lender.

2.12 Change of Lending Office. Each Lender agrees that on the occurrence of any event giving rise to the operation of Section 2.10(b), (c) or (d) or Section 5.04 with respect to such Lender, it will, if requested by Lead Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Term Loans affected by such event; *provided* that such designation is made on such terms that such Lender and its lending office suffer no economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrowers or the right of any Lender provided in Sections 2.10 and 5.04.

2.13 Replacement of Lenders. (x) If any Lender becomes a Defaulting Lender, (y) upon the occurrence of an event giving rise to the operation of Section 2.10(b), (c) or (d) or Section 5.04 with respect to such Lender or (z) in the case of a refusal by a Lender to consent to proposed changes, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 13.12(b), Lead Borrower shall have the right to replace such Lender (the "Replaced Lender") with one or more other Eligible Transferees, none of whom shall constitute a Defaulting Lender at the time of such replacement (collectively, the "Replacement Lender") and each of whom shall be required to be reasonably acceptable to the Administrative Agent (to the extent the Administrative Agent's consent would be required for an assignment to such Replacement Lender pursuant to Section 13.04); *provided* that (i) at the time of any replacement pursuant to this Section 2.13, the Replacement Lender shall enter into one or more Assignment and Assumptions pursuant to Section 13.04(b) (and with all fees payable pursuant to said Section 13.04(b) to be paid by the Replacement Lender and/or the Replaced Lender (as may be agreed to at such time by and among Lead Borrower, the Replacement Lender and the Replaced Lender) pursuant to which the Replacement Lender shall acquire all of the Commitments and outstanding Term Loans of, the Replaced Lender and, in connection therewith, shall pay to (x) the Replaced Lender in respect thereof an amount equal to the sum of (I) an amount equal to the principal of, and all accrued interest on, all outstanding Term Loans of the respective Replaced Lender under each Tranche with respect to which such Replaced Lender is being replaced and (II) an amount equal to all accrued, but theretofore unpaid, Fees owing to the Replaced Lender pursuant to Section 4.01 and (ii) all obligations of the Borrowers due and owing to the Replaced Lender at such time (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement. Upon receipt by the Replaced Lender of all amounts required to be paid to it pursuant to this Section 2.13, the Administrative Agent shall be entitled (but not obligated) and authorized to execute an Assignment and Assumption on behalf of such Replaced Lender, and any such Assignment and Assumption so executed by the Administrative Agent and the Replacement Lender shall be effective for purposes of this Section 2.13 and Section 13.04. Upon the execution of the respective Assignment and Assumption, the payment of amounts referred to in clauses (i) and (ii) above, recordation of the assignment on the Register pursuant to Section 13.04 and, if so requested by the Replacement Lender, delivery to the Replacement Lender of the appropriate Note or Notes executed by the Borrowers, the Replacement Lender shall become a Lender hereunder and the Replaced Lender

shall cease to constitute a Lender hereunder, except with respect to indemnification provisions under this Agreement (including, without limitation, Sections 2.10, 2.11, 5.04, 12.07 and 13.01), which shall survive as to such Replaced Lender with respect to actions or occurrences prior to it ceasing to be a Lender hereunder.

2.14 Extended Term Loans.

(a) Notwithstanding anything to the contrary in this Agreement, subject to the terms of this Section 2.14, Lead Borrower may at any time and from time to time request that all or a portion of any Tranche of Term Loans (each, an "Existing Term Loan Tranche"), be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or any portion of such Existing Term Loan Tranche (any such Term Loans which have been so converted, "Extended Term Loans") and to provide for other terms consistent with this Section 2.14. In order to establish any Extended Term Loans, Lead Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Term Loan Tranche) (each, an "Extension Request") setting forth the proposed terms of the Extended Term Loans to be established, which shall (x) be identical as offered to each Lender under the relevant Existing Term Loan Tranche (including as to the proposed interest rates and fees payable) and (y) have the same terms as the Existing Term Loan Tranche from which such Extended Term Loans are to be converted, except that: (i) all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization payments of principal of the Term Loans of such Existing Term Loan Tranche to the extent provided in the applicable Extension Amendment; (ii) the Effective Yield with respect to the Extended Term Loans (whether in the form of interest rate margin, upfront fees, original issue discount or otherwise) may be different than the Effective Yield for the Term Loans of such Existing Term Loan Tranche; (iii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the applicable Extension Amendment (immediately prior to the establishment of such Extended Term Loans); (iv) Extended Term Loans may have mandatory prepayment terms which provide for the application of proceeds from mandatory prepayment events to be made first to prepay the Term Loans under the Existing Term Loan Tranche from which such Extended Term Loans have been converted before applying any such proceeds to prepay such Extended Term Loans; (v) Extended Term Loans may have optional prepayment terms (including call protection and terms which allow Term Loans under the relevant Existing Term Loan Tranche from which such Extended Term Loans have been converted to be optionally prepaid prior to the prepayment of such Extended Term Loans) as may be agreed by Lead Borrower and the Lenders thereof and (vi) such Extended Term Loans may have other terms (other than those described in the preceding clause (i) through (v)) that differ from those of the Existing Term Loan Tranche, in each case, taken as a whole, that are not materially more favorable to the Lenders providing such Extended Term Loans than the provisions applicable to the Existing Term Loan Tranche or as are otherwise reasonably satisfactory to the Administrative Agent. Any Extended Term Loans converted pursuant to any Extension Request shall be designated a series (each, an "Extension Series") of Extended Term Loans for all purposes of this Agreement; *provided* that, subject to the requirements set forth above, any Extended Term Loans converted from an Existing Term Loan Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Tranche of Term Loans.

(b) [Reserved].

(c) Lead Borrower shall provide the applicable Extension Request at least five (5) Business Days (or such shorter period as to which the Administrative Agent may consent) prior to the date on which Lenders under the Existing Term Loan Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.14. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Tranche converted into Extended Term Loans pursuant to any Extension Request. Any Lender (each, an "Extending Term Loan Lender") wishing to have all or a portion of its Term Loans under the Existing Term Loan Tranche subject to such Extension Request converted into Extended Term Loans shall notify the Administrative Agent (each, an "Extension Election") on or prior to the date specified in such Extension Request of the amount of its Term Loans under the Existing Term Loan Tranche which it has elected to request be converted into Extended Term Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). Any Lender that does not respond to the Extension Request on or prior to the date specified therein shall be deemed to have rejected such Extension Request. In the event that the aggregate principal amount of Term Loans under the applicable Existing Term Loan Tranche exceeds the amount of Extended Term Loans requested pursuant

to such Extension Request, Term Loans of such Existing Term Loan Tranche, subject to such Extension Elections shall either (i) be converted to Extended Term Loans of such Existing Term Loan Tranche on a *pro rata* basis based on the aggregate principal amount of Term Loans of such Existing Term Loan Tranche included in such Extension Elections, subject to such rounding requirements as may be established by the Administrative Agent or (ii) to the extent such option is expressly set forth in the applicable Extension Request, be converted to Extended Term Loans upon an increase in the amount of Extended Term Loans so that such excess does not exist.

(d) Extended Term Loans shall be established pursuant to an amendment (each, an "Extension Amendment") to this Agreement among the Borrowers, the Administrative Agent and each Extending Term Loan Lender providing an Extended Term Loan thereunder, which shall be consistent with the provisions set forth in Section 2.14(a) above (but which shall not require the consent of any other Lender). The Administrative Agent shall promptly notify each relevant Lender as to the effectiveness of each Extension Amendment. After giving effect to the Extension, the Term Loans so extended shall cease to be a part of the Tranche they were a part of immediately prior to the Extension.

(e) Extensions consummated by the Borrowers pursuant to this Section 2.14 shall not constitute voluntary or mandatory payments or prepayments for purposes of this Agreement. The Administrative Agent and the Lenders hereby consent to each Extension and the other transactions contemplated by this Section 2.14 (including, for the avoidance of doubt, payment of any interest or fees in respect of any Extended Term Loans on such terms as may be set forth in the applicable Extension Request) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 5.01, 5.02, 5.03, 13.02 or 13.06) or any other Credit Document that may otherwise prohibit any Extension or any other transaction contemplated by this Section 2.14; *provided* that such consent shall not be deemed to be an acceptance of any Extension Request.

(f) Each of the parties hereto hereby agrees that this Agreement and the other Credit Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) reasonably necessary to (i) reflect the existence and terms of any Extended Term Loans incurred pursuant thereto, (ii) modify the scheduled repayments set forth in Section 5.02(a) with respect to any Existing Term Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Term Loans thereunder in an amount equal to the aggregate principal amount of the Extended Term Loans converted pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Term Loans required pursuant to Section 5.02(a)), (iii) make such other changes to this Agreement and the other Credit Documents consistent with the provisions and intent of Section 13.12(d), (iv) establish new Tranches in respect of Term Loans so extended and such technical amendments as may be necessary in connection with the establishment of such new Tranches, in each case, on terms consistent with this Section 2.14 and (v) effect such other amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and Lead Borrower, to effect the provisions of this Section 2.14, and each Lender hereby expressly authorizes the Administrative Agent to enter into any such Extension Amendment. In connection with any Extension, the Credit Parties shall (at their expense) amend (and the Administrative Agent is hereby directed to amend) any Mortgage that has a maturity date prior to the Latest Maturity Date so that such maturity date is extended to the Latest Maturity Date (or such later date as may be advised by local counsel to the Administrative Agent), to the extent required pursuant to applicable local law.

2.15 Incremental Term Loan Commitments.

(a) Lead Borrower may at any time and from time to time request that one or more Lenders (or one or more Eligible Transferees who will become Lenders) provide Incremental Term Loan Commitments to the Borrowers and, subject to the terms and conditions contained in this Agreement and in the relevant Incremental Term Loan Amendment, make Incremental Term Loans pursuant thereto; it being understood and agreed, however, that (i) no Lender shall be obligated to provide an Incremental Term Loan Commitment as a result of any such request by Lead Borrower, (ii) any Lender (including any Eligible Transferee who will become a Lender) may so provide an Incremental Term Loan Commitment without the consent of any other Lender, (iii) each Tranche of Incremental Term Loan Commitments shall be denominated in U.S. Dollars, (iv) the amount of Incremental Term Loan Commitments made available pursuant to a given Incremental Term Loan Amendment shall be in a minimum aggregate amount for all Lenders which provide an Incremental Term Loan Commitment thereunder (including Eligible Transferees who will become Lenders) of at least $25,000,000, (v) the aggregate principal amount of any

Incremental Term Loans on the date of the incurrence thereof shall not exceed, when taken together with any incurrence of Permitted Pari Passu Notes or Permitted Junior Debt pursuant to Section 10.04(xxvii)(A)(1) on such date, (x) the then-remaining Fixed Dollar Incremental Amount as of the date of incurrence *plus* (y) subject to the satisfaction of the applicable Incurrence-Based Incremental Facility Test, any Incurrence-Based Incremental Amount that may be incurred thereunder on such date, (vi) the proceeds of all Incremental Term Loans incurred by the Borrowers may be used for any purpose not prohibited under this Agreement, (vii) Lead Borrower shall specifically designate, in consultation with the Administrative Agent, the Tranche of the Incremental Term Loan Commitments being provided thereunder (which Tranche shall be a new Tranche (i.e., not the same as any existing Tranche of Incremental Term Loans, Incremental Term Loan Commitments or other Term Loans), unless the requirements of Section 2.15(c) are satisfied), which designation shall be set forth in the applicable Incremental Term Loan Amendment, (viii) if to be incurred as a new Tranche of Incremental Term Loans, such Incremental Term Loans shall have the same terms as each other Tranche of Term Loans as in effect immediately prior to the effectiveness of the relevant Incremental Term Loan Agreement, except as to purpose (which is subject to the requirements of the preceding clause (vi)) and optional prepayment provisions and mandatory prepayment provisions (which are governed by Section 5.02; *provided* that each new Tranche of Incremental Term Loans shall be entitled to share in mandatory prepayments on a ratable basis with the other Tranches of Term Loans (unless the holders of the Incremental Term Loans of any Tranche agree to take a lesser share of any such prepayments)); *provided*, *however*, that (I) the maturity and amortization of such Tranche of Incremental Term Loans may differ, so long as such Tranche of Incremental Term Loans shall have (a) a Maturity Date of no earlier than the Latest Maturity Date as of the date such Indebtedness was incurred and (b) a Weighted Average Life to Maturity of no less than the Weighted Average Life to Maturity as then in effect for the Tranche of then outstanding Term Loans with the then longest Weighted Average Life to Maturity (in each case of the foregoing clauses (a) and (b), excluding for this purpose, interim loan financings that provide for automatic rollover, subject to customary conditions, to Indebtedness otherwise meeting the requirements of this clause (I)), (II) the Effective Yield applicable to such Tranche of Incremental Term Loans may differ from that applicable to the then outstanding Tranches of Term Loans, with the Effective Yield applicable thereto to be specified in the respective Incremental Term Loan Amendment; *provided*, *however*, that if the Effective Yield for any such Incremental Term Loans incurred prior the date that is six (6) months after the First Restatement Effective Date, exceeds the Effective Yield then applicable to any then outstanding Initial Term Loans by more than 0.75% *per annum*, the Applicable Margins for all then outstanding Initial Term Loans shall be increased as of such date in accordance with the requirements of the definition of "Applicable Margin" and (III) such Tranche of Incremental Term Loans may have other terms (other than those described in preceding clauses (I) and (II)) that may differ from those of other Tranches of Term Loans, including, without limitation, as to the application of optional or voluntary prepayments among the Incremental Term Loans and the existing Term Loans, in each case, taken as a whole, that are not materially more favorable to the lenders providing such Incremental Term Loans than the provisions applicable to the existing Term Loans or as are otherwise reasonably satisfactory to the Administrative Agent, (ix) all Incremental Term Loans (and all interest, fees and other amounts payable thereon) incurred by the Borrowers shall be Obligations of the Borrowers under this Agreement and the other applicable Credit Documents and shall be secured by the Security Agreements, and guaranteed under each relevant Guaranty, on a *pari passu* basis with all other Term Loans secured by the Security Agreement and guaranteed under each such Guaranty, (x) each Lender (including any Eligible Transferee who will become a Lender) agreeing to provide an Incremental Term Loan Commitment pursuant to an Incremental Term Loan Amendment shall, subject to the satisfaction of the relevant conditions set forth in this Agreement, make Incremental Term Loans under the Tranche specified in such Incremental Term Loan Amendment as provided in Section 2.01(b) and such Term Loans shall thereafter be deemed to be Incremental Term Loans under such Tranche for all purposes of this Agreement and the other applicable Credit Documents and (xi) all Incremental Term Loan Commitment Requirements are satisfied.

(b) At the time of the provision of Incremental Term Loan Commitments pursuant to this Section 2.15, the Borrowers, the Administrative Agent and each such Lender or other Eligible Transferee which agrees to provide an Incremental Term Loan Commitment (each, an "Incremental Term Loan Lender") shall execute and deliver to the Administrative Agent an Incremental Term Loan Amendment (which shall not require the consent of any other Lender), with the effectiveness of the Incremental Term Loan Commitment provided therein to occur on the date on which (w) a fully executed copy of such Incremental Term Loan Amendment shall have been delivered to the Administrative Agent, (x) all fees required to be paid in connection therewith at the time of such effectiveness shall have been paid (including, without limitation, any agreed upon upfront or arrangement fees owing to the Administrative Agent to the extent it served as the arranger for the Incremental Term Loan Commitments), (y) all

Incremental Term Loan Commitment Requirements are satisfied, and (z) all other conditions set forth in this Section 2.15 shall have been satisfied. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Term Loan Amendment, and at such time, (i) Schedule 2.01 shall be deemed modified to reflect the revised Incremental Term Loan Commitments of the affected Lenders and (ii) to the extent requested by any Incremental Term Loan Lender, Term Notes will be issued at the Borrowers' expense to such Incremental Term Loan Lender, to be in conformity with the requirements of Section 2.05 (with appropriate modification) to the extent needed to reflect the new Incremental Term Loans made by such Incremental Term Loan Lender.

(c) Notwithstanding anything to the contrary contained above in this Section 2.15, the Incremental Term Loan Commitments provided by an Incremental Term Loan Lender or Incremental Term Loan Lenders, as the case may be, pursuant to each Incremental Term Loan Amendment shall constitute a new Tranche, which shall be separate and distinct from the existing Tranches pursuant to this Agreement; *provided* that, with the consent of the Administrative Agent, the parties to a given Incremental Term Loan Amendment may specify therein that the Incremental Term Loans made pursuant thereto shall constitute part of, and be added to, an existing Tranche of Term Loans, in any case so long as the following requirements are satisfied:

(i) the Incremental Term Loans to be made pursuant to such Incremental Term Loan Amendment shall have the same Borrowers, the same Maturity Date and the same Applicable Margins as the Tranche of Term Loans to which the new Incremental Term Loans are being added;

(ii) the new Incremental Term Loans shall have the same Scheduled Repayment Dates as then remain with respect to the Tranche to which such new Incremental Term Loans are being added (with the amount of each Scheduled Repayment applicable to such new Incremental Term Loans to be the same (on a proportionate basis)) as is theretofore applicable to the Tranche to which such new Incremental Term Loans are being added, thereby increasing the amount of each then remaining Scheduled Repayment of the respective Tranche proportionately; and

(iii) on the date of the making of such new Incremental Term Loans, and notwithstanding anything to the contrary set forth in Section 2.09, such new Incremental Term Loans shall be added to (and form part of) each Borrowing of outstanding Term Loans of the applicable Tranche on a *pro rata* basis (based on the relative sizes of the various outstanding Borrowings), so that each Lender holding Term Loans under the respective Tranche of Term Loans participates in each outstanding Borrowing of Term Loans of the respective Tranche (after giving effect to the incurrence of such new Incremental Term Loans pursuant to Section 2.01(b)) on a *pro rata* basis.

To the extent the provisions of the preceding clause (iii) require that Incremental Term Loan Lenders making new Incremental Term Loans add such Incremental Term Loans to the then outstanding Borrowings of Term SOFR Term Loans of such Tranche, it is acknowledged that the effect thereof may result in such new Incremental Term Loans having irregular Interest Periods (i.e., an Interest Period that began during an Interest Period then applicable to outstanding Term SOFR Term Loans of such Tranche and which will end on the last day of such Interest Period), which irregular interest periods shall be permitted notwithstanding anything to the contrary in this Agreement. All determinations by any the Administrative Agent of Term SOFR in such circumstances pursuant to the immediately preceding sentence shall, absent manifest error, be final and conclusive and binding on all parties hereto.

2.16 Inability to Determine Rates; Successor Rate.

(a) Notwithstanding anything to the contrary in this Agreement or any other Credit Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Lead Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Lead Borrower) that the Lead Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining Term SOFR for any Interest Period hereunder or any other tenors of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator has made a public statement identifying a specific date after which Term SOFR or the Term SOFR Screen Rate shall no longer be made available, or used for determining the interest rate of loans, provided that, at the time of such statement, there is no successor administrator that is reasonably satisfactory to the Administrative Agent, that will continue to provide Term SOFR after such specific date (such specific date, the "Scheduled Unavailability Date"); or

(iii) the administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over such administrator has made a public statement announcing that all Interest Periods and other tenors of Term SOFR are no longer representative; or

(iv) U.S. dollar denominated syndicated loans currently being executed, or that include language similar to that contained in this Section 2.16, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace Term SOFR;

then, in the case of clauses (i)-(iii) above, on a date and time determined by the Administrative Agent (any such date, the "Term SOFR Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and shall occur within a reasonable period of time after the occurrence of any of the events or circumstances under clauses (i), (ii) or (iii) above and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Credit Document with, subject to the proviso below, the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document (the "Successor Rate"; and any such rate before giving effect to the Related Adjustment, the "Pre-Adjustment Successor Rate"):

(x) [Reserved]; and

(y) SOFR plus the Related Adjustment;

and in the case of clause (iv) above, the Lead Borrower and Administrative Agent may amend this Agreement solely for the purpose of replacing Term SOFR under this Agreement and under any other Credit Document in accordance with the definition of "Successor Rate" and such amendment will become effective at 5:00 p.m. (New York time), on the fifth Business Day after the Administrative Agent shall have notified all Lenders and the Lead Borrower of the occurrence of the circumstances described in clause (iv) above unless, prior to such time, the Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to the implementation of a Successor Rate pursuant to such clause.

The Administrative Agent will promptly (in one or more notices) notify the Lead Borrower and each Lender of (x) any occurrence of any of the events, periods or circumstances under clauses (i) through (iii) above, (y) a Term SOFR Replacement Date and (z) the Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0.00%, the Successor Rate will be deemed to be 0.00% for the purposes of this Agreement and the other Credit Documents.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing

such Successor Rate Conforming Changes to the Lead Borrower and the Lenders reasonably promptly after such amendment becomes effective.

If the events or circumstances of the type described in 2.16(a)(i)-(iii) have occurred with respect to the Successor Rate then in effect, then the successor rate thereto shall be determined in accordance with the definition of "Successor Rate."

(b) Notwithstanding anything to the contrary herein, (i) after any such determination by the Administrative Agent or receipt by the Administrative Agent of any such notice described under Section 2.16(a)(i)-(iii), as applicable, if the Administrative Agent reasonably determines that none of the Successor Rates is available on or prior to the Term SOFR Replacement Date, (ii) if the events or circumstances described in Section 2.16(a)(iv) have occurred but none of the Successor Rates is available, or (iii) if the events or circumstances of the type described in Section 2.16(a)(i)-(iii) have occurred with respect to the Successor Rate then in effect and the Administrative Agent determines that none of the Successor Rates is available, then in each case, the Administrative Agent and the Lead Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 2.16 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any Related Adjustments and any other mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a Successor Rate. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Lead Borrower unless, prior to such time, the Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

(c) If, at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, no Successor Rate has been determined in accordance with clauses (a) or (b) of this Section 2.16 and the circumstances under clauses (a)(i) or (a)(iii) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Lead Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Term Loans shall be suspended (to the extent of the affected Term SOFR Term Loans, Interest Periods, interest payment dates or payment periods), and (y) Term SOFR component shall no longer be utilized in determining the Base Rate, until the Successor Rate has been determined in accordance with clauses (a) or (b). Upon receipt of such notice, the Lead Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Term SOFR Term Loans (to the extent of the affected Term SOFR Term Loans, Interest Periods, interest payment dates or payment periods) or, failing that, will be deemed to have converted such request into a request for a committed Borrowing of Base Rate Term Loans (subject to the foregoing clause (y)) in the amount specified therein.

2.17 [Reserved].

2.18 Refinancing Term Loans.

(a) Lead Borrower may from time to time by written notice to the Administrative Agent elect to request the establishment of one or more additional Tranches of Term Loans under this Agreement ("Refinancing Term Loans"), which refinance, renew, replace, defease or refund all or any portion of one or more Tranches of Term Loans under this Agreement selected by Lead Borrower; *provided*, that such Refinancing Term Loans may not be in an amount greater than the aggregate principal amount of the Term Loans being refinanced, renewed, replaced, defeased or refunded *plus* unpaid accrued interest and premium (if any) thereon and upfront fees, original issue discount, underwriting discounts, fees, commissions and expenses incurred in connection with the Refinancing Term Loans; *provided* that such aggregate principal amount may also be increased to the extent such additional amount is capable of being incurred at such time pursuant to Section 2.15 and such excess incurrence shall for all purposes hereof be an incurrence under the relevant subclauses of Section 2.15. Each such notice shall specify the date (each,

a "Refinancing Effective Date") on which Lead Borrower proposes that the Refinancing Term Loans shall be made, which shall be a date not less than three (3) Business Days after the date on which such notice is delivered to the Administrative Agent; *provided* that:

(i) the Weighted Average Life to Maturity of such Refinancing Term Loans shall not be shorter than the remaining Weighted Average Life to Maturity of the Term Loans being refinanced and the Refinancing Term Loans shall not have a final stated maturity (excluding for this purpose, interim loan financings that provide for automatic rollover, subject to customary conditions, to Indebtedness otherwise meeting the maturity requirements of this clause (i)) before the Maturity Date applicable to the Term Loans being refinanced;

(ii) such Refinancing Term Loans shall have pricing (including interest rates, fees and premiums), amortization, optional prepayment, mandatory prepayment (so long as such Refinancing Term Loans are not entitled to participate on a greater than *pro rata* basis in any mandatory prepayment than the then outstanding Term Loans) and redemption terms as may be agreed to by the Borrowers and the relevant Refinancing Term Loan Lenders (as defined below);

(iii) such Refinancing Term Loans shall not be guaranteed by any Person other than Holdings, the Borrowers or a Subsidiary Guarantor;

(iv) in the case of any such Refinancing Term Loans that are secured, such Refinancing Term Loans are secured only by assets comprising Collateral, and not secured by any property or assets of Lead Borrower or any of its Subsidiaries other than the Collateral;

(v) all other terms applicable to such Refinancing Term Loans (except as set forth above), taken as a whole, shall not be materially more favorable to the Refinancing Term Loan Lenders, than the related provisions applicable to the existing Term Loans or otherwise reasonably satisfactory to the Administrative Agent, except to the extent such covenants and other terms apply solely to any period after the Latest Maturity Date as of the date such Indebtedness was incurred (*provided* that a certificate of a Responsible Officer of Lead Borrower delivered to the Administrative Agent in good faith at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that Lead Borrower has determined in good faith that such terms and conditions satisfy the requirement set out in this clause (v), shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent provides notice to Lead Borrower of an objection during such five Business Day period (including a reasonable description of the basis upon which it objects)).

(b) The Borrowers may approach any Lender or any other Person that would be an Eligible Transferee of Term Loans to provide all or a portion of the Refinancing Term Loans (a "Refinancing Term Loan Lender"); *provided* that any Lender offered or approached to provide all or a portion of the Refinancing Term Loans may elect or decline, in its sole discretion, to provide a Refinancing Term Loan. Any Refinancing Term Loans made on any Refinancing Effective Date shall be designated a series (a "Refinancing Term Loan Series") of Refinancing Term Loans for all purposes of this Agreement; *provided* that any Refinancing Term Loans may, to the extent provided in the applicable Refinancing Term Loan Amendment and subject to the restrictions set forth in clause (a) above, be designated as an increase in any previously established Tranche of Term Loans.

(c) The Administrative Agent and the Lenders hereby consent to the transactions contemplated by Section 2.18(a) (including, for the avoidance of doubt, the payment of interest, fees, amortization or premium in respect of the Refinancing Term Loans on the terms specified by Lead Borrower) and hereby waive the requirements of this Agreement or any other Credit Document that may otherwise prohibit any transaction contemplated by Section 2.18(a). The Refinancing Term Loans shall be established pursuant to an amendment to this Agreement among Holdings, the Borrowers, the Administrative Agent and the Refinancing Term Loan Lenders providing such Refinancing Term Loans (a "Refinancing Term Loan Amendment") (which shall not require the consent of any other Lender) which shall be consistent with the provisions set forth in Section 2.18(a). Each Refinancing Term Loan Amendment shall be binding on the Lenders, the Administrative Agent, the Credit Parties party thereto and the other parties hereto without the consent of any other Lender and the Lenders hereby

irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Credit Documents as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and Lead Borrower, to effect the provisions of Section 2.18 including such technical amendments as may be necessary or appropriate in connection therewith and to adjust the amortization schedule in Section 5.02(a) (insofar as such schedule relates to payments due to Lenders the Term Loans of which are refinanced with the proceeds of Refinancing Term Loans; *provided* that no such amendment shall reduce the *pro rata* share of any such payment that would have otherwise been payable to the Lenders, the Term Loans of which are not refinanced with the proceeds of Refinancing Term Loans). The Administrative Agent shall be permitted, and each is hereby authorized, to enter into such amendments with the Borrowers to effect the foregoing.

2.19 Reverse Dutch Auction Repurchases.

(a) Notwithstanding anything to the contrary contained in this Agreement or any other Credit Document, Holdings, Lead Borrower or any Restricted Subsidiary may, at any time and from time to time, conduct reverse Dutch auctions in order to purchase Term Loans of a particular Tranche (each, an "Auction") (each such Auction to be managed exclusively by the Administrative Agent or any other bank or investment bank of recognized standing selected by Lead Borrower (with the consent of the Administrative Agent or such other bank or investment bank) following consultation with the Administrative Agent (in such capacity, the "Auction Manager")), so long as the following conditions are satisfied:

(i) each Auction shall be conducted in accordance with the procedures, terms and conditions set forth in this Section 2.19(a) and Schedule 2.19(a);

(ii) no Default or Event of Default shall have occurred and be continuing on the date of the delivery of each auction notice and at the time of purchase of Term Loans in connection with any Auction;

(iii) the minimum principal amount (calculated on the face amount thereof) of all Term Loans that Holdings, Lead Borrower or such Restricted Subsidiary offers to purchase in any such Auction shall be no less than $2,500,000 (unless another amount is agreed to by the Administrative Agent);

(iv) the Borrowers shall not use the proceeds of any borrowing under the ABL Credit Agreement to finance any such repurchase; and

(v) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans so purchased by Holdings, Lead Borrower or such Restricted Subsidiary shall automatically be cancelled and retired on the settlement date of the relevant purchase (and may not be resold).

(b) Holdings, Lead Borrower or such Restricted Subsidiary must terminate an Auction if it fails to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to such Auction. Holdings, Lead Borrower or such Restricted Subsidiary may withdraw any Auction if the reply amounts are insufficient to complete the purchase of a minimum principal amount of the Term Loans designated in writing to the applicable Auction Manager by Holdings, Lead Borrower or such Restricted Subsidiary (the "Minimum Purchase Condition"). No Credit Party or any Restricted Subsidiary shall have any liability to any Lender for any termination of such Auction as a result of its failure to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to the such Auction, or for any termination of such Auction as a result of the failure to satisfy the Minimum Purchase Condition, and any such failure shall not result in any Default or Event of Default hereunder. With respect to all purchases of Term Loans made pursuant to this Section 2.19, (x) Holdings, Lead Borrower or such Restricted Subsidiary shall pay on the settlement date of each such purchase all accrued and unpaid interest (except to the extent otherwise set forth in the relevant offering documents), if any, on the purchased Term Loans up to the settlement date of such purchase and (y) such purchases (and the payments made therefor and the cancellation of the purchased Term Loans, in each case in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Sections 5.01, 5.02 or 13.06. At the time of purchases of Term Loans pursuant to an Auction, the then remaining Scheduled Repayments shall be reduced by the aggregate principal amount (taking the face amount thereof) of Term Loans repurchased

pursuant to such Auction, with such reduction to be applied to such Scheduled Repayments on a *pro rata* basis (based on the then remaining principal amount of each such Scheduled Repayments).

(c) The Administrative Agent and the Lenders hereby consent to the Auctions and the other transactions contemplated by this Section 2.19 (*provided* that no Lender shall have an obligation to participate in any such Auctions) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 5.01, 5.02 and 13.06 (it being understood and acknowledged that purchases of the Term Loans by Holdings, Lead Borrower or any Restricted Subsidiary contemplated by this Section 2.19 shall not constitute Investments by such Person)) or any other Credit Document that may otherwise prohibit any Auction or any other transaction contemplated by this Section 2.19. The Auction Manager acting in its capacity as such hereunder shall be entitled to the benefits of the provisions of Section 12 and Section 13.01 *mutatis mutandis* as if each reference therein to the "Administrative Agent" were a reference to the Auction Manager, and the Administrative Agent and the Auction Manager shall cooperate in a reasonable manner in connection therewith.

2.20 Open Market Purchases.

(a) Notwithstanding anything to the contrary contained in this Agreement or any other Credit Document, Holdings, Lead Borrower or any of its Restricted Subsidiaries may, at any time and from time to time, make open market purchases of Term Loans (each, an "Open Market Purchase"), so long as the following conditions are satisfied:

(i) no Default or Event of Default shall have occurred and be continuing on the date of such Open Market Purchase;

(ii) neither Holdings, Lead Borrower nor any Restricted Subsidiary shall use the proceeds of any borrowing under the ABL Credit Agreement to finance any such purchase; and

(iii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans so purchased by Holdings, Lead Borrower or any of its Restricted Subsidiaries shall automatically be cancelled and retired on the settlement date of the relevant purchase (and may not be resold).

(b) With respect to all purchases of Term Loans made pursuant to this Section 2.20, (x) Holdings, Lead Borrower or such Restricted Subsidiary shall pay on the settlement date of each such purchase all accrued and unpaid interest, if any, on the purchased Term Loans up to the settlement date of such purchase (except to the extent otherwise set forth in the relevant purchase documents as agreed by the respective selling Lender) and (y) such purchases (and the payments made therefor and the cancellation of the purchased Term Loans, in each case in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 5.01, 5.02 or 13.06. At the time of purchases of Term Loans pursuant to any Open Market Purchase, the then remaining Scheduled Repayments shall be reduced by the aggregate principal amount (taking the face amount thereof) of Term Loans repurchased pursuant to such Open Market Purchase, with such reduction to be applied to such Scheduled Repayments on a *pro rata* basis (based on the then remaining principal amount of each such Scheduled Repayments).

(c) The Administrative Agent and the Lenders hereby consent to the Open Market Purchases contemplated by this Section 2.20 and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 5.01, 5.02 and 13.06 (it being understood and acknowledged that purchases of the Term Loans by Holdings, Lead Borrower or any Restricted Subsidiary contemplated by this Section 2.20 shall not constitute Investments by such Person)) or any other Credit Document that may otherwise prohibit any Open Market Purchase by this Section 2.20.

2.21 Sponsor and Affiliate Term Loan Purchases. Notwithstanding anything to the contrary in this Agreement, the Sponsor and any Affiliate of the Sponsor (other than Holdings, Lead Borrower or any Subsidiary) may be an assignee in respect of Term Loans (and to such extent shall be deemed an "Eligible Transferee"); *provided* that:

(a) at the time of acquisition thereof, the aggregate principal amount of Term Loans held by the Sponsor and Affiliates (other than Debt Fund Affiliates), together with the aggregate principal amount of the Term Loans so acquired, shall not exceed 25% of the aggregate outstanding principal amount of the Term Loans at such time;

(b) notwithstanding anything to the contrary in the definition of "Required Lenders," or in Section 13.12, the holder of any Term Loans acquired pursuant to this Section 2.21(b) (other than Debt Fund Affiliates) shall not be entitled to vote such Term Loans in any "Required Lender" vote or direction pursuant to the terms of this Agreement or any other Credit Document, and for purposes of any such vote or direction such Term Loans shall be deemed not to be outstanding (it being understood that the holder of such Term Loans shall have the right to consent to votes requiring the consent of "all Lenders" or "all Lenders directly and adversely affected thereby" pursuant to Section 13.12 or otherwise, or any other amendment which treats such Lenders differently from other Lenders);

(c) by acquiring a Term Loan hereunder, the Sponsor or such applicable Affiliate (other than Debt Fund Affiliates) shall be deemed to have (I) waived its right to receive information prepared by the Administrative Agent or any Lender (or any advisor, agent or counsel thereof) under or in connection with the Credit Documents (in each case to the extent not provided to the Credit Parties) and attend any meeting or conference call with the Administrative Agent or any Lender (unless any Credit Party has been invited to attend such meeting or conference call), (II) agreed that it is prohibited from making or bringing any claim (but not from joining any claim initiated by any other Lender and acting as a passive participant with respect thereto), in its capacity as a Lender, against Administrative Agent or any Lender with respect to the duties and obligations of such Persons under the Credit Documents, and (III) agreed, without limiting its rights as a Lender described in Section 2.21(b), that it will have no right whatsoever, in its capacity as a Lender, to require the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to this Agreement or any other Credit Document;

(d) the Sponsor or such Affiliate (other than Debt Fund Affiliates) identifies itself as an Affiliate of the Credit Parties prior to the assignment of Term Loans to it pursuant to the applicable Assignment and Assumption; *provided* that this clause (d) shall not apply in the case of an acquisition of Term Loans through an un-Affiliated intermediary to the extent the Sponsor or such Affiliate has made any representations and warranties to such intermediary as are required by such intermediary in connection with its engagement as such (which may include, to the extent required by such intermediary, a representation and warranty that it does not possess any material non-public information about the Credit Parties and their respective securities);

(e) Term Loans acquired by the Sponsor and Affiliates thereof shall be subject to the voting limitations set forth in Section 13.04(g);

(f) notwithstanding anything in Section 13.12 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Credit Document or any departure by any Credit Party therefrom, (ii) otherwise acted on any matter related to any Credit Document or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Credit Document, all Term Loans held by Debt Fund Affiliates may not account for more than 49.9% of the Term Loans of consenting Lenders included in determining whether the Required Lenders have consented to any action pursuant to Section 13.12; and

(g) each assignor and assignee party any relevant assignment under this Section 2.21 shall render customary "big boy" disclaimer letters or any such disclaimers shall be incorporated into the terms of the Assignment and Assumption.

Section 3. [Reserved].

Section 4. Fees; Reductions of Commitment.

4.01 Fees.

(a) The Borrowers agree, jointly and severally, to pay to the Administrative Agent such fees as may be agreed to in writing from time to time by the Borrowers and the Administrative Agent.

(b) At the time of the effectiveness of any Repricing Transaction that is consummated prior to the date that is six (6) months after Amendment No. 1 Effective Date, the Borrowers agree, jointly and severally, to pay to the Administrative Agent, for the ratable account of each Lender with outstanding Initial Term Loans that are repaid or prepaid (and/or converted) pursuant to such Repricing Transaction (including, if applicable, each Lender that withholds its consent to a Repricing Transaction of the type described in clause (2) of the definition thereof and is replaced as a non-consenting Lender under Section 2.13), a fee in an amount equal to 1.00% of (x) in the case of a Repricing Transaction of the type described in clause (1) of the definition thereof, the aggregate principal amount of all Initial Term Loans prepaid (or converted) by any Borrower in connection with such Repricing Transaction and (y) in the case of a Repricing Transaction of the type described in clause (2) of the definition thereof, the aggregate principal amount of all Initial Term Loans outstanding with respect to the Borrowers on such date that are subject to an effective reduction of the Applicable Margin pursuant to such Repricing Transaction. Such fees shall be due and payable upon the date of the effectiveness of such Repricing Transaction.

4.02 Mandatory Reduction of Commitments.

(a) In addition to any other mandatory commitment reductions pursuant to this Section 4.02, (i) the Total Initial Term Loan Commitment terminated in its entirety on the First Restatement Effective Date after the funding of all Initial Term Loans on such date and (ii) the 2021 Incremental Term Loan Commitment shall terminate in its entirety on the Amendment No. 1 Effective Date (after giving effect to the incurrence of the 2021 Incremental Term Loans on such date).

(b) In addition to any other mandatory commitment reductions pursuant to this Section 4.02, the Total Incremental Term Loan Commitment pursuant to an Incremental Term Loan Amendment (and the Incremental Term Loan Commitment of each Lender with such a Commitment) shall terminate in its entirety on the Incremental Term Loan Borrowing Date for such Total Incremental Term Loan Commitment after the funding of all relevant Incremental Term Loans on such date.

(c) Each reduction to the Total Initial Term Loan Commitment and the Total Incremental Term Loan Commitment under a given Tranche pursuant to this Section 4.02 as provided above (or pursuant to Section 5.02) shall be applied proportionately to reduce the Initial Term Loan Commitment or the Incremental Term Loan Commitment under such Tranche, as the case may be, of each Lender with such a Commitment.

Section 5. Prepayments; Payments; Taxes.

5.01 Voluntary Prepayments.

(a) The Borrowers shall have the right to prepay the Term Loans of any Tranche, without premium or penalty (other than as provided in Section 4.01(b)), in whole or in part at any time and from time to time on the following terms and conditions: (i) Lead Borrower shall give the Administrative Agent at its Notice Office written notice (or telephonic notice promptly confirmed in writing) ("Notice of Prepayment") of its intent to prepay all of the Term Loans, or in the case of any partial prepayment, the Tranche of Term Loans to be prepaid, the amount of the Term Loans to be prepaid, the Types of Term Loans to be repaid, the manner in which such prepayment shall apply to reduce the Scheduled Repayments and, in the case of Term SOFR Term Loans, the specific Borrowing or Borrowings pursuant to which made, which notice shall be given by Lead Borrower (x) prior to 12:00 Noon (New York City time) at least one Business Day prior to the date of such prepayment in the case of Term Loans maintained as Base Rate Term Loans and (y) prior to 11:00 a.m. (New York City time) at least two Business Days prior to the date of such prepayment in the case of Term SOFR Term Loans (or, in the case of clause (x) and (y), such shorter period as the Administrative Agent shall agree in its sole and absolute discretion), and be promptly transmitted by the Administrative Agent to each of the Lenders; (ii) each partial prepayment of Term Loans pursuant to this Section 5.01(a) shall be in an aggregate principal amount of at least $1,000,000 or such lesser amount as is acceptable to the Administrative Agent; *provided* that if any partial prepayment of Term SOFR Term Loans made pursuant to any Borrowing shall reduce the outstanding principal amount of Term SOFR Term Loans made pursuant to such Borrowing to an amount less than the Minimum Borrowing Amount, then if such Borrowing is a Borrowing

of Term SOFR Term Loans, such Borrowing shall automatically be converted into a Borrowing of Base Rate Term Loans and any election of an Interest Period with respect thereto given by Lead Borrower shall have no force or effect; (iii) each prepayment pursuant to this Section 5.01(a) in respect of any Term Loans made pursuant to a Borrowing shall be applied *pro rata* among such Term Loans; *provided* that it is understood and agreed that this clause (iii) may be modified as expressly provided in Section 2.14 in connection with an Extension Amendment; and (iv) each prepayment of principal of Term Loans of a given Tranche pursuant to this Section 5.01(a) shall be applied as directed by Lead Borrower in the applicable notice of prepayment delivered pursuant to this Section 5.01(a) or, if no such direction is given, in direct order of maturity. Notwithstanding anything to the contrary contained in this Agreement, any such notice of prepayment pursuant to this Section 5.01(a) may state that it is conditioned upon the occurrence or non-occurrence of any event specified therein (including the effectiveness of other credit facilities, the occurrence of a Change of Control or any similar event), in which case such notice may be revoked by Lead Borrower (by written notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied.

(b) In the event (i) of a refusal by a Lender to consent to proposed changed, amendments, waivers, discharges or terminations with respect to this Agreement which have been approved by the Required Lenders as (and to the extent) provided in Section 13.12(b) or (ii) any Lender becomes a Defaulting Lender, Lead Borrower may, upon three Business Days' prior written notice to the Administrative Agent at the Notice Office (or such shorter notice as may be agreed by the Administrative Agent) repay all Term Loans of such Lender, together with accrued and unpaid interest, Fees and other amounts owing to such Lender in accordance with, and subject to the requirements of, Section 13.12(b), so long as, in the case of any repayment pursuant to clause (i) hereof, the consents, if any, required under Section 13.12(b) in connection with the repayment pursuant to such clause (i) have been obtained. Each prepayment of any Term Loan pursuant to this Section 5.01(b) shall reduce the then remaining Scheduled Repayments of the applicable Tranche of Term Loans on a *pro rata* basis (based upon the then remaining unpaid principal amounts of Scheduled Repayments of the respective Tranche after giving effect to all prior reductions thereto).

5.02 Mandatory Repayments.

(a) In addition to any other mandatory repayments pursuant to this Section 5.02, on each date set forth below (each, a "Scheduled Repayment Date"), the Borrowers shall be required to repay to the Administrative Agent for the ratable account of the Lenders (i) with respect to the Initial Term Loans (other than 2021 Incremental Term Loans), on the last Business Day of each March, June, September and December, commencing with June 30, 2021 and ending on the 2021 Incremental Term Loans Conversion Date, an aggregate principal amount equal to $1,625,000 and (ii) with respect to the Initial Term Loans (including, for the avoidance of doubt, 2021 Incremental Term Loans), on the last Business Day of each March, June, September and December, commencing after the 2021 Incremental Term Loans Conversion Date, an aggregate principal amount equal to $2,254,722.93, (iii) on the Initial Maturity Date for Initial Term Loans (including, for the avoidance of doubt, 2021 Incremental Term Loans), the aggregate principal amount of all Initial Term Loans that remain outstanding on such date (each such repayment described in clauses (i) through (iii), as the same may be reduced as provided in this Agreement, including in Section 2.19, 2.20, 5.01 or 5.02(g), or as a result of the application of prepayments or otherwise in connection with any Extension as provided in Section 2.14, a "Scheduled Repayment"). 2021 Incremental Term Loans shall not be subject to mandatory repayments pursuant to this Section 5.02 prior to the 2021 Incremental Term Loans Conversion Date.

(b) In addition to any other mandatory repayments pursuant to this Section 5.02, the Borrowers shall be required to make, with respect to each new Tranche (i.e., other than Initial Term Loans, which are addressed in the preceding clause (a)) of Term Loans to the extent then outstanding, scheduled amortization payments of such Tranche of Term Loans to the extent, and on the dates and in the principal amounts, set forth in the Incremental Term Loan Amendment, Refinancing Term Loan Amendment or Extension Amendment applicable thereto.

(c) In addition to any other mandatory repayments pursuant to this Section 5.02, within five Business Days following each date on or after the First Restatement Effective Date upon which Lead Borrower or any of its Restricted Subsidiaries receives any cash proceeds from any issuance or incurrence of Indebtedness (other than Indebtedness permitted to be incurred pursuant to Section 10.04 (other than Refinancing Term Loans and

Refinancing Notes)), an amount equal to 100% of the Net Debt Proceeds therefrom shall be applied as a mandatory repayment in accordance with the requirements of Sections 5.02(g) and (h).

(d) In addition to any other mandatory repayments pursuant to this Section 5.02, within 10 days following each date on or after the First Restatement Effective Date upon which Lead Borrower or any of its Restricted Subsidiaries receives any Net Sale Proceeds from any Asset Sale (other than ABL Collateral), an amount equal to the Applicable Asset Sale/Recovery Event Prepayment Percentage of the Net Sale Proceeds therefrom shall be applied as a mandatory repayment in accordance with the requirements of Sections 5.02(g) and (h); *provided*, *however*, with respect to no more than $27,000,000 in the aggregate of such Net Sale Proceeds received by Lead Borrower and its Restricted Subsidiaries in any fiscal year of Lead Borrower, such Net Sale Proceeds shall not be required to be so applied or used to make mandatory repayments of Term Loans. Notwithstanding the foregoing, Lead Borrower or such Restricted Subsidiary may apply all or a portion of such Net Sale Proceeds that would otherwise be required to be applied as a mandatory repayment hereunder to reinvest in the purchase of assets useful in the business of Lead Borrower and its Restricted Subsidiaries within 12 months following the date of receipt of such Net Sale Proceeds (or, if within such 12-month period, Lead Borrower or any of its Restricted Subsidiaries enters into a binding commitment to so reinvest such Net Sale Proceeds, within 180 days following such 12-month period during which Lead Borrower so committed to such plan of reinvestment); *provided*, *further*, that if within 12 months (or, to the extent applicable, 18 months) after the date of receipt by Lead Borrower or such Restricted Subsidiary of such Net Sale Proceeds, Lead Borrower or such Restricted Subsidiary has not so used all or a portion of such Net Sale Proceeds that would otherwise be required to be applied as a mandatory repayment hereunder, an amount equal to the remaining portion of such Net Sale Proceeds that would otherwise be required to be applied as a mandatory repayment hereunder shall be applied as a mandatory repayment in accordance with the requirements of Sections 5.02(g) and (h) on the last day of such 12-month (or, to the extent applicable, 18-month) period.

(e) In addition to any other mandatory repayments pursuant to this Section 5.02, on each Excess Cash Flow Payment Date, an amount equal to the remainder of (i) the Applicable ECF Prepayment Percentage of the Excess Cash Flow for the related Excess Cash Flow Payment Period *less* (ii) the aggregate amount of all (x) voluntary prepayments of Term Loans, Refinancing Notes and Indebtedness incurred pursuant to Section 10.04(xxvii) that rank *pari passu* with the Term Loans (limited, in the case of any voluntary prepayment in accordance with the provisions of Section 2.19 or Section 2.20 or similar provisions in the definitive documentation with respect to such Refinancing Notes or other Indebtedness, to the cash payment made by any Credit Party or Restricted Subsidiary therefor) and (y) prepayments of revolving loans under the ABL Credit Agreement or any other revolving credit facility secured by a Lien on the Collateral ranking *pari passu* with the Lien on the Collateral securing the ABL Credit Agreement or senior or *pari passu* with the Lien on the Collateral securing the Indebtedness hereunder, in each case, to the extent accompanied by a permanent reduction in commitments therefor and not financed with the incurrence of other long-term Indebtedness (other than Indebtedness under the ABL Credit Agreement), during such Excess Cash Flow Payment Period shall be applied as a mandatory repayment in accordance with the requirements of Sections 5.02(g) and (h).

(f) In addition to any other mandatory repayments pursuant to this Section 5.02, within 10 days following each date on or after the First Restatement Effective Date upon which Lead Borrower or any of its Restricted Subsidiaries receives any Net Insurance Proceeds from any Recovery Event (other than in respect of ABL Collateral), an amount equal to the Applicable Asset Sale/Recovery Event Prepayment Percentage of the Net Insurance Proceeds from such Recovery Event shall be applied as a mandatory repayment in accordance with the requirements of Sections 5.02(g) and (h); *provided*, *however*, with respect to no more than $27,000,000 in the aggregate of such Net Insurance Proceeds received by Lead Borrower and its Restricted Subsidiaries in any fiscal year of Lead Borrower, such Net Insurance Proceeds shall not give rise to a mandatory repayment. Notwithstanding the foregoing, Lead Borrower may apply such Net Insurance Proceeds that would otherwise be required to be applied as a mandatory repayment hereunder to reinvest in the purchase of assets useful in the business of Lead Borrower and its Restricted Subsidiaries within 12 months following the date of receipt of such proceeds (or, if within such 12-month period, Lead Borrower or any of its Restricted Subsidiaries enters into a binding commitment to so reinvest in such Net Sale Proceeds, within 18 months following the date of receipt of such proceeds); *provided*, *further*, that if within 12 months (or, to the extent applicable, 18 months) after the date of receipt by Lead Borrower or any of its Restricted Subsidiaries of such Net Insurance Proceeds, Lead Borrower or any of its Restricted Subsidiaries have not so used all or a portion of such Net Insurance Proceeds that would otherwise be required to be applied as a mandatory repayment hereunder, an amount equal to the remaining portion of such Net Insurance

Proceeds that would otherwise be required to be applied as a mandatory repayment hereunder shall be applied as a mandatory repayment in accordance with the requirements of Sections 5.02(g) and (h) on the last day of such 12-month (or, to the extent applicable, 18-month) period, as the case may be.

(g) Each amount required to be applied pursuant to Sections 5.02(d), (e) and (f) in accordance with this Section 5.02(g) shall be applied to repay the outstanding principal amount of Term Loans, with each Tranche of then outstanding Term Loans to be allocated its Term Loan Percentage of each amount so required to be applied; *provided* that to the extent any Permitted Pari Passu Notes (or any Permitted Refinancing Indebtedness in respect thereof that is secured on a *pari passu* basis with the Obligations) requires any mandatory prepayment or repurchase from any Net Sale Proceeds or Net Insurance Proceeds that would otherwise be required to be applied to prepay Term Loans in accordance with clause (d) or (f) above, up to a *pro rata* portion (based on the aggregate principal amount of Term Loans and such *pari passu* secured Indebtedness then outstanding) of such Net Sale Proceeds or Net Insurance Proceeds that would otherwise be required to prepay Term Loans in accordance with clause (d) or (f) above may be applied to prepay or repurchase such *pari passu* secured Indebtedness in lieu of prepaying Term Loans as provided above. Prepayments pursuant to Section 5.02(c) shall be applied to the Tranche or Tranches of Term Loans selected by Lead Borrower. Except as otherwise provided below, all repayments of outstanding Term Loans of a given Tranche pursuant to Sections 5.02(c), (d), (e) and (f) (and applied pursuant to this clause (g)) shall be applied to reduce the Scheduled Repayments of the applicable Tranche in direct order of maturity of such Scheduled Repayments.

(h) With respect to each repayment of Term Loans required by this Section 5.02, Lead Borrower may (subject to the priority payment requirements of Section 5.02(g)) designate the Types of Term Loans of the applicable Tranche which are to be repaid and, in the case of Term SOFR Term Loans, the specific Borrowing or Borrowings of the applicable Tranche pursuant to which such Term SOFR Term Loans were made; *provided* that: (i) repayments of Term SOFR Term Loans pursuant to this Section 5.02 may only be made on the last day of an Interest Period applicable thereto unless all such Term SOFR Term Loans of the applicable Tranche with Interest Periods ending on such date of required repayment and all Base Rate Term Loans of the applicable Tranche have been paid in full; and (ii) each repayment of any Term Loans made pursuant to a Borrowing shall be applied *pro rata* among such Term Loans. In the absence of a designation by Lead Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its sole discretion.

(i) In addition to any other mandatory repayments pursuant to this Section 5.02, all then outstanding Term Loans of any Tranche of Term Loans shall be repaid in full on the Maturity Date for such Tranche of Term Loans.

(j) Notwithstanding any other provisions of this Section 5.02, (i) to the extent that any or all of the Net Sale Proceeds of any Asset Sale by a Foreign Subsidiary (a "Foreign Asset Sale"), the Net Insurance Proceeds of any Recovery Event incurred by a Foreign Subsidiary (a "Foreign Recovery Event") or Excess Cash Flow attributable to Foreign Subsidiaries are prohibited or delayed by applicable local law, rule or regulation or applicable organizational documents of such Foreign Subsidiary from being repatriated to the United States, the portion of such Net Sale Proceeds, Net Insurance Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in this Section 5.02 but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law, rule or regulation or applicable organizational documents of such Foreign Subsidiary will not permit repatriation to the United States (the Borrowers hereby agreeing to use all commercially reasonable efforts to overcome or eliminate any such restrictions on repatriation and/or minimize any such costs of prepayment and/or use the other cash sources of Lead Borrower and its Restricted Subsidiaries to make the relevant prepayment), and if within one year following the date on which the respective prepayment would otherwise have been required such repatriation of any of such affected Net Sale Proceeds, Net Insurance Proceeds or Excess Cash Flow is permitted under the applicable local law, rule or regulation or applicable organizational documents of such Foreign Subsidiary, such repatriation will be immediately effected and such repatriated Net Sale Proceeds, Net Insurance Proceeds or Excess Cash Flow will be promptly (and in any event not later than two Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof and additional costs relating to such repatriation) to the repayment of the Term Loans pursuant to this Section 5.02 or (ii) to the extent that Lead Borrower has reasonably determined in good faith that repatriation of any of or all the Net Sale Proceeds of any Foreign Asset Sale, Net Insurance Proceeds of any Foreign Asset Sale or Foreign Recovery Event or Foreign Subsidiary Excess Cash Flow would have material adverse tax cost

consequences, such Net Sale Proceeds, Net Insurance Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary.

(k) The Borrowers shall notify the Administrative Agent in writing of any mandatory repayment of Term Loans required to be made pursuant to Section 5.02(d), (e) or (f) at least three Business Days prior to the date of such repayment. Each such notice shall specify the date of such repayment and provide the amount of such repayment. The Administrative Agent will promptly notify the Lenders of the contents of Lead Borrower's repayment notice and of such Lender's *pro rata* share of any repayment. Each Lender may reject all or a portion of its *pro rata* share of any mandatory repayment (such declined amounts, the "Declined Proceeds") of Term Loans required to be made pursuant to Section 5.02(d), (e) or (f) by providing written notice (each, a "Rejection Notice") to the Administrative Agent and Lead Borrower no later than 5:00 P.M. (New York City time) on the Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such repayment. Each Rejection Notice from a given Lender shall specify the principal amount of the mandatory repayment of Term Loans to be rejected by such Lender. If a Lender fails to deliver such Rejection Notice to the Administrative Agent within the time frame specified above or such Rejection Notice fails to specify the principal amount of the Term Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such mandatory repayment of Term Loans to which such Lender is otherwise entitled.

5.03 Method and Place of Payment. All payments under this Agreement and under any Note shall be made (i) to the Administrative Agent at its Notice Office for the account of the Lender or Lenders entitled thereto, or, except as otherwise specifically provided herein, directly to such Lender or Lenders, in each case not later than 2:00 p.m. (New York City time) on the date when due (or, in connection with any prepayment of all outstanding Term Loans, such later time on the specified prepayment date as the Administrative Agent may agree), (ii) in U.S. Dollars in immediately available funds and (iii) free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Any payment received after such time on such date referred to in the first sentence of this Section 5.03 shall, at the option of the Administrative Agent, be deemed to have been received on the next Business Day. Whenever any payment to be made hereunder or under any Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension. Unless the Administrative Agent shall have received notice from Lead Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

5.04 Net Payments.

(a) All payments made by or on account of any Credit Party under any Credit Document shall be made free and clear of, and without deduction or withholding for, any Taxes, except as required by applicable law. If any Taxes are required to be withheld or deducted from such payments, then the Credit Parties jointly and severally agree that (i) to the extent such deduction or withholding is on account of an Indemnified Tax or Other Tax, the sum payable shall be increased as necessary so that after making all required deductions or withholding (including deduction or withholdings applicable to additional sums payable under this Section 5.04), the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the applicable withholding agent will make such deductions or withholdings, and (iii) the applicable withholding agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. In addition, the Credit Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law. The Credit Parties will furnish to the Administrative Agent within 45 days after the date the payment by any of them of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by the applicable Credit Party. The Credit Parties jointly and severally agree to indemnify and hold harmless the Administrative Agent and each Lender, and reimburse the Administrative Agent and each Lender, within 10 Business Days of written request

therefor, for the amount of any Indemnified Taxes (including any Indemnified Taxes imposed on amounts payable under this Section 5.04) payable or paid by the Administrative Agent or such Lender or required to be withheld or deducted from a payment to the Administrative Agent or such Lender, and any Other Taxes, and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority.

(b) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to Lead Borrower and the Administrative Agent, at the time or times reasonably requested by Lead Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by Lead Borrower or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or a reduced rate of, withholding Tax. In addition, each Lender shall deliver to Lead Borrower and the Administrative Agent, at the time or times reasonably requested by Lead Borrower or the Administrative Agent, such other documentation prescribed by applicable law or reasonably requested by Lead Borrower or the Administrative Agent as will enable Lead Borrower or the Administrative Agent to determine whether such Lender is subject to backup withholding or information reporting requirements. Each Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documents required below in Section 5.04(c)) expired, obsolete or inaccurate in any respect, deliver promptly to Lead Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by Lead Borrower or the Administrative Agent) or promptly notify Lead Borrower and the Administrative Agent in writing of its inability to do so.

(c) Without limiting the generality of the foregoing: (x) Each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to Lead Borrower and the Administrative Agent on or prior to the First Restatement Effective Date or, in the case of a Lender that is an assignee or transferee of an interest under this Agreement pursuant to Section 2.13 or 13.04(b) (unless the relevant Lender was already a Lender hereunder immediately prior to such assignment or transfer), on the date of such assignment or transfer to such Lender, (i) two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) or Form W-8BEN-E (or successor form) claiming eligibility for benefits of an income tax treaty to which the United States is a party or Form W-8ECI (or successor form), or (ii) in the case of a Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest," a certificate substantially in the form of Exhibit C (any such certificate, a "U.S. Tax Compliance Certificate") and two accurate and complete original signed copies of Internal Revenue Service Form W-8BEN (or successor form) or W-8BEN-E (or successor form) certifying to such Lender's entitlement as of such date to a complete exemption from U.S. withholding tax with respect to payments of interest to be made under this Agreement and under any Note; or (iii) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership or a participating Lender), two accurate and complete original signed copies of Internal Revenue Service Form W-8IMY (or successor form) of the Lender, accompanied by Form W-8ECI, Form W-8BEN, Form W-8BEN-E, U.S. Tax Compliance Certificate, Form W-8IMY, and/or any other required information (or successor or other applicable form) from each beneficial owner that would be required under this Section 5.04(c) if such beneficial owner were a Lender (*provided* that, if the Lender is a partnership for U.S. federal income Tax purposes (and not a participating Lender), and one or more beneficial owners are claiming the portfolio interest exemption, the U.S. Tax Compliance Certificate may be provided by such Lender on behalf of such beneficial owners); (y) Each Lender that is a United States person, as defined in Section 7701(a)(30) of the Code, shall deliver to Lead Borrower and the Administrative Agent, at the times specified in Section 5.04(b), two accurate and complete original signed copies of Internal Revenue Service Form W-9, or any successor form that such Person is entitled to provide at such time, in order to qualify for an exemption from United States backup withholding requirements; and (z) if any payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Lead Borrower and the Administrative Agent, at the time or times prescribed by applicable law and at such time or times reasonably requested by Lead Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Lead Borrower or the Administrative Agent as may be necessary for Lead Borrower or the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA or to determine, if

necessary, the amount to deduct and withhold from such payment. Solely for purposes of this Section 5.04(c)(z), "FATCA" shall include any amendment made to FATCA after the Closing Date.

Each Lender authorizes the Administrative Agent to deliver to Lead Borrower and to any successor Administrative Agent any documentation provided by the Lender to the Administrative Agent pursuant to Section 5.04(b) or this Section 5.04(c). Notwithstanding any other provision of this Section 5.04, a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

(d) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Credit Parties or with respect to which a Credit Party has paid additional amounts pursuant to Section 5.04(a), it shall pay to the relevant Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under Section 5.04(a) with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses, including any Taxes, of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the relevant Credit Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Credit Party (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 5.04(d), in no event will the Administrative Agent or any Lender be required to pay any amount to any Credit Party pursuant to this Section 5.04(d) to the extent such payment would place the Administrative Agent or such Lender in a less favorable position (on a net after-Tax basis) than such party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. Nothing in this Section 5.04(d) shall be construed to obligate the Administrative Agent or any Lender to disclose its Tax returns or any other information regarding its Tax affairs or computations to any Person or otherwise to arrange its Tax affairs in any manner other than as it determines in its sole discretion.

Section 6. Conditions Precedent to Credit Events on the First Restatement Effective Date. The obligation of each Lender to make Initial Term Loans on the First Restatement Effective Date, is subject at the time of the making of such Initial Term Loans to the satisfaction or waiver of the following conditions:

6.01 Amendment and Restatement Agreement No. 1. On or prior to the First Restatement Effective Date, Holdings, Lead Borrower, the other Borrowers and each consenting Lender and the Additional Refinancing Term Loan Lenders shall have executed and delivered to the Administrative Agent a counterpart of the Amendment and Restatement Agreement No. 1.

6.02 Unsecured Notes Indenture. On the First Restatement Effective Date, Holdings, the Borrowers and the other Subsidiaries of Lead Borrower party thereto shall have executed and delivered to the Administrative Agent executed copies of the Unsecured Notes Indenture.

6.03 Opinions of Counsel. On the First Restatement Effective Date, the Administrative Agent shall have received an opinion addressed to the Administrative Agent and each of the Lenders and dated the First Restatement Effective Date in form and substance reasonably satisfactory to the Administrative Agent from each of (i) DLA Piper LLP (US), special counsel to the Credit Parties and (ii) Gordon Rees Scully Mansukhani, Kansas counsel to the Credit Parties.

6.04 Corporate Documents; Proceedings, etc.

(a) On the First Restatement Effective Date, the Administrative Agent shall have received a certificate from each Credit Party, dated the First Restatement Effective Date, signed by the Secretary or Assistant Secretary of such Credit Party, and attested to by a Responsible Officer of such Credit Party, in the form of Exhibit E with appropriate insertions, together with copies of the certificate or articles of incorporation and by-laws (or equivalent organizational documents), as applicable, of such Credit Party and the resolutions of such Credit Party referred to in such certificate, and each of the foregoing shall be in customary form.

(b) The Administrative Agent shall have received good standing certificates and bring-down letters or facsimiles, if any, for the Credit Parties which the Administrative Agent reasonably may have requested.

6.05 Solvency Certificate. On the First Restatement Effective Date, the Administrative Agent shall have received a solvency certificate from the chief financial officer or treasurer (or officer with equivalent duties) of Lead Borrower substantially in the form of Exhibit I.

6.06 Fees, etc. On the First Restatement Effective Date, the Borrowers shall have paid to the Agents and their Affiliates that are Lenders on the First Restatement Effective Date all costs, fees and expenses (including, without limitation, legal fees and expenses) to the extent invoiced at least three Business Days prior the First Restatement Effective Date and other compensation payable to the Agents or such Lender on the First Restatement Effective Date that have been separately agreed and are payable in respect of the Transaction to the extent then due.

6.07 Representations and Warranties. Each of the representations and warranties made in or pursuant to Section 8 or which are contained in any other Credit Document shall be true and correct in all material respects on and as of the First Restatement Effective Date as if made on and as of such date (unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) (in each case, any representation or warranty that is qualified as to "materiality" or similar language shall be true and correct in all respects on such respective dates).

6.08 Patriot Act. The Agents shall have received from the Credit Parties, at least three Business Days prior to the First Restatement Effective Date, all documentation and other information, including a Beneficial Ownership Certification, if applicable, required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and Beneficial Ownership Regulation, in each case to the extent requested in writing by the Agents at least 10 Business Days prior to the First Restatement Effective Date.

6.09 Notice of Borrowing. Prior to the making of the Initial Term Loan on the First Restatement Effective Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.03.

6.10 Notice of Prepayment. The Administrative Agent shall have received a Notice of Prepayment meeting the requirements of Section 5.01(a) of all outstanding Term B-1 Loans under the Original Credit Agreement.

6.11 Officer's Certificate. On the First Restatement Effective Date, Lead Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer of Lead Borrower certifying as to the satisfaction of the conditions in Section 6.07.

6.12 Material Adverse Effect. Since December 31, 2020, there shall not have occurred any change, event or development that, individually or in the aggregate, has had and continues to have or is reasonably expected to have, a Material Adverse Effect.

Section 7. Conditions Precedent to all Credit Events after the First Restatement Effective Date. The obligation of each Lender to make Term Loans after the First Restatement Effective Date shall be subject to the satisfaction or waiver of the conditions set forth in Section 2.15 or Section 2.18, as applicable.

Section 8. Representations, Warranties and Agreements. In order to induce the Lenders to enter into this Agreement and to make the Term Loans, the Borrowers (and, solely with respect to Sections 8.01, 8.02, 8.03, 8.04 and 8.16 with respect to itself, Holdings), makes the following representations and warranties, in each case after giving effect to the Transaction.

8.01 Organizational Status. Each of Holdings, Lead Borrower and each of the Restricted Subsidiaries (i) is a duly organized and validly existing corporation, partnership, limited liability company, unlimited liability company or other applicable business entity, as the case may be, in good standing (to the extent such concept is

applicable) under the laws of the jurisdiction of its organization, (ii) has the requisite corporate, partnership, limited liability company, unlimited liability company or other applicable business entity power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is, to the extent such concepts are applicable under the laws of the relevant jurisdiction, duly qualified and is authorized to do business and is in good standing in each jurisdiction where the ownership of its property or the conduct of its business requires such qualifications except for failures to be so qualified which, individually and in the aggregate would not reasonably be expected to have a Material Adverse Effect.

8.02 Power and Authority; Enforceability. Each Credit Party has the corporate, partnership, limited liability company, unlimited liability company or other applicable business entity power and authority, as the case may be, to execute, deliver and perform the terms and provisions of each of the Credit Documents to which it is party and has taken all necessary corporate, partnership, limited liability company, unlimited liability company or other applicable business entity action, as the case may be, to authorize the execution, delivery and performance by it of each of such Credit Documents. Each Credit Party has duly executed and delivered each of the Credit Documents to which it is party, and each of such Credit Documents constitutes its legal, valid and binding obligation enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

8.03 No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party, nor compliance by it with the terms and provisions thereof, (i) will contravene any provision of any Requirement of Law, (ii) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of any Credit Party pursuant to the terms of, any indenture, mortgage, deed of trust, credit agreement or loan agreement, or any other material agreement, contract or instrument, in each case to which any Credit Party is a party or by which it or any of its property or assets is bound or to which it may be subject (in the case of the preceding clauses (i) and (ii), other than in the case of any contravention, breach, default and/or conflict, in each case, that would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect) or (iii) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of any Credit Party.

8.04 Approvals. Except to the extent the failure to obtain or make the same would not reasonably be expected to have a Material Adverse Effect, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except for (x) those that have otherwise been obtained or made on or prior to the Closing Date and which remain in full force and effect on the Closing Date and (y) filings which are necessary to perfect the security interests created under the Security Documents), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to be obtained or made by, or on behalf of, any Credit Party to authorize, or is required to be obtained or made by, or on behalf of, any Credit Party in connection with, the execution, delivery and performance of any Credit Document.

8.05 Financial Statements; Financial Condition; Projections.

(a) The balance sheets included in the audited financial statements delivered pursuant to Section 9.01(b) of the Original Credit Agreement as of the fiscal year ended December 31, 2020 and the related consolidated statements of income, cash flows and retained earnings included in the audited financial statements for the fiscal year ended December 31, 2020, present fairly in all material respects the consolidated financial position of Lead Borrower and its Subsidiaries and with respect to such audited financial statements of Lead Borrower, in each case, at the dates of such balance sheets and the consolidated results of the operations of Lead Borrower for the periods covered thereby. All of the foregoing historical financial statements have been audited by independent certified public accountants of recognized national standing and prepared in accordance with U.S. GAAP consistently applied.

(b) On the First Restatement Effective Date, Lead Borrower and its Subsidiaries, on a consolidated basis, are Solvent after giving effect to the consummation of the Transaction.

(c) The Projections have been prepared in good faith and are based on assumptions that were believed by Lead Borrower to be reasonable at the time delivered to the Administrative Agent (it being understood and agreed that the Projections are not to be viewed as facts, the Projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Credit Parties and their Restricted Subsidiaries, no assurance can be given that any particular Projections will be realized and that actual results during the period or periods covered by the Projections may differ from projected results, and such differences may be material).

(d) Since the First Restatement Effective Date there has been no change, event or occurrence that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

8.06 Litigation. There are no actions, suits or proceedings pending or, to the knowledge of any Borrower, threatened (i) with respect to the Transaction or any Credit Document or (ii) that either individually or in the aggregate, have had, or would reasonably be expected to have, a Material Adverse Effect.

8.07 True and Complete Disclosure. All written information (other than information consisting of statements, estimates, forecasts and Projections, as to which no representation, warranty or covenant is made (except with respect to Projections to the extent set forth in Section 8.05(c) above) that has been or will be made available to the Administrative Agent or any Lender by any Credit Party or any representative of a Credit Party at its direction and on its behalf in connection with this Agreement, the other Credit Documents or any transaction contemplated herein or therein, when taken as a whole and after giving effect to all supplements thereto, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in each case in light of the circumstances under which such statements are made, not materially misleading.

8.08 Use of Proceeds; Margin Regulations.

(a) All proceeds of the Term Loans incurred on the First Restatement Effective Date will be used by the Borrowers to finance, in part, the Transaction and pay Transaction Costs and, to the extent of any excess, for working capital or for any purpose not prohibited under this Agreement. All proceeds of 2021 Incremental Term Loans will be used by the Borrowers, together with cash on hand and borrowings under the ABL Credit Agreement (if any), to finance the Amendment No. 1 Transactions and to pay fees, commissions and expenses in connection therewith.

(b) All proceeds of Incremental Term Loans will be used for the purpose set forth in Section 2.15(a).

(c) No part of any Credit Event (or the proceeds thereof) will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock. Neither the making of any Term Loan nor the use of the proceeds thereof nor the occurrence of any other Credit Event will violate the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

(d) The Borrowers will not request any Borrowing, and the Borrowers shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to Lead Borrower and its Subsidiaries or, to the knowledge of the Borrowers, any other party hereto.

8.09 Tax Returns and Payments. Except as would not reasonably be expected to result in a Material Adverse Effect, (i) Lead Borrower and each of its Restricted Subsidiaries has timely filed or caused to be timely filed with the appropriate taxing authority all Tax returns, statements, forms and reports for taxes (the "Returns") required to be filed by, or with respect to the income, properties or operations of, Lead Borrower and/or any of its Restricted Subsidiaries, (ii) the Returns accurately reflect in all material respects all liability for Taxes of Lead Borrower and its Restricted Subsidiaries for the periods covered thereby, and (iii) Lead Borrower and each of its Restricted Subsidiaries have paid all Taxes payable by them, other than those that are being contested in good faith

by appropriate proceedings and fully provided for as a reserve on the financial statements of Lead Borrower and its Restricted Subsidiaries in accordance with U.S. GAAP. There is no action, suit, proceeding, audit or claim now pending and, to the knowledge of the Borrowers, there is no action, suit, proceeding, audit, claim threatened in writing by any authority or ongoing investigation by any authority, in each case, regarding any Taxes relating to Lead Borrower or any of its Restricted Subsidiaries that is reasonably likely to be adversely determined, and, if adversely determined, would be reasonably be expected to result in a Material Adverse Effect.

8.10 ERISA.

(a) No ERISA Event has occurred or is reasonably expected to occur that would reasonably be expected to result in a Material Adverse Effect. Each Plan is in compliance in form and operation with its terms and with the applicable provisions of ERISA, the Code and other applicable law, except for such non-compliance that would not reasonably be expected to have a Material Adverse Effect. Except as would not reasonably be expected to result in a Material Adverse Effect, each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is in the form of a prototype document that is the subject of a favorable opinion letter.

(b) There exists no Unfunded Pension Liability with respect to any Plan, except as would not reasonably be expected to have a Material Adverse Effect.

(c) If each of Lead Borrower, each Restricted Subsidiary of Lead Borrower and each ERISA Affiliate were to withdraw from all Multiemployer Plans in a complete withdrawal as of the date this assurance is given, the aggregate withdrawal liability that would be incurred would not reasonably be expected to have a Material Adverse Effect.

(d) There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of the Borrowers, any Restricted Subsidiary of Lead Borrower or any ERISA Affiliate, threatened, which would reasonably be expected to be asserted successfully against any Plan and, if so asserted successfully, would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

(e) Lead Borrower, any Restricted Subsidiary of Lead Borrower and any ERISA Affiliate have made all material contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, the terms of such Plan or Multiemployer Plan, respectively, or any contract or agreement requiring contributions to a Plan or Multiemployer Plan except where any failure to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(f) Except as would not reasonably be expected to have a Material Adverse Effect: (i) each Foreign Pension Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities; (ii) all contributions required to be made with respect to a Foreign Pension Plan have been timely made; and (iii) neither Lead Borrower nor any of its Restricted Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Pension Plan.

(g) The Borrowers are not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments.

8.11 The Security Documents.

(a) The provisions of the Security Agreement are effective to create in favor of the Collateral Agent for the benefit of the Secured Creditors a legal, valid and enforceable security interest (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)) in all right, title and interest of the Credit Parties in the Collateral (as described in the

Security Agreement), and upon (i) the timely and proper filing of financing statements listing each applicable Credit Party, as a debtor, and the Collateral Agent, as secured party, in the secretary of state's office (or other similar governmental entity) of the jurisdiction of organization of such Credit Party, (ii) the receipt by the Collateral Agent of all Instruments, Chattel Paper and certificated pledged Equity Interests that constitute "securities" governed by Article 8 of the New York UCC, in each case constituting Collateral in suitable form for transfer by delivery or accompanied by instruments of transfer or assignment duly executed in blank, (iii) sufficient identification of commercial tort claims (as applicable), (iv) execution of a control agreement establishing the Collateral Agent's "control" (within the meaning of the New York UCC) with respect to any deposit account, (v) the recordation of the Patent Security Agreement, if applicable, and the Trademark Security Agreement, if applicable, in the respective form attached to the Security Agreement, in each case in the United States Patent and Trademark Office and (vi) the recordation of the Copyright Security Agreement, if applicable, in the form attached to the Security Agreement with the United States Copyright Office, the Collateral Agent, for the benefit of the Secured Creditors, has (to the extent provided in the Security Agreement) a fully perfected security interest in all right, title and interest in all of the Collateral (as described in the Security Agreement), subject to no other Liens other than Permitted Liens, in each case, to the extent perfection can be accomplished under applicable law through these actions.

(b) Upon delivery in accordance with Section 9.12, each Mortgage will create, as security for the obligations purported to be secured thereby, a valid and enforceable (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law) and, upon recordation in the appropriate recording office, perfected security interest in and mortgage lien on the respective Mortgaged Property in favor of the Collateral Agent (or such other trustee as may be required or desired under local law) for the benefit of the Secured Creditors, superior and prior to the rights of all third Persons (except as may exist pursuant to the Permitted Encumbrances related thereto) and subject to no other Liens (other than Permitted Liens related thereto).

8.12 Properties. All Real Property owned by any Credit Party as of the First Restatement Effective Date, and the nature of the interest therein, is correctly set forth in Schedule 8.12, which Schedule 8.12 also indicates each property that constitutes a Material Real Property as of the First Restatement Effective Date. Each of Lead Borrower and each of its Restricted Subsidiaries has good and marketable title or valid leasehold interest in the case of Real Property, and good and valid title in the case of tangible personal property, to all material tangible properties owned by it, including all material property reflected in the most recent historical balance sheets referred to in Section 8.05(a) (except as sold or otherwise disposed of since the date of such balance sheet in the ordinary course of business or as permitted by the terms of this Agreement), free and clear of all Liens, other than Permitted Liens.

8.13 Capitalization. All outstanding shares of capital stock of the Borrowers have been duly and validly issued and are fully paid and non-assessable (other than any assessment on the shareholders of the Borrowers that may be imposed as a matter of law) and are owned by (i) Holdings, with respect to the shares of Lead Borrower and (ii) a Credit Party, with respect to the shares of any other Borrower. No Borrower has outstanding any capital stock or other securities convertible into or exchangeable for its capital stock or any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its capital stock.

8.14 Subsidiaries. On and as of the First Restatement Effective Date and after giving effect to the consummation of the Transaction, Lead Borrower has no Subsidiaries other than those Subsidiaries listed on Schedule 8.14. Schedule 8.14 correctly sets forth, as of the First Restatement Effective Date and after giving effect to the Transaction, the percentage ownership (direct and indirect) of Lead Borrower in each class of capital stock of each of its Subsidiaries and also identifies the direct owner thereof.

8.15 Compliance with Statutes, OFAC Rules and Regulations; Patriot Act; FCPA.

(a) Each of Lead Borrower and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of (including any laws relating to terrorism, money laundering, embargoed persons or the Patriot Act), and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including, without limitation, applicable statutes,

regulations, orders and restrictions relating to environmental standards and controls), except such noncompliances as, individually and in the aggregate, have not had, and would not reasonably be expected to have, a Material Adverse Effect. The Borrowers will not directly (or knowingly indirectly) use the proceeds of the Initial Term Loans to violate or result in a violation of any such applicable statutes, regulations, orders or restrictions referred to in the immediately preceding sentence.

(b) The Borrowers have implemented and maintain in effect policies and procedures designed to ensure compliance by the Borrowers, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrowers, their Subsidiaries and their respective officers and employees and, to the knowledge of the Borrowers, their respective directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) any Borrower, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of any Borrower, any agent of any Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing, use of proceeds or the Transaction will violate any Anti-Corruption Law or applicable Sanctions.

8.16 Investment Company Act. None of Holdings, Lead Borrower or any of its Restricted Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, required to be registered as such.

8.17 [Reserved].

8.18 Environmental Matters. Except for any matters that, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect:

(a) Lead Borrower and each of its Restricted Subsidiaries are in compliance with all applicable Environmental Laws and the requirements of any permits issued under such Environmental Laws. To the knowledge of any Credit Party, there are no pending or threatened Environmental Claims against Lead Borrower or any of its Restricted Subsidiaries or any Real Property currently or formerly owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries. There are no facts, circumstances, conditions or occurrences with respect to the business or operations of Lead Borrower or any of its Restricted Subsidiaries, or to the knowledge of any Credit Party, any Real Property currently or formerly owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries that would be reasonably expected (i) to form the basis of an Environmental Claim against Lead Borrower or any of its Restricted Subsidiaries or (ii) to cause any Real Property owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries to be subject to any restrictions on the ownership, lease, occupancy or transferability of such Real Property by Lead Borrower or any of its Restricted Subsidiaries under any applicable Environmental Law.

(b) To the knowledge of any Credit Party, Hazardous Materials have not at any time been generated, used, treated or stored on, or transported to or from, or Released on or from, any Real Property owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries where such generation, use, treatment, storage, transportation or Release has (i) violated or would be reasonably expected to violate any applicable Environmental Law, (ii) give rise to an Environmental Claim or (iii) give rise to liability under any applicable Environmental Law.

8.19 Labor Relations. Except as set forth in Schedule 8.19 or except to the extent the same has not, either individually or in the aggregate, had and would not reasonably be expected to have a Material Adverse Effect, (a) there are no strikes, lockouts, slowdowns or other labor disputes pending against Lead Borrower or any of its Restricted Subsidiaries or, to the knowledge of the Borrowers, threatened against Lead Borrower or any of its Restricted Subsidiaries, (b) to the knowledge of the Borrowers, there are no questions concerning union representation with respect to Lead Borrower or any of its Restricted Subsidiaries, (c) the hours worked by and payments made to employees of Lead Borrower or any of its Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local, or foreign law dealing with such matters and (d) to the knowledge of the Borrowers, no wage and hour department investigation has been made of Lead Borrower or any of its Restricted Subsidiaries.

8.20 Intellectual Property. Each of Lead Borrower and each of its Restricted Subsidiaries owns or has the right to use all the patents, trademarks, domain names, service marks, trade names, copyrights, inventions, trade secrets, formulas, proprietary information and know-how of any type, whether or not written (including, but not limited to, rights in computer programs and databases) (collectively, "Intellectual Property"), necessary for the present conduct of its business, without any known conflict with the Intellectual Property rights of others, except for such failures to own or have the right to use and/or conflicts as have not had, and would not reasonably be expected to have, a Material Adverse Effect.

8.21 Affected Financial Institutions. No Credit Party is an Affected Financial Institution.

8.22 Beneficial Ownership Certificate.

As of the First Restatement Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

Section 9. Affirmative Covenants. Lead Borrower and each of its Restricted Subsidiaries hereby covenants and agrees that on and after the First Restatement Effective Date and until the Term Loans (in each case together with interest thereon), Fees and all other Obligations (other than any indemnification obligations arising hereunder which are not then due and payable and obligations in respect of Designated Interest Rate Protection Agreements or Designated Treasury Services Agreements) incurred hereunder and thereunder, are paid in full and all Commitments have terminated:

9.01 Information Covenants. Lead Borrower will furnish to the Administrative Agent for distribution to each Lender, including each Lender's Public-Siders except as otherwise provided below:

(a) Quarterly Financial Statements. Within 45 days after the close of each of the first three quarterly accounting periods in each fiscal year of Lead Borrower, in each case, ending after the First Restatement Effective Date, (i) the consolidated balance sheet of Lead Borrower and its Subsidiaries as at the end of such quarterly accounting period and the related consolidated statements of income and retained earnings and statement of cash flows for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly accounting period, in each case setting forth comparative figures for the corresponding quarterly accounting period in the prior fiscal year, all of which shall be certified by the chief financial officer of Lead Borrower that they fairly present in all material respects in accordance with U.S. GAAP the financial condition of Lead Borrower and its Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes, and (ii) management's discussion and analysis of the important operational and financial developments during such quarterly accounting period.

(b) Annual Financial Statements. Within 90 days after the close of each fiscal year of Lead Borrower, (x) the consolidated balance sheet of Lead Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income and retained earnings and statement of cash flows for such fiscal year setting forth comparative figures for the preceding fiscal year and certified, in the case of consolidated financial statements, by Ernst & Young LLP or other independent certified public accountants of recognized national standing, together with an opinion of such accounting firm (which opinion shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit (except for qualifications for a change in accounting principles with which such accountants concur and which shall have been disclosed in the notes to the financial statements or other than as a result of, or with respect to, an upcoming maturity date under this Agreement, the ABL Credit Agreement or the Unsecured Notes Indenture occurring within one year from the time such opinion is delivered or any potential inability to satisfy any financial maintenance covenant in the ABL Credit Agreement on a future date or in a future period)) to the effect such statements fairly present in all material respects in accordance with U.S. GAAP the financial condition of Lead Borrower and its Subsidiaries as of the date indicated and the results of their operations for the periods indicated, and (y) management's discussion and analysis of the important operational and financial developments during such fiscal year.

(c) Notwithstanding the foregoing, the obligations referred to in Sections 9.01(a) and 9.01(b) above may be satisfied with respect to financial information of Lead Borrower and its Subsidiaries by furnishing (A) the

applicable financial statements of any Parent Company or (B) Lead Borrower's or such Parent Company's Form 10-K or 10-Q, as applicable, filed with the SEC (and the public filing of such report with the SEC shall constitute delivery under this Section 9.01); *provided* that with respect to each of the preceding clauses (A) and (B), (1) to the extent such information relates to a parent of Lead Borrower, if and so long as such Parent Company will have Independent Assets or Operations, such information is accompanied by, or Lead Borrower shall separately deliver within the applicable time periods set forth in Sections 9.01(a) and 9.01(b) above, consolidating information (which need not be audited) that explains in reasonable detail the differences between the information relating to such Parent Company and its Independent Assets or Operations, on the one hand, and the information relating to Lead Borrower and the consolidated Restricted Subsidiaries on a stand-alone basis, on the other hand and (2) to the extent such information is in lieu of information required to be provided under Section 9.01(a) (it being understood that such information may be audited at the option of Lead Borrower), such materials are accompanied by a report and opinion of independent certified public accountants of recognized national standing or another accounting firm reasonably acceptable to the Administrative Agent, which report and opinion (a) will be prepared in accordance with generally accepted auditing standards and (b) will be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit (other than as a result of, or with respect to, an upcoming maturity date under this Agreement, the ABL Credit Agreement or the Unsecured Notes Indenture occurring within one year from the time such opinion is delivered or any potential inability to satisfy any financial maintenance covenant in the ABL Credit Agreement on a future date or in a future period).

(d) Forecasts. Within 90 days after the close of each fiscal year of Lead Borrower, in each case, ending after the First Restatement Effective Date, a reasonably detailed annual forecast (including projected statements of income, sources and uses of cash and balance sheets for Lead Borrower and its Subsidiaries on a consolidated basis), prepared on a quarter-by-quarter basis for such fiscal year and including a discussion of the principal assumptions upon which such forecast is based (it being agreed that such annual forecasts shall not be provided to Public-Siders).

(e) Officer's Certificates. At the time of the delivery of the Section 9.01 Financials, a compliance certificate from a Responsible Officer of Lead Borrower substantially in the form of Exhibit J, certifying on behalf of Lead Borrower that, to such Responsible Officer's knowledge, no Default or Event of Default has occurred and is continuing or, if any Default or Event of Default has occurred and is continuing, specifying the nature and extent thereof, which certificate shall (i) if delivered with the financial statements required by Section 9.01(b) for any fiscal year ending on or after December 31, 2022, set forth in reasonable detail the amount of (and the calculations required to establish the amount of) Excess Cash Flow for the applicable Excess Cash Flow Payment Period, and (ii) certify that there have been no changes to Schedules 1(a), 2(b), 5, 7(a), 7(b), 7(c), 8 and 9 of the Perfection Certificate, in each case since the First Restatement Effective Date or, if later, since the date of the most recent certificate delivered pursuant to this Section 9.01(e), or if there have been any such changes, a list in reasonable detail of such changes (but, in each case with respect to this clause (ii), only to the extent such changes are required to be reported to the Collateral Agent pursuant to the terms of such Security Documents).

(f) Notice of Default, Litigation and Material Adverse Effect. Promptly after any Responsible Officer of any Borrower obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default or an Event of Default or any default or event of default under (A) the Unsecured Notes Indenture or any refinancing thereof, (B) Refinancing Notes, Permitted Pari Passu Notes, Permitted Junior Debt or other Indebtedness constituting debt for borrowed money, in each case of this clause (B), with a principal amount in excess of the Threshold Amount or (C) the ABL Credit Agreement, (ii) any litigation, or governmental investigation or proceeding pending against Holdings or any of its Subsidiaries (x) which, either individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect or (y) with respect to any Credit Document, or (iii) any other event, change or circumstance that has had, or would reasonably be expected to have, a Material Adverse Effect.

(g) Other Reports and Filings. Promptly after the sending, filing, receipt or delivery thereof, as applicable, copies of (i) all financial information, proxy materials and reports, if any, which Holdings or any of its Subsidiaries shall publicly file with the Securities and Exchange Commission or any successor thereto (the "SEC") and (ii) material notices received from, or reports or other information or material notices furnished to, holders of Indebtedness under, (A) the Unsecured Notes Indenture or any refinancing thereof, (B) Refinancing Notes, Permitted Pari Passu Notes, Permitted Junior Debt or other Indebtedness constituting debt for borrowed money, in

each case of this clause (B), with a principal amount in excess of the Threshold Amount or (C) the ABL Credit Agreement (including, for the avoidance of doubt, any notices relating to an actual or purported default or event of default thereunder and any notices to the extent the action or occurrence described therein would reasonably be expected to be materially adverse to the interests of the Lenders, but excluding any administrative notices or regular reporting requirements thereunder).

(h) Environmental Matters. Promptly after any Responsible Officer of Lead Borrower obtains knowledge thereof, notice of any of the following environmental matters to the extent such environmental matters, either individually or when aggregated with all other such environmental matters, would reasonably be expected to have a Material Adverse Effect:

(i) any pending or threatened Environmental Claim against Lead Borrower or any of its Restricted Subsidiaries or any Real Property owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries;

(ii) any condition or occurrence on or arising from any Real Property owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries that (a) results in noncompliance by Lead Borrower or any of its Restricted Subsidiaries with any applicable Environmental Law or (b) would reasonably be expected to form the basis of an Environmental Claim against Lead Borrower or any of its Restricted Subsidiaries or any such Real Property;

(iii) any condition or occurrence on any Real Property owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries that could reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, lease, occupancy, use or transferability by Lead Borrower or any of its Restricted Subsidiaries of such Real Property under any Environmental Law; and

(iv) the taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on any Real Property owned, leased or operated by Lead Borrower or any of its Restricted Subsidiaries as required by any Environmental Law or any governmental or other administrative agency and all notices received by Lead Borrower or any of its Restricted Subsidiaries from any government or governmental agency under, or pursuant to, CERCLA which identify Lead Borrower or any of its Restricted Subsidiaries as potentially responsible parties for remediation costs or which otherwise notify Lead Borrower or any of its Restricted Subsidiaries of potential liability under CERCLA.

(i) All such notices shall describe in reasonable detail the nature of the claim, investigation, condition, occurrence or removal or remedial action and Lead Borrower's or such Subsidiary's response thereto.

(j) Financial Statements of Unrestricted Subsidiaries. Simultaneously with the delivery of each set of Section 9.01 Financials, the related consolidating financial statements reflecting adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements.

(k) Insurance. Evidence of insurance renewals as required under Section 9.03 hereunder.

(l) Other Information. From time to time, such other information or documents (financial or otherwise) with respect to Lead Borrower or any of its Restricted Subsidiaries as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request. Notwithstanding the foregoing, neither Lead Borrower nor any of its Restricted Subsidiaries will be required to provide any information pursuant to this clause to the extent that the provision thereof would violate any law, rule or regulation or result in the breach of any binding contractual obligation or the loss of any professional privilege; *provided* that in the event that Lead Borrower or any of its Restricted Subsidiaries does not provide information that otherwise would be required to be provided hereunder in reliance on such exception, Lead Borrower shall use commercially reasonable efforts to provide notice to the Administrative Agent promptly upon obtaining knowledge that such information is being withheld (but solely if providing such notice would not violate such law, rule or regulation or result in the breach of such binding contractual obligation or the loss of such professional privilege).

Documents required to be delivered pursuant to this Section 9.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Lead Borrower posts such documents, or provides a link thereto on Lead Borrower's website on the Internet; or (ii) on which such documents are posted on Lead Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that (x) Lead Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon request to Lead Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (y) Lead Borrower shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Lead Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrowers hereby acknowledge that (a) the Administrative Agent and/or the Lead Arranger will make available to the Lenders materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrowers or their respective Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Lead Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Lead Borrower shall be deemed to have authorized the Administrative Agent, the Lead Arranger and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrowers or its their respective securities for purposes of United States Federal and state securities laws (*provided*, *however*, that to the extent such Borrower Materials constitute Public Side Information, they shall be treated as set forth in Section 13.15); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Lead Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

Each Borrower represents and warrants that it, Holdings or any other direct or indirect Parent Company and any Subsidiary, in each case, if any, either (i) has no registered or publicly traded securities outstanding, or (ii) files its financial statements with the SEC and/or makes its financial statements available to potential holders of its 144A securities, and, accordingly, the Borrowers hereby (i) authorizes the Administrative Agent to make financial statements and other information provided pursuant to clauses (a) and (b) above, along with the Credit Documents and the list of Disqualified Lenders, available to Public-Siders and (ii) agrees that at the time the Section 9.01 Financials are provided hereunder, they shall already have been, or shall substantially concurrently be, made available to holders of its securities. The Borrowers will not request that any other material be posted to Public-Siders without expressly representing and warranting to the Administrative Agent in writing that such materials do not constitute material non-public information within the meaning of the federal securities laws or that the Borrowers have no outstanding publicly traded securities, including 144A securities (it being understood that the Borrowers shall have no obligation to request that any material be posted to Public-Siders). Notwithstanding anything herein to the contrary, in no event shall Lead Borrower request that the Administrative Agent make available to Public-Siders budgets or any certificates, reports or calculations with respect to the Borrowers' compliance with the covenants contained herein.

9.02 Books, Records and Inspections; Conference Calls.

(a) Lead Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity in all material respects with U.S. GAAP shall be made of all dealings and transactions in relation to its business and activities. Lead Borrower will, and will cause each of its Restricted Subsidiaries to, permit officers and designated representatives of the Administrative

Agent or any Lender to visit and inspect, under guidance of officers of Lead Borrower or such Restricted Subsidiary, any of the properties of Lead Borrower or such Restricted Subsidiary, and to examine the books of account of Lead Borrower or such Restricted Subsidiary and discuss the affairs, finances and accounts of Lead Borrower or such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants (*provided* that neither Lead Borrower nor any of its Restricted Subsidiaries will be required to provide any information to the extent that the provision thereof would violate any law, rule or regulation or result in the breach of any binding contractual obligation or the loss of any professional privilege; *provided* that in the event that Lead Borrower or any of its Restricted Subsidiaries does not provide information that otherwise would be required to be provided hereunder in reliance on such exception, Lead Borrower shall use commercially reasonable efforts to provide notice to the Administrative Agent promptly upon obtaining knowledge that such information is being withheld (but solely if providing such notice would not violate such law, rule or regulation or result in the breach of such binding contractual obligation or the loss of such professional privilege), all upon reasonable prior notice and at such reasonable times and intervals and to such reasonable extent as the Administrative Agent or any such Lender may reasonably request; *provided* that the Administrative Agent shall give Lead Borrower an opportunity to participate in any discussions with its accountants; *provided*, *further*, that in the absence of the existence of an Event of Default, (i) only the Administrative Agent on behalf of the Lenders may exercise the rights of the Administrative Agent and the Lenders under this Section 9.02 and (ii) the Administrative Agent shall not exercise its inspection rights under this Section 9.02 more often than two times during any fiscal year and only one such time shall be at the Borrowers' expense; *provided*, *further*, *however*, that when an Event of Default exists, the Administrative Agent or any Lender and their respective designees may do any of the foregoing at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice.

(b) Lead Borrower will, within 30 days after the date of the delivery (or, if later, required delivery) of the quarterly and annual financial information pursuant to Sections 9.01(a) and (b), hold a conference call or teleconference, at a time selected by Lead Borrower and reasonably acceptable to the Administrative Agent, with all of the Lenders that choose to participate, to review the financial results of the previous fiscal quarter or fiscal year, as the case may be, of Lead Borrower (it being understood that any such call may be combined with any similar call held for any of Lead Borrower's other lenders or security holders).

9.03 Maintenance of Property; Insurance.

(a) The Borrowers will, and will cause each of the Restricted Subsidiaries to, (i) except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, keep all tangible property necessary to the business of Lead Borrower and its Restricted Subsidiaries in reasonably good working order and condition, ordinary wear and tear, casualty and condemnation excepted, (ii) maintain with financially sound and reputable insurance companies insurance on all such property and against all such risks as is, in the good faith determination of Lead Borrower, consistent and in accordance with industry practice for companies similarly situated owning similar properties and engaged in similar businesses as Lead Borrower and its Restricted Subsidiaries, and (iii) furnish to the Collateral Agent, upon its request therefor, all information reasonably requested as to the insurance carried. The provisions of this Section 9.03 shall be deemed supplemental to, but not duplicative of, the provisions of any Security Documents that require the maintenance of insurance.

(b) If any portion of any improvements on Mortgaged Property are at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Borrowers shall, or shall cause the applicable Credit Party to (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and shall otherwise be in form and substance reasonably satisfactory to the Collateral Agent and (ii) deliver to the Collateral Agent evidence reasonably requested by the Collateral Agent as to such compliance, including, without limitation, evidence of annual renewals of such insurance.

(c) The Borrowers will, and will cause each of the Restricted Subsidiaries to, at all times keep its property constituting Collateral insured in favor of the Collateral Agent, and all policies or certificates (or certified copies thereof) with respect to such insurance (i) shall, at all times after the time required by Section 9.13, be endorsed in a customary manner to the Collateral Agent for the benefit of the Secured Creditors (including, without

limitation, by naming the Collateral Agent as loss payee and/or additional insured) and (ii) if agreed by the insurer (which agreement the Borrowers shall use commercially reasonable efforts to obtain), shall state that such insurance policies shall not be canceled without at least 30 days' prior written notice thereof (or, with respect to non-payment of premiums, 10 days' prior written notice) by the respective insurer to the Collateral Agent; *provided*, that the requirements of this Section 9.03(c) shall not apply to (x) insurance policies covering (1) directors and officers, fiduciary or other professional liability, (2) employment practices liability, (3) workers compensation liability, (4) automobile and aviation liability, (5) health, medical, dental and life insurance, and (6) such other insurance policies and programs as to which a secured lender is not customarily granted an insurable interest therein as the Collateral Agent may approve; and (y) self-insurance programs.

(d) If the Borrowers or any of the Restricted Subsidiaries shall fail to maintain insurance in accordance with this Section 9.03, or the Borrowers or any of the Restricted Subsidiaries shall fail to so endorse all policies with respect thereto, after any applicable grace period, the Collateral Agent shall have the right (but shall be under no obligation) to procure such insurance so long as the Collateral Agent provides written notice to Lead Borrower of its election to procure such insurance prior thereto, and the Credit Parties jointly and severally agree to reimburse the Collateral Agent for all reasonable costs and expenses of procuring such insurance.

9.04 Existence; Franchises. The Borrowers will, and will cause each of the Restricted Subsidiaries to, do or cause to be done, all things necessary to preserve and keep in full force and effect its existence, franchises, licenses and permits in each case to the extent material; *provided*, *however*, that nothing in this Section 9.04 shall prevent (i) sales of assets and other transactions by Lead Borrower or any of its Restricted Subsidiaries in accordance with Section 10.02, (ii) the abandonment by Lead Borrower or any of its Restricted Subsidiaries of any franchises, licenses or permits that Lead Borrower reasonably determines are no longer material to the operations of Lead Borrower and its Restricted Subsidiaries taken as a whole or (iii) the withdrawal by Lead Borrower or any of its Restricted Subsidiaries of its qualification as a foreign corporation, partnership, limited liability company or unlimited liability company, as the case may be, in any jurisdiction if such withdrawal would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.05 Compliance with Statutes, etc. Each Borrower will, and will cause each of its Subsidiaries to, comply with the FCPA, OFAC and the USA Patriot Act, except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Borrower will, and will cause each of the Restricted Subsidiaries to, comply with all other applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls), except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Borrowers will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrowers, their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

9.06 Compliance with Environmental Laws.

(a) Each Borrower will comply, and will cause each of its Restricted Subsidiaries to comply, with all Environmental Laws and permits applicable to, or required by, the ownership, lease or use of Real Property now or hereafter owned, leased or operated by the Borrowers or any of their Restricted Subsidiaries, except such noncompliances as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and will keep or cause to be kept all such Real Property free and clear of any Liens imposed pursuant to such Environmental Laws (other than Liens imposed on leased Real Property resulting from the acts or omissions of the owner of such leased Real Property or of other tenants of such leased Real Property who are not within the control of the Borrowers). Except as have not had, and would not reasonably be expected to have, a Material Adverse Effect, neither the Borrowers nor any of their Restricted Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Borrowers or any of their Restricted Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, except for Hazardous Materials generated, used, treated, stored, Released or disposed of at any such Real Properties or transported to or from such Real Properties in compliance with all applicable Environmental Laws.

(b) (i) After the receipt by the Administrative Agent, Collateral Agent or any Lender of any notice of the type described in Section 9.01(h) or (ii) at any time that Lead Borrower or any of its Restricted Subsidiaries are not in compliance with Section 9.06(a), at the written request of the Collateral Agent, Lead Borrower will provide or cause the applicable Credit Party to provide an environmental site assessment report concerning any Mortgaged Property owned, leased or operated by Lead Borrower or any other Credit Party that is the subject of or could reasonably be expected to be the subject of such notice or noncompliance, prepared by an environmental consulting firm reasonably approved by the Collateral Agent, indicating the presence or absence of Hazardous Materials and the reasonable worst case cost of any removal or remedial action in connection with such Hazardous Materials on such Mortgaged Property. If the Credit Parties fail to provide the same within 30 days after such request was made, the Collateral Agent may order the same, the reasonable cost of which shall be borne (jointly and severally) by the Borrowers and the other Credit Parties.

9.07 ERISA. Promptly upon a Responsible Officer of any Borrower obtaining knowledge thereof, Lead Borrower will deliver to the Administrative Agent a certificate of a Responsible Officer of Lead Borrower setting forth the full details as to such occurrence and the action, if any, that Lead Borrower, such Restricted Subsidiary or an ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given or filed by Lead Borrower, such Restricted Subsidiary, the Plan administrator or such ERISA Affiliate to or with the PBGC or any other Governmental Authority, or a Plan participant and any notices received by Lead Borrower, such Restricted Subsidiary or such ERISA Affiliate from the PBGC or any other Governmental Authority, or a Plan participant with respect thereto: that (a) an ERISA Event has occurred that is reasonably expected to result in a Material Adverse Effect; (b) there has been an increase in Unfunded Pension Liabilities since the date the representations hereunder are given, or from any prior notice, as applicable, in either case, which is reasonably expected to result in a Material Adverse Effect; (c) there has been an increase in the estimated withdrawal liability under Section 4201 of ERISA, if Lead Borrower, any Restricted Subsidiary of Lead Borrower and the ERISA Affiliates were to withdraw completely from any and all Multiemployer Plans which is reasonably expected to result in a Material Adverse Effect; (d) Lead Borrower, any Restricted Subsidiary of Lead Borrower or any ERISA Affiliate adopts, or commences contributions to, any Plan subject to Section 412 of the Code, or adopts any amendment to a Plan subject to Section 412 of the Code which is reasonably expected to result in a Material Adverse Effect; (e) that a contribution required to be made with respect to a Foreign Pension Plan has not been timely made which failure is reasonably likely to result in a Material Adverse Effect; or (f) that a Foreign Pension Plan has been or is reasonably expected to be terminated, reorganized, partitioned or declared insolvent and such event is reasonably expected to result in a Material Adverse Effect. Lead Borrower will also deliver to the Administrative Agent, upon request by the Administrative Agent, a complete copy of the most recent annual report (on Internal Revenue Service Form 5500-series, including, to the extent required, the related financial and actuarial statements and opinions and other supporting statements, certifications, schedules and information) filed with the Internal Revenue Service or other Governmental Authority of each Plan that is maintained or sponsored by Lead Borrower or a Restricted Subsidiary.

9.08 End of Fiscal Years; Fiscal Quarters. Each Borrower will cause (i) each of its, and each of the Restricted Subsidiaries' fiscal years to end on or near December 31 of each year and (ii) each of its, and each of its Restricted Subsidiaries' fiscal quarters to end on or near March 31, June 30, September 30 and December 31 of each year.

9.09 Beneficial Ownership Regulation. Promptly following any request therefor, the Borrowers shall provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

9.10 Payment of Taxes. Except as would not reasonably be expected to result in a Material Adverse Effect, the Borrowers will pay and discharge, and will cause each of its Subsidiaries to pay and discharge, all Taxes imposed upon it or upon its income or profits or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a Lien or charge upon any properties of Lead Borrower or any of its Subsidiaries not otherwise permitted under Section 10.01(i); *provided* that neither Lead Borrower nor any of its Subsidiaries shall be required to pay any such Tax which is being contested in good faith and by appropriate proceedings if it has maintained adequate reserves with respect thereto in accordance with U.S. GAAP.

9.11 Use of Proceeds. The Borrowers will use the proceeds of the Term Loans only as provided in Section 8.08.

9.12 Additional Security; Further Assurances; etc.

(a) The Borrowers will, and will cause each of the Subsidiary Guarantors to, grant to the Collateral Agent for the benefit of the Secured Creditors security interests and Mortgages in such assets and properties (in the case of Real Property, limited to Material Real Property) of the Borrowers and the Subsidiary Guarantors as are acquired after the Closing Date (other than assets constituting Excluded Collateral) and as may be reasonably requested from time to time by the Collateral Agent (collectively, as may be amended, amended and restated, modified, supplemented, extended or renewed from time to time, the "Additional Security Documents"). All such security interests and Mortgages shall be granted pursuant to documentation consistent with any Security Documents entered into on the Closing Date or otherwise reasonably satisfactory in form and substance to the Collateral Agent and (subject to exceptions as are reasonably acceptable to the Collateral Agent) shall constitute, upon taking all necessary perfection action (which the Credit Parties agree to take pursuant to clause (e) below) valid and enforceable perfected security interests and Mortgages (except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law)), subject to the ABL Intercreditor Agreement and any Pari Passu Intercreditor Agreement, superior to and prior to the rights of all third Persons other than holders of Permitted Liens with priority by virtue of applicable law and subject to no other Liens except for Permitted Liens. The Additional Security Documents or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by law to establish, perfect, preserve and protect (subject to exceptions as are reasonably acceptable to the Collateral Agent) the Liens in favor of the Collateral Agent required to be granted pursuant to the Additional Security Documents. Notwithstanding any other provision in this Agreement or any other Credit Document, no Excluded Subsidiary shall be required to pledge any of its assets to secure any obligations of the Borrowers under the Credit Documents or guarantee the obligations of the Borrowers under the Credit Documents.

(b) Subject to the terms of the ABL Intercreditor Agreement and any Pari Passu Intercreditor Agreement, with respect to any Person that is or becomes a Restricted Subsidiary (or ceases to be an Excluded Subsidiary) after the Closing Date, (i) deliver to the Collateral Agent the certificates, if any, representing all (or such lesser amount as is required) of the Equity Interests of such Subsidiary, together with undated stock powers or other appropriate instruments of transfer executed and delivered in blank by a duly authorized officer of the holder(s) of such Equity Interests, and all intercompany notes owing from such Subsidiary to any Credit Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Credit Party (in each case, to the extent required pursuant to the Security Agreement), (ii) cause such new Subsidiary (other than an Excluded Subsidiary) (A) to execute a joinder agreement to the Guaranty Agreement and a joinder agreement to each applicable Security Document, substantially in the form annexed thereto, and (B) to take all actions reasonably necessary or advisable in the opinion of the Administrative Agent or the Collateral Agent to cause the Lien created by the applicable Security Document to be duly perfected to the extent required by such agreement in accordance with all applicable Requirements of Law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent or the Collateral Agent and (iii) solely in the case of any Foreign Subsidiary that Lead Borrower has elected to cause to become a Subsidiary Guarantor, at the request of the Administrative Agent, deliver or cause to be delivered to the Administrative Agent an opinion, addressed to the Administrative Agent and the other Lenders, of counsel reasonably acceptable to the Administrative Agent as to such matters set forth in this Section 9.12(b) as the Administrative Agent may reasonably request.

(c) The Borrowers will, and will cause each of the other Credit Parties that are Restricted Subsidiaries of Lead Borrower to, at the expense of Lead Borrower, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent, promptly, upon the reasonable request of the Administrative Agent or the Collateral Agent, at Lead Borrower's expense, any document or instrument supplemental to or confirmatory of the Security Documents to the extent deemed by the Administrative Agent or the Collateral Agent reasonably necessary for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except for Permitted Liens or as otherwise permitted by the applicable Security Document.

(d) If the Administrative Agent or the Collateral Agent reasonably determines that it or the Lenders are required by law or regulation to have appraisals prepared in respect of any Mortgaged Property, the Borrowers will, at its own expense, provide to the Administrative Agent appraisals which satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of the Financial Institution Reform, Recovery and Enforcement Act of 1989, as amended.

(e) The Borrowers agree that each action required by clauses (a) through (d) of this Section 9.12 shall be completed in no event later than 90 days after such action is required to be taken pursuant to such clauses or requested to be taken by the Administrative Agent, the Collateral Agent or the Required Lenders (or such longer period as the Collateral Agent shall otherwise agree, including with respect to any Real Property acquired after the Closing Date that Lead Borrower has notified the Collateral Agent that it intends to dispose of pursuant to a disposition permitted by Section 10.04), as the case may be; *provided* that, in no event will the Borrowers or any of their Restricted Subsidiaries be required to take any action to obtain consents from third parties with respect to its compliance with this Section 9.12; *provided further* that, the Borrowers shall give the Collateral Agent 45 days written notice prior to granting any Mortgage to the Collateral Agent for the benefit of the Secured Creditors as required herein and shall not grant such Mortgage until (i) the Collateral Agent has provided written notice to the Borrowers of the completion of all required flood insurance due diligence and flood insurance compliance which notice states that the Collateral Agent is satisfied with the results thereof and (ii) the expiration of such 45 day period with no Lender having provided notice to Lead Borrower that it has not completed any necessary flood insurance due diligence or flood insurance compliance or that it is not satisfied with the results of any such due diligence or compliance (and the date by which any Credit Party is required to deliver Mortgages hereunder shall automatically be extended to the extent necessary to comply with the foregoing). Each of the parties hereto acknowledges and agrees that the grant of any Mortgage on Mortgaged Property of the Credit Parties (or any increase, extension or renewal of any Loans or Commitments at a time when any Mortgaged Property is subject to a Mortgage) shall be subject to (and conditioned upon) the prior delivery to the Collateral Agent of "life-of-loan" Federal Emergency Management Agency standard flood hazard determinations with respect to each Mortgaged Property and, to the extent any improved Mortgaged Property is located in an area determined by the Federal Emergency Agency (or any successor agency) to be a special flood hazard area, (i) delivery by the Collateral Agent to Lead Borrower of a notice of special flood hazard area status and flood disaster assistance and, if such notice is delivered to Lead Borrower at least two (2) Business Days prior to such grant, increase, extension or renewal, a duly executed acknowledgment of receipt thereof by Lead Borrower and (ii) evidence of flood insurance as required by Section 9.03 hereof. Notwithstanding anything in any Credit Document to the contrary, if the Collateral Agent or any Lender is not satisfied with the results of any flood insurance due diligence or flood insurance compliance or any of the deliveries referred to in the immediately preceding sentence, and determines it is in its best interest not to require a Mortgage on any Mortgaged Property, the Credit Parties shall not be required to grant a Mortgage on such Mortgaged Property in favor of such Person or otherwise comply with respect to such Person with the provisions of the Credit Documents relating to Mortgages.

9.13 Post-Closing Actions. Each Borrower agrees that it will, or will cause its relevant Subsidiaries to, complete each of the actions described on Schedule 9.13 as soon as commercially reasonable and by no later than the date set forth in Schedule 9.13 with respect to such action or such later date as the Administrative Agent may reasonably agree.

9.14 Permitted Acquisitions.

(a) Subject to the provisions of this Section 9.14 and the requirements contained in the definition of "Permitted Acquisition," Lead Borrower and its Restricted Subsidiaries may from time to time after the Closing Date effect (i) the Redflex Acquisition and (ii) other Permitted Acquisitions, so long as in each case pursuant to this clause (ii) (except to the extent the Required Lenders otherwise specifically agree in writing in the case of a specific Permitted Acquisition), no Event of Default shall have occurred and be continuing immediately after giving effect to such Permitted Acquisition on the date of consummation thereof; *provided* that with respect to this clause (ii), the aggregate cash consideration paid by Lead Borrower and its Restricted Subsidiaries in connection with Permitted Acquisitions consummated from and after the First Restatement Effective Date where the Acquired Entity or Business does not become a Subsidiary Guarantor or owned by a Borrower or a Subsidiary Guarantor, as applicable, shall not exceed the sum of (x) the greater of $60,000,000 and 4.50% of Consolidated Total Assets (measured at the time such Permitted Acquisition is consummated), *plus* (y) the Available Amount.

(b) Lead Borrower shall cause each Restricted Subsidiary (other than an Excluded Subsidiary) which is formed to effect, or is acquired pursuant to, a Permitted Acquisition (and each Credit Party that is the direct parent of such Restricted Subsidiary that was so formed or acquired) to comply with, and to execute and deliver all of the documentation as and to the extent (and within the time periods) required by, Section 9.12, to the reasonable satisfaction of the Collateral Agent.

9.15 Credit Ratings. The Borrowers shall use commercially reasonable efforts to maintain a corporate credit rating from S&P and a corporate family rating from Moody's, in each case, with respect to Lead Borrower, and a credit rating from S&P and Moody's with respect to the Indebtedness incurred pursuant to this Agreement, in all cases, but not a specific rating.

9.16 Designation of Subsidiaries. Lead Borrower may at any time and from time to time after the Closing Date designate any Restricted Subsidiary of Lead Borrower as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary by written notice to the Administrative Agent; *provided* that (i) immediately before and after such designation, no Event of Default shall have occurred and be continuing, (ii) in the case of the designation of any Subsidiary as an Unrestricted Subsidiary, such designation shall constitute an Investment in such Unrestricted Subsidiary (calculated as an amount equal to the sum of (x) the fair market value of the Equity Interests of the designated Subsidiary and any of its Subsidiaries that are owned by Lead Borrower or any Restricted Subsidiary, immediately prior to such designation (such fair market value to be calculated without regard to any Obligations of such designated Subsidiary or any of its Subsidiaries under the Guaranty Agreement) and (y) the aggregate principal amount of any Indebtedness owed by such Subsidiary and any of its Subsidiaries to Lead Borrower or any of its Restricted Subsidiaries immediately prior to such designation, all calculated, except as set forth in the parenthetical to clause (x) above, on a consolidated basis in accordance with U.S. GAAP), and such Investment shall be permitted under Section 10.05, (iii) no Subsidiary may be designated as an Unrestricted Subsidiary if it or any of its Subsidiaries is a "Restricted Subsidiary" for the purpose of (I) the ABL Credit Agreement, (II) the Unsecured Notes Documents or (III) any Refinancing Notes Indenture, any Permitted Pari Passu Notes Document, any Permitted Junior Notes Document or other debt instrument, in each case of this clause (III), with a principal amount in excess of the Threshold Amount, (iv) following the designation of an Unrestricted Subsidiary as a Restricted Subsidiary, Lead Borrower shall comply with the provisions of Section 9.12 with respect to such designated Restricted Subsidiary, (v) no Restricted Subsidiary may be a Subsidiary of an Unrestricted Subsidiary (and any Subsidiary of an Unrestricted Subsidiary that is acquired or formed after the date of designation shall automatically be designated as an Unrestricted Subsidiary), (vi) no Borrower may be designated an Unrestricted Subsidiary and (vii) in the case of the designation of any Subsidiary as an Unrestricted Subsidiary, each of (i) the Subsidiary to be so designated and (ii) its Subsidiaries has not, at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of Lead Borrower or any Restricted Subsidiary (other than Equity Interests in an Unrestricted Subsidiary). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary and its Subsidiaries existing at such time and (ii) a return on any Investment by Lead Borrower in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of Lead Borrower's Investment in such Subsidiary.

Section 10. Negative Covenants. Lead Borrower and each of the Restricted Subsidiaries (and Holdings in the case of Section 10.09(b)) hereby covenant and agree that on and after the First Restatement Effective Date and until the Term Loans (together with interest thereon), Fees and all other Obligations (other than any indemnification obligations arising hereunder which are not then due and payable and obligations in respect of Designated Interest Rate Protection Agreements or Designated Treasury Services Agreements) incurred hereunder and thereunder, are paid in full and all Commitments have terminated:

10.01 Liens. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets (real or personal, tangible or intangible) of Lead Borrower or any of its Restricted Subsidiaries, whether now owned or hereafter acquired; *provided* that the provisions of this Section 10.01 shall not prevent the creation, incurrence, assumption or existence of, or any filing in respect of, the following (Liens described below are herein referred to as "Permitted Liens"):

(i) Liens for Taxes, assessments or governmental charges or levies not overdue or Liens for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with U.S. GAAP (or, for Foreign Subsidiaries, in conformity with generally accepted accounting principles that are applicable in their respective jurisdiction of organization);

(ii) Liens in respect of property or assets of Lead Borrower or any of its Restricted Subsidiaries imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, contractors', materialmen's and mechanics' liens and other similar Liens arising in the ordinary course of business, and which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or assets, subject to any such Lien for which adequate reserves have been established in accordance with U.S. GAAP;

(iii) Liens (x) in existence on the First Restatement Effective Date which are listed, and the property subject thereto described, in Schedule 10.01(iii) (or to the extent not listed on such Schedule 10.01(iii), where the principal amount of obligations secured by such Liens is less than $10,000,000 in the aggregate) and (y) Liens securing Permitted Refinancing Indebtedness in respect of any Indebtedness secured by the Liens referred to in clause (x);

(iv) (x) Liens created pursuant to the Credit Documents (including Liens securing Designated Interest Rate Protection Agreements or Designated Treasury Services Agreements) and (y) Liens securing Obligations (as defined in the ABL Credit Agreement) under the ABL Credit Agreement and the credit documents related thereto and incurred pursuant to Section 10.04(i)(y), including any Interest Rate Protection Agreements, Other Hedging Agreements and Treasury Services Agreements that are guaranteed or secured by the guarantees and security interests thereunder; *provided* that in the case of Liens securing such Indebtedness under the ABL Credit Agreement, the ABL Collateral Agent (or other applicable representative thereof on behalf of the holders of such Indebtedness) shall have entered into with the Administrative Agent and/or the Collateral Agent the ABL Intercreditor Agreement;

(v) leases, subleases, licenses or sublicenses (including licenses or sublicenses of Intellectual Property) granted to other Persons not materially interfering with the conduct of the business of Lead Borrower or any of its Restricted Subsidiaries;

(vi) Liens (x) upon assets of Lead Borrower or any of its Restricted Subsidiaries securing Indebtedness permitted by Section 10.04(iii); *provided* that such Liens do not encumber any asset of Lead Borrower or any of its Restricted Subsidiaries other than the assets acquired with such Indebtedness and after-acquired property that is affixed or incorporated into such assets and proceeds and products thereof; *provided* that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender on customary terms and (y) Liens securing Permitted Refinancing Indebtedness in respect of any Indebtedness secured by the Liens referred to in clause (x);

(vii) [reserved];

(viii) easements, rights-of-way, restrictions (including zoning and other land use restrictions), covenants, licenses, encroachments, protrusions and other similar charges or encumbrances and minor title deficiencies, which in the aggregate do not materially interfere with the conduct of the business of Lead Borrower or any of its Restricted Subsidiaries;

(ix) Liens arising from precautionary UCC or other similar financing statement filings regarding operating leases or consignments entered into in the ordinary course of business;

(x) attachment and judgment Liens, to the extent and for so long as the underlying judgments and decrees do not constitute an Event of Default pursuant to Section 11.09;

(xi) statutory and common law landlords' liens under leases to which Lead Borrower or any of its Restricted Subsidiaries is a party;

(xii) Liens (other than Liens imposed under ERISA) incurred in the ordinary course of business in connection with workers' compensation claims, unemployment insurance and social security benefits and Liens securing the performance of bids, tenders, leases and contracts in the ordinary course of business, statutory obligations, surety, stay, customs or appeal bonds, performance bonds and other obligations of a like nature (including (i) those to secure health, safety and environmental obligations and (ii) those required or requested by any Governmental Authority other than letters of credit) incurred in the ordinary course of business;

(xiii) Permitted Encumbrances;

(xiv) (A) Liens on property or assets acquired pursuant to a Permitted Acquisition, or on property or assets of a Restricted Subsidiary of Lead Borrower in existence at the time such Restricted Subsidiary is acquired pursuant to a Permitted Acquisition; *provided* that (x) any Indebtedness that is secured by such Liens is permitted to exist under Section 10.04, and (y) such Liens are not incurred in connection with, or in contemplation or anticipation of, such Permitted Acquisition and do not attach to any other asset of Lead Borrower or any of its Restricted Subsidiaries and (B) Liens securing Permitted Refinancing Indebtedness in respect of Indebtedness in respect of any Indebtedness secured by the Liens referred to in clause (A);

(xv) deposits or pledges to secure bids, tenders, contracts (other than contracts for the repayment of borrowed money), leases, statutory obligations, surety, stay, customs and appeal bonds and other obligations of like nature (including (i) those to secure health, safety and environmental obligations and (ii) those required or requested by any Governmental Authority other than letters of credit), and as security for the payment of rent, in each case arising in the ordinary course of business;

(xvi) Liens on assets of Foreign Subsidiaries securing Indebtedness of Foreign Subsidiaries permitted pursuant to Section 10.04(viii);

(xvii) any interest or title of, and any Liens created by, a lessor, sublessor, licensee, sublicensee, licensor or sublicensor under any lease, sublease, license or sublicense agreement (including software and other technology licenses) in the ordinary course of business;

(xviii) Liens on property subject to Sale-Leaseback Transactions to the extent such Sale-Leaseback Transactions are permitted by Section 10.02(xii);

(xix) any encumbrances or restrictions (including, without limitation, put and call agreements) with respect to the Equity Interests of any joint venture permitted by the terms of this Agreement arising pursuant to the agreement evidencing such joint venture;

(xx) Liens in favor of Lead Borrower or any Subsidiary Guarantor securing intercompany Indebtedness permitted by Section 10.05; *provided* that any Liens securing Indebtedness that is required to be subordinated pursuant to Section 10.05 shall be subordinated to the Liens created pursuant to the Security Documents;

(xxi) Liens on specific items of inventory or other goods (and proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, and pledges or deposits in the ordinary course of business;

(xxii) Liens on insurance policies and the proceeds thereof (whether accrued or not) and rights or claims against an insurer, in each case securing insurance premium financings permitted under Section 10.04(x);

(xxiii) Liens that may arise on inventory or equipment of Lead Borrower or any of its Restricted Subsidiaries in the ordinary course of business as a result of such inventory or equipment being located on premises owned by Persons other than Lead Borrower and its Restricted Subsidiaries;

(xxiv) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(xxv) Liens (i) of a collection bank arising under Section 4-210 of the UCC (or similar provisions of other applicable laws) on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(xxvi) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.05(ii); *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(xxvii) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence or issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Lead Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Lead Borrower or any Restricted Subsidiary or (iii) relating to purchase orders and other agreements entered into with customers of Lead Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(xxviii) Liens attaching solely to cash earnest money deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition or other Investment permitted hereunder;

(xxix) other Liens to the extent securing liabilities with a principal amount not in excess of the greater of $90,000,000 and 6.50% of Consolidated Total Assets (measured at the time of incurrence) in the aggregate at any time outstanding;

(xxx) Liens on Collateral securing obligations in respect of Indebtedness permitted by Section 10.04(xxvii);

(xxxi) cash deposits with respect to any Refinancing Notes or any Permitted Junior Debt or any other Indebtedness, in each case to the extent permitted by Section 10.07;

(xxxii) Liens on accounts receivable sold in connection with the sale or discount of accounts receivable permitted by Section 10.02(iv);

(xxxiii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by Lead Borrower or any Restricted Subsidiary in the ordinary course of business;

(xxxiv) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(xxxv) (i) zoning, building, entitlement and other land use regulations by Governmental Authorities with which the normal operation of the business of Lead Borrower and the Restricted Subsidiaries complies, and (ii) any zoning or similar law or right reserved to or vested in any Governmental

Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of Lead Borrower or any Restricted Subsidiary;

(xxxvi) deposits made in the ordinary course of business to secure liability to insurance carriers;

(xxxvii) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof;

(xxxviii) so long as no Default has occurred and is continuing at the time of granting such Liens, Liens on cash deposits in an aggregate amount not to exceed the greater of $20,000,000 and 1.50% of Consolidated Total Assets (measured at the time of incurrence) in the aggregate at any time outstanding securing any Interest Rate Protection Agreement or Other Hedging Agreement permitted hereunder;

(xxxix) Liens arising in connection with any Qualified Securitization Transaction or Receivables Facility with respect to which the Securitization Assets or Receivables Assets, as applicable, subject thereto consist solely of assets originated by one or more Foreign Subsidiaries;

(xl) customary Liens granted in favor of a trustee to secure fees and other amounts owing to such trustee under an indenture or other agreement pursuant to which Indebtedness not prohibited by the indenture is issued (including the indenture under which the notes are to be issued);

(xli) leases and subleases of real property that do not materially interfere with the ordinary conduct of the business of Lead Borrower or any of its Restricted Subsidiaries; and

(xlii) Liens on cash or Cash Equivalents (and the related escrow accounts) in connection with the issuance into (and pending the release from) escrow of any Refinancing Notes, any Permitted Pari Passu Notes or any Permitted Junior Debt.

In connection with the granting of Liens of the type described in this Section 10.01 by Lead Borrower or any of its Restricted Subsidiaries, the Administrative Agent and the Collateral Agent shall be authorized to take any actions deemed appropriate by it in connection therewith (including, without limitation, by executing appropriate lien releases or lien subordination agreements in favor of the holder or holders of such Liens, in either case solely with respect to the item or items of equipment or other assets subject to such Liens).

10.02 Consolidation, Merger, or Sale of Assets, etc. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, wind up, liquidate or dissolve its affairs or enter into any partnership, joint venture, or transaction of merger or consolidation, or convey, sell, lease or otherwise dispose of all or any part of its property or assets, or enter into any Sale-Leaseback Transaction, except that:

(i) any Investment permitted by Section 10.05 may be structured as a merger, consolidation or amalgamation;

(ii) Lead Borrower and its Restricted Subsidiaries may sell assets (including Equity Interests), so long as, (x) Lead Borrower or the respective Restricted Subsidiary receives at least fair market value (as determined in good faith by Lead Borrower or such Restricted Subsidiary, as the case may be) and (y) in the case of any single transaction that involves assets having a fair market value of more than the greater of $25,000,000 and 1.75% of Consolidated Total Assets (measured at the time of such sale), at least 75% of the consideration received by Lead Borrower or such Restricted Subsidiary shall be in the form of cash, Cash Equivalents or, subject to the proviso below, Designated Non-cash Consideration (taking into account the amount of cash and Cash Equivalents, the principal amount of any promissory notes and the fair market value, as determined by Lead Borrower or such Restricted Subsidiary, as the case may be, in good faith, of any other consideration (including Designated Non-cash Consideration)) and is paid at the time of the closing of such sale; *provided*, *however*, that for purposes of this clause (y), the following shall be deemed to be cash: (A) any liabilities (as shown on Lead Borrower's or such Restricted Subsidiary's

most recent balance sheet provided hereunder or in the footnotes thereto) of Lead Borrower or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee with respect to the applicable disposition and for which Lead Borrower and the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing, (B) any securities, notes, other obligations or assets received by such Borrower or such Restricted Subsidiary from such transferee that are converted by such Borrower or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in the conversion) within 180 days following the closing of the applicable asset sale, (C) consideration consisting of Indebtedness of Lead Borrower or such Restricted Subsidiary that is not Subordinated Indebtedness received from such transferee, (D) accounts receivable of a business retained by Lead Borrower or any of its Restricted Subsidiaries, as the case may be, following the sale of such business; *provided* that such accounts receivable (1) are not past due more than 90 days and (2) do not have a payment date greater than 120 days from the date of the invoices creating such accounts receivable and (E) any Designated Non-cash Consideration received by Lead Borrower or any of its Restricted Subsidiaries in such asset sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (y) that is at that time outstanding, not to exceed the greater of $60,000,000 and 4.50% of Consolidated Total Assets (measured at the time of the receipt of such Designated Non-cash Consideration) (with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(iii) each of Lead Borrower and its Restricted Subsidiaries may lease (as lessee) or license (as licensee) real or personal property (so long as any such lease or license does not create a Capitalized Lease Obligation except to the extent permitted by Section 10.04(iii));

(iv) each of Lead Borrower and its Restricted Subsidiaries may sell or discount, in each case in the ordinary course of business, accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof and not as part of any financing transaction;

(v) each of Lead Borrower and its Restricted Subsidiaries may grant licenses, sublicenses, leases or subleases to other Persons not materially interfering with the conduct of the business of Lead Borrower or any of its Restricted Subsidiaries, including of Intellectual Property;

(vi) (w) any Domestic Subsidiary of Lead Borrower may be merged, consolidated, dissolved, amalgamated or liquidated with or into a Borrower (so long as the surviving Person of such merger, consolidation, dissolution, amalgamation or liquidation is a corporation, limited liability company or limited partnership organized or existing under the laws of the United States of America, any state thereof or the District of Columbia and, if such surviving Person is not a Borrower, such Person expressly assumes, in writing, all the obligations of a Borrower under the Credit Documents pursuant to an assumption agreement in form and substance reasonably satisfactory to the Administrative Agent) or any Subsidiary Guarantor (so long as the surviving Person of such merger, consolidation, dissolution, amalgamation or liquidation is a Wholly-Owned Domestic Subsidiary of a Borrower, is a corporation, limited liability company or limited partnership and is or becomes a Subsidiary Guarantor concurrently with such merger, consolidation or liquidation), (x) any Excluded Subsidiary (other than an Unrestricted Subsidiary) of a Borrower may be merged, consolidated, dissolved, amalgamated or liquidated with or into any other Excluded Subsidiary (other than an Unrestricted Subsidiary) of a Borrower and (y) any Excluded Subsidiary (other than an Unrestricted Subsidiary) of a Borrower may be merged, consolidated, dissolved, amalgamated or liquidated with or into any Credit Party (so long as such Credit Party is the surviving corporation of such merger, consolidation, dissolution, amalgamation or liquidation); *provided* that any such merger, consolidation, dissolution, amalgamation or liquidation shall only be permitted pursuant to this clause (vi), so long as (I) no Event of Default then exists or would exist immediately after giving effect thereto and (II) any security interests granted to the Collateral Agent for the benefit of the Secured Creditors in the assets (and Equity Interests) of any such Person subject to any such transaction shall not be impaired in any material respect as a result of such merger, consolidation, amalgamation or liquidation;

(vii) any disposition of (i) Securitization Assets arising in connection with a Qualified Securitization Transaction or (ii) the Receivables Assets arising in connection with a Receivables Facility, in each case, permitted by Section 10.04;

(viii) each of Lead Borrower and its Restricted Subsidiaries may make sales or leases of (A) inventory in the ordinary course of business, (B) goods held for sale in the ordinary course of business and (C) immaterial assets with a fair market value, in the case of this clause (C), of less than the greater of $25,000,000 and 1.75% of Consolidated Total Assets (measured at the time of such sale or lease, as applicable);

(ix) each of Lead Borrower and its Restricted Subsidiaries may sell or otherwise dispose of (i) outdated, obsolete, surplus or worn out property, in each case, in the ordinary course of business and (ii) property no longer used or useful in the conduct of the business of Lead Borrower and its Restricted Subsidiaries;

(x) each of Lead Borrower and its Restricted Subsidiaries may sell or otherwise dispose of assets acquired pursuant to a Permitted Acquisition so long as (x) such assets are not used or useful to the core or principal business of Lead Borrower and its Restricted Subsidiaries and (y) such assets are sold or otherwise disposed of on or prior to the first anniversary of the relevant Permitted Acquisition;

(xi) in order to effect a sale, transfer or disposition otherwise permitted by this Section 10.02, a Restricted Subsidiary of Lead Borrower may be merged, amalgamated or consolidated with or into another Person, or may be dissolved or liquidated;

(xii) each of Lead Borrower and its Restricted Subsidiaries may effect Sale-Leaseback Transactions (a) involving real property acquired after the Closing Date and not more than 180 days prior to such Sale-Leaseback Transaction for cash and fair market value (as determined by Lead Borrower) or (b) with respect to any other Sale-Leaseback Transactions not described in subclause (xii)(a), having an aggregate fair market value not in excess of the greater of $14,000,000 and 1.00% of Consolidated Total Assets (measured at the time of such Sale-Leaseback Transaction);

(xiii) [reserved];

(xiv) each of Lead Borrower and its Restricted Subsidiaries may issue or sell Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(xv) each of Lead Borrower and its Restricted Subsidiaries may make transfers of property subject to casualty or condemnation proceedings upon the occurrence of the related Recovery Event;

(xvi) each of Lead Borrower and its Restricted Subsidiaries may abandon Intellectual Property rights in the ordinary course of business, in the exercise of its reasonable good faith judgment;

(xvii) each of Lead Borrower and its Restricted Subsidiaries may make voluntary terminations of or unwind Interest Rate Protection Agreements, Other Hedging Agreements and Treasury Services Agreements;

(xviii) each of Lead Borrower and its Restricted Subsidiaries may make dispositions resulting from foreclosures by third parties on properties of Lead Borrower or any of its Restricted Subsidiaries and acquisitions by Lead Borrower or any of its Restricted Subsidiaries resulting from foreclosures by such Persons or properties of third parties;

(xix) each of Lead Borrower and its Restricted Subsidiaries may terminate leases and subleases;

(xx) each of Lead Borrower and its Restricted Subsidiaries may use cash and Cash Equivalents (or other assets that were Cash Equivalents when the relevant Investment was made) to make payments that are not otherwise prohibited by this Agreement;

(xxi) each of Lead Borrower or its Restricted Subsidiaries may sell or otherwise dispose of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such sale or disposition are promptly applied to the purchase price of such replacement property;

(xxii) sales, dispositions or contributions of property (A) between Credit Parties (other than Holdings), (B) between Restricted Subsidiaries (other than Credit Parties), (C) by Restricted Subsidiaries that are not Credit Parties to the Credit Parties (other than Holdings) or (D) by Credit Parties to any Restricted Subsidiary that is not a Credit Party; *provided* with respect to clause (D) that (1) the portion (if any) of any such sale, disposition or contribution of property made for less than fair market value and (2) any noncash consideration received in exchange for any such sale, disposition or contribution of property, shall in each case constitute an Investment in such Restricted Subsidiary subject to Section 10.05.

(xxiii) dispositions of Investments (including Equity Interests) in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(xxiv) transfers of condemned property as a result of the exercise of "eminent domain" or other similar powers to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of property that have been subject to a casualty to the respective insurer of such real property as part of an insurance settlement; *provided* that the proceeds of such dispositions are applied in accordance with Section 5.02(f);

(xxv) any disposition of any asset between or among the Restricted Subsidiaries as a substantially concurrent interim disposition in connection with a disposition otherwise permitted pursuant to this Section 10.02; and

(xxvi) dispositions permitted by Section 10.03.

To the extent the Required Lenders (or such other percentage of the Lenders as may be required by Section 10.02) waive the provisions of this Section 10.02 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 10.02 (other than to a Borrower or a Guarantor), such Collateral shall be sold free and clear of the Liens created by the Security Documents, and the Administrative Agent and the Collateral Agent shall be authorized to take any actions deemed appropriate by them in order to effect the foregoing.

10.03 Dividends. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, authorize, declare or pay any Dividends with respect to Lead Borrower or any of its Restricted Subsidiaries, except that:

(i) any Restricted Subsidiary of a Borrower may pay Dividends or return capital or make distributions and other similar payments with regard to its Equity Interests to Lead Borrower or to other Restricted Subsidiaries of Lead Borrower which directly or indirectly own equity therein;

(ii) any non-Wholly-Owned Subsidiary of Lead Borrower may declare and pay cash Dividends to its shareholders generally so long as Lead Borrower or its Restricted Subsidiary which owns the Equity Interests in the Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holding of the Equity Interests in the Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of Equity Interests of such Subsidiary);

(iii) so long as no Default or Event of Default exists at the time of the applicable Dividend, redemption or repurchase or would exist immediately after giving effect thereto, Lead Borrower may pay

cash Dividends to Holdings to allow Holdings to pay cash dividends or make cash distributions to any other Parent Company to redeem or repurchase, contemporaneously with such Dividend, Equity Interests of Holdings or such other Parent Company from management, employees, officers and directors (and their successors and assigns) of Lead Borrower and its Restricted Subsidiaries; *provided* that (A) the aggregate amount of Dividends made by Lead Borrower to Holdings pursuant to this clause (iii), and the aggregate amount paid by Holdings or such other Parent Company in respect of all such Equity Interests so redeemed or repurchased shall not (net of any cash proceeds received by Holdings from issuances of its Equity Interests (other than to the extent included in the Available Amount) and contributed to Lead Borrower in connection with such redemption or repurchase), in either case, exceed during any fiscal year of Lead Borrower, the greater of $20,000,000 and 1.50% of Consolidated Total Assets (measured at the time of such Dividend) (*provided* that the amount of cash Dividends permitted to be, but not, paid in any fiscal year pursuant to this clause (iii) shall increase the amount of cash Dividends permitted to be paid in the succeeding two fiscal years pursuant to this clause (iii)); (B) such amount in any calendar year may be increased by an amount not to exceed: (I) the cash proceeds of key man life insurance policies received by Lead Borrower or any of its Restricted Subsidiaries after the Closing Date; *plus* (II) the net proceeds from the sale of Equity Interests of Holdings, in each case to members of management, managers, directors or consultants of any Parent Company or any of its Subsidiaries that occurs after the First Restatement Effective Date, where the net proceeds of such sale are received by or contributed to Lead Borrower; *provided* that the amount of any such net proceeds that are utilized for any Dividend under this clause (iii) will not be considered to be net proceeds of Equity Interests for purposes of clause (a)(ii) of the definition of "Available Amount"; *less* (III) the amount of any Dividends previously made with the cash proceeds described in the preceding clause (I); and (C) cancellation of Indebtedness owing to Lead Borrower from members of management, officers, directors, employees of Lead Borrower or any of its Subsidiaries in connection with a repurchase of Equity Interests of Holdings or any other Parent Company will not be deemed to constitute a Dividend for purposes of this Agreement;

(iv) Lead Borrower may pay cash Dividends to Holdings so long as the proceeds thereof are promptly used by Holdings (or subsequently paid to any other Parent Company) to pay expenses incurred by Holdings or any other Parent Company in connection with offerings, registrations, or exchange listings of equity or debt securities and maintenance of same (A) where the net proceeds of such offering are to be received by or contributed to Lead Borrower, (B) in a prorated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed or loaned, or (C) otherwise on an interim basis prior to completion of such offering so long as Holdings and any other Parent Company shall cause the amount of such expenses to be repaid to Lead Borrower or the relevant Restricted Subsidiary of Lead Borrower out of the proceeds of such offering promptly if such offering is completed;

(v) Lead Borrower may pay cash Dividends to Holdings so long as the proceeds thereof are promptly used by Holdings (or subsequently paid to any other Parent Company) to pay costs (including all professional fees and expenses) incurred by Holdings or any other Parent Company in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, applicable rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, including in respect of any reports filed with respect to the Securities Act, the Securities Exchange Act or the respective rules and regulations promulgated thereunder;

(vi) Lead Borrower may pay cash dividends or other distributions, or make loans or advances to, any Parent Company or the equity interest holders thereof in amounts required for any Parent Company or the equity interest holders thereof to pay, in each case without duplication:

(A) franchise Taxes (and other fees and expenses) required to maintain their existence to the extent such Taxes, fees and expenses are reasonably attributable to the operations of Holdings, Lead Borrower and its Restricted Subsidiaries;

(B) with respect to any taxable year (or portion thereof) ending after the First Restatement Effective Date with respect to which any Borrower (a) is treated as a corporation for U.S. federal, state, and/or local income tax purposes and (b) is a member of a consolidated, combined or similar income tax group (a "Tax Group") of which Holdings or any other Parent Company is the common parent, federal,

state and local income Taxes (including minimum Taxes) (or franchise and similar Taxes imposed in lieu of such minimum Taxes) that are attributable to the taxable income of Lead Borrower and its Subsidiaries; *provided* that for each taxable period, the amount of such payments made in respect of such taxable period in the aggregate shall not exceed the amount that Lead Borrower and its Subsidiaries would have been required to pay as a stand-alone Tax Group; *provided*, *further*, that the permitted payment pursuant to this clause (B) with respect to the Taxes of any Unrestricted Subsidiary for any taxable period shall be limited to the amount actually paid by such Unrestricted Subsidiary to a Borrower or the Restricted Subsidiaries for the purposes of paying such consolidated, combined or similar Taxes;

(C) customary salary, bonus and other benefits payable to officers and employees of any Parent Company to the extent such salaries, bonuses and other benefits are reasonably attributable to the ownership or operations of Lead Borrower and its Restricted Subsidiaries;

(D) general corporate operating and overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties) of any Parent Company to the extent such costs and expenses are reasonably attributable to the ownership or operations of Lead Borrower and its Restricted Subsidiaries;

(E) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of Lead Borrower or any Parent Company;

(F) the purchase or other acquisition by Holdings or any other Parent Company of Lead Borrower of all or substantially all of the property and assets or business of any Person, or of assets constituting a business unit, a line of business or division of such Person, or of all of the Equity Interests in a Person; *provided* that if such purchase or other acquisition had been made by Lead Borrower, it would have constituted a Permitted Acquisition permitted to be made pursuant to Section 9.14; *provided* that (A) such dividend, distribution, loan or advance shall be made concurrently with the closing of such purchase or other acquisition and (B) such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) and any liabilities assumed to be contributed to Lead Borrower or any Restricted Subsidiary or (2) the merger (to the extent permitted in Section 10.02) into Lead Borrower or any Restricted Subsidiary of the Person formed or acquired in order to consummate such purchase or other acquisition; and

(G) any customary fees and expenses related to any unsuccessful equity offering by any Parent Company directly attributable to the operations of Lead Borrower and its Restricted Subsidiaries;

provided that the aggregate amount of Dividends made pursuant to subclauses (C), (D) and (G) of this clause (vi) shall not exceed the greater of $14,000,000 and 1.00% of Consolidated Total Assets (measured at the time of such Dividend) in any fiscal year;

(vii) reasonable and customary indemnities to directors, officers and employees of Holdings or any other Parent Company in the ordinary course of business, to the extent reasonably attributable to the ownership or operation of Lead Borrower and its Restricted Subsidiaries;

(viii) Lead Borrower may pay cash Dividends to Holdings so long as the proceeds thereof are promptly used by Holdings (or subsequently paid to any other Parent Company) for payment of (x) obligations under or in respect of director and officer insurance policies to the extent reasonably attributable to the ownership or operation of Lead Borrower and its Restricted Subsidiaries or (y) indemnification obligations owing to the Sponsor and Sponsor Affiliates under the Advisory Agreement;

(ix) any Dividend used to fund the Transaction, including Transaction Costs;

(x) [Reserved];

(xi) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants or similar equity incentive awards;

(xii) a Dividend to Verra Mobility to fund a payment of dividends on Verra Mobility's common stock, not to exceed, in any fiscal year, 5% of Verra Mobility's market capitalization;

(xiii) any Dividends to the extent the same are made solely with the Available Amount, so long as, solely to the extent clause (a)(i)(B) of the definition of "Available Amount" is being utilized, at the time of, and after giving effect to such Dividend on a Pro Forma Basis, (i) no Event of Default shall have occurred and be continuing and (ii) the Consolidated Total Net Leverage Ratio, on a Pro Forma Basis as of the last day of the most recently ended Test Period, does not exceed 5.20:1.00;

(xiv) purchases of minority interests in Restricted Subsidiaries that are not Wholly-Owned Subsidiaries by Lead Borrower and the Guarantors; *provided* that the aggregate amount of such purchases, when added to the aggregate amount of Investments pursuant to Section 10.05(xvii), shall not exceed the greater of $25,000,000 and 1.75% of Consolidated Total Assets (measured at the time of such Dividend);

(xv) the declaration and payment of Dividends or the payment of other distributions by Lead Borrower in an aggregate amount since the First Restatement Effective Date not to exceed the greater of $120,000,000 and 8.50% of Consolidated Total Assets (measured at the time of such Dividend);

(xvi) Lead Borrower and each Restricted Subsidiary may declare and make Dividend payments or other distributions payable solely in the Equity Interests of such Person so long as in the case of Dividend or other distribution by a Restricted Subsidiary, Lead Borrower or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution;

(xvii) Lead Borrower may pay Dividends with the cash proceeds contributed to its common equity from the net cash proceeds of any equity issuance by any Parent Company, so long as, with respect to any such payments, no Event of Default shall have occurred and be continuing or would result therefrom; *provided* that the amount of any such cash proceeds that are utilized for any Dividend under this clause (xvii) will not be considered to be cash proceeds of Equity Interests for purposes of clause (a)(ii) of the definition of "Available Amount";

(xviii) Lead Borrower and any Restricted Subsidiary may pay Dividends within 60 days after the date of declaration thereof, if at the date of declaration of such payment, such payment would have complied with another provision of this Section 10.03; and

(xix) any Dividends, so long as on a Pro Forma Basis, as of the last day of the most recently ended Test Period, the Consolidated Total Net Leverage Ratio does not exceed 3.75:1.00.

In determining compliance with this Section 10.03 (and in determining amounts paid as Dividends pursuant hereto for purposes of the definitions of "Consolidated EBITDA" and "Consolidated Net Income"), amounts loaned or advanced to Holdings pursuant to Section 10.05(vi) shall, to the extent such loan or advance remains unpaid, be deemed to be cash Dividends paid to Holdings to the extent provided in said Section 10.05(vi).

10.04 Indebtedness. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, contract, create, incur, assume or suffer to exist any Indebtedness, except:

(i) (x) Indebtedness incurred pursuant to this Agreement and the other Credit Documents (including pursuant to any Incremental Term Loan); (y) Indebtedness incurred pursuant to the ABL Credit Agreement and the other ABL Credit Documents in an aggregate principal amount not to exceed $75,000,000 *plus* any amounts incurred under Section 2.15(a) of the ABL Credit Agreement (as in effect on the Closing Date, or any similar provision of any subsequent ABL Credit Agreement which does not modify the financial tests and dollar baskets set forth in Section 2.15(a) of the ABL Credit Agreement (as in effect on the Closing Date) in a manner that is less restrictive to the Credit Parties in any material

respect); and (z) Indebtedness incurred pursuant to the Unsecured Notes Indenture and the other Unsecured Notes Documents in an aggregate principal amount not to exceed $350,000,000 and any Permitted Refinancing Indebtedness in respect thereof;

(ii) Indebtedness under Interest Rate Protection Agreements entered into with respect to other Indebtedness permitted under this Section 10.04 so long as the entering into of such Interest Rate Protection Agreements are bona fide hedging activities and are not for speculative purposes;

(iii) (A) Indebtedness of Lead Borrower and its Restricted Subsidiaries evidenced by Capitalized Lease Obligations and purchase money Indebtedness (including obligations in respect of mortgages, industrial revenue bonds, industrial development bonds and similar financings) in connection with the acquisition, construction, installation, repair, replacement or improvement of fixed or capital assets and any Permitted Refinancing Indebtedness in respect thereof; *provided* that in no event shall the aggregate principal amount of all such Indebtedness incurred or assumed in each case after the First Restatement Effective Date pursuant to this clause (iii) exceed the greater of $75,000,000 and 5.50% of Consolidated Total Assets (measured at the time of incurrence) at any one time outstanding;

(iv) [reserved];

(v) (A) Indebtedness of a Restricted Subsidiary of Lead Borrower acquired pursuant to a Permitted Acquisition (or Indebtedness assumed at the time of a Permitted Acquisition of an asset securing such Indebtedness); *provided* that (x) such Indebtedness was not incurred in connection with, or in anticipation or contemplation of, such Permitted Acquisition and (y) the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the most recently ended Test Period, shall not exceed the greater of 5.20:1.00 and the Consolidated Total Net Leverage Ratio immediately prior to the acquisition or assumption of such Indebtedness and Permitted Acquisition and (B) any Permitted Refinancing Indebtedness in respect thereof;

(vi) intercompany Indebtedness and cash management pooling obligations and arrangements among Lead Borrower and its Restricted Subsidiaries to the extent permitted by Section 10.05(vi);

(vii) Indebtedness outstanding on the First Restatement Effective Date and listed on Schedule 10.04 (or to the extent not listed on such Schedule 10.04, where the principal amount of such Indebtedness is less than $10,000,000 in the aggregate) and any Permitted Refinancing Indebtedness in respect thereof;

(viii) Indebtedness of Foreign Subsidiaries; *provided* that the aggregate principal amount of Indebtedness outstanding pursuant to this clause (viii) shall not at any time exceed the greater of $45,000,000 and 3.25% of Consolidated Total Assets (measured at the time of incurrence);

(ix) Contribution Indebtedness and any Permitted Refinancing Indebtedness in respect thereof;

(x) Indebtedness incurred in the ordinary course of business to finance insurance premiums or take-or-pay obligations contained in supply arrangements;

(xi) Indebtedness incurred in the ordinary course of business in respect of netting services, overdraft protections, employee credit card programs, automatic clearinghouse arrangements and other similar services in connection with cash management and deposit accounts and Indebtedness in connection with the honoring of a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, including in each case, obligations under any Treasury Services Agreements;

(xii) Indebtedness in respect of Other Hedging Agreements so long as the entering into of such Other Hedging Agreements are bona fide hedging activities and are not for speculative purposes;

(xiii) unsecured Indebtedness of Lead Borrower (which may be guaranteed on a subordinated basis by Holdings (so long as it is a Guarantor) and any or all of the other Borrowers or the Subsidiary Guarantors), in an aggregate outstanding principal amount (together with any Permitted Refinancing Indebtedness in respect thereof) not to exceed the greater of $120,000,000 and 8.75% of Consolidated Total Assets (measured at the time of incurrence) at any time, assumed or incurred in connection with any Permitted Acquisition permitted under Section 9.14, so long as such Indebtedness (and any guarantees thereof) are subordinated to the Obligations upon terms and conditions acceptable to the Administrative Agent;

(xiv) [reserved];

(xv) additional Indebtedness of Lead Borrower and its Restricted Subsidiaries not to exceed the greater of $90,000,000 and 6.50% of Consolidated Total Assets (measured at the time of incurrence) in aggregate principal amount outstanding at any time;

(xvi) Contingent Obligations for customs, stay, performance, appeal, judgment, replevin and similar bonds and suretyship arrangements, and completion guarantees and other obligations of a like nature, all in the ordinary course of business;

(xvii) Contingent Obligations to insurers required in connection with worker's compensation and other insurance coverage incurred in the ordinary course of business;

(xviii) guarantees made by Lead Borrower or any of its Restricted Subsidiaries of Indebtedness of Lead Borrower or any of its Restricted Subsidiaries permitted to be outstanding under this Section 10.04; *provided* that (x) such guarantees are permitted by Section 10.05 and (y) no Restricted Subsidiary that is not a Credit Party shall guarantee Indebtedness of a Credit Party pursuant to this clause (xviii);

(xix) guarantees made by any Foreign Subsidiary of Indebtedness of any other Foreign Subsidiary permitted to be outstanding under this Section 10.04;

(xx) guarantees made by Restricted Subsidiaries acquired pursuant to a Permitted Acquisition of Indebtedness acquired or assumed pursuant thereto in accordance with this Section 10.04, or any refinancing thereof pursuant to this Section 10.04; *provided* that such guarantees may only be made by Restricted Subsidiaries who were guarantors of the Indebtedness originally acquired or assumed pursuant to this Section 10.04 at the time of the consummation of the Permitted Acquisition or such other Investment to which such Indebtedness relates;

(xxi) customary Contingent Obligations in connection with sales, other dispositions and leases permitted under Section 10.02 (but not in respect of Indebtedness for borrowed money or Capitalized Lease Obligations) including indemnification obligations with respect to leases, and guarantees of collectability in respect of accounts receivable or notes receivable for up to face value;

(xxii) guarantees of Indebtedness of directors, officers and employees of Lead Borrower or any of its Restricted Subsidiaries in respect of expenses of such Persons in connection with relocations and other ordinary course of business purposes;

(xxiii) guarantees of Indebtedness of a Person in connection with a joint venture; *provided* that the aggregate principal amount of any Indebtedness so guaranteed that is then outstanding, when added to the aggregate amount of unreimbursed payments theretofore made in respect of such guarantees and the amount of Investments then outstanding (and deemed outstanding) under clause (xix) of Section 10.05, shall not exceed the greater of $105,000,000 and 7.75% of Consolidated Total Assets (measured at the time of incurrence);

(xxiv) Indebtedness arising in connection with any Qualified Securitization Transaction or Receivables Facility with respect to which the Securitization Assets or Receivables Assets subject thereto consist solely of assets originated by one or more Foreign Subsidiaries;

(xxv) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, to the extent such Indebtedness is extinguished reasonably promptly after receipt of notice thereof;

(xxvi) (x) severance, pension and health and welfare retirement benefits or the equivalent thereof to current and former employees of Lead Borrower or its Restricted Subsidiaries incurred in the ordinary course of business, (y) Indebtedness representing deferred compensation or stock-based compensation to employees of Lead Borrower and the Restricted Subsidiaries and (z) Indebtedness consisting of promissory notes issued by any Credit Party to current or former officers, directors and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of any Parent Company permitted by Section 10.03;

(xxvii) (A) Permitted Pari Passu Notes or Permitted Junior Debt in an aggregate principal amount not to exceed, as of the date of incurrence thereof, when taken together with any Incremental Term Loans incurred on such date pursuant to Section 2.15(a)(v)(x), (1) the then-remaining Fixed Dollar Incremental Amount as of the date of incurrence thereof *plus* (2) subject to the satisfaction of the applicable Incurrence-Based Incremental Facility Test, any Incurrence-Based Incremental Amounts that may be incurred thereunder on such date, in each case, so long as (i) all such Indebtedness is incurred in accordance with the requirements of the definition of "Permitted Pari Passu Notes," "Permitted Junior Notes" or "Permitted Junior Loans," as the case may be, (ii) there shall be no obligor in respect of such Indebtedness that is not a Credit Party and (iii) no Event of Default then exists or would result therefrom (*provided*, that with respect to any such Indebtedness incurred to finance a Limited Condition Acquisition, such requirement shall be limited to the absence of an Event of Default pursuant to Section 11.01 or Section 11.05) (it being understood that the reclassification mechanics set forth in the definition of "Incremental Amount" shall apply to amounts incurred pursuant to this Section 10.04(xxvii)(A)); and (B) Permitted Refinancing Indebtedness in respect of Indebtedness incurred pursuant to subclause (A);

(xxviii) (x) guarantees made by Lead Borrower or any of its Restricted Subsidiaries of obligations (not constituting debt for borrowed money) of Lead Borrower or any of its Restricted Subsidiaries owing to vendors, suppliers and other third parties incurred in the ordinary course of business and (y) Indebtedness of any Credit Party (other than Holdings) as an account party in respect of trade letters of credit issued in the ordinary course of business;

(xxix) (A) unsecured Permitted Junior Debt of Lead Borrower and its Restricted Subsidiaries incurred under Permitted Junior Debt Documents so long as (i) all such Indebtedness is incurred in accordance with the requirements of the definition of "Permitted Junior Notes" or "Permitted Junior Loans," as the case may be, (ii) no Event of Default then exists or would result therefrom (*provided*, that with respect to any such Indebtedness incurred to finance a Limited Condition Acquisition, such requirement shall be limited to the absence of an Event of Default pursuant to Section 11.01 or Section 11.05), (iii) any such Indebtedness incurred or guaranteed by a Credit Party is not secured by any assets of Lead Borrower or any Restricted Subsidiary and (iv) the aggregate principal amount of such Permitted Junior Debt issued or incurred after the First Restatement Effective Date shall not cause the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the most recently ended Test Period, to exceed 5.20:1.00 and (B) any Permitted Refinancing Indebtedness in respect of Indebtedness incurred pursuant to subclause (A); *provided* that the amount of Permitted Junior Debt which may be incurred pursuant to this clause (xxix) by non-Credit Parties shall not exceed the greater of $105,000,000 and 7.75% of Consolidated Total Assets (measured at the time of incurrence) at any time outstanding;

(xxx) Indebtedness arising out of Sale-Leaseback Transactions permitted by Section 10.01(xviii);

(xxxi) Indebtedness under Refinancing Notes, 100% of the Net Debt Proceeds of which are applied to repay outstanding Term Loans in accordance with Section 5.02(c); and

(xxxii) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxxi) above.

10.05 Advances, Investments and Loans. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, lend money or credit or make advances to any Person, or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person (each of the foregoing, an "Investment" and, collectively, "Investments" and with the value of each Investment being measured at the time made and without giving effect to subsequent changes in value or any write-ups, write-downs or write-offs thereof but giving effect to any cash return or cash distributions received by Lead Borrower and its Restricted Subsidiaries with respect thereto), except that the following shall be permitted (each of the following, a "Permitted Investment" and collectively, "Permitted Investments"):

(i) Lead Borrower and its Restricted Subsidiaries may acquire and hold accounts receivable owing to any of them, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms of Lead Borrower or such Restricted Subsidiary;

(ii) Lead Borrower and its Restricted Subsidiaries may acquire and hold cash and Cash Equivalents;

(iii) Lead Borrower and its Restricted Subsidiaries may hold the Investments held by them on the First Restatement Effective Date and described on Schedule 10.05(iii), and any modification, replacement, renewal or extension thereof that does not increase the principal amount thereof unless any additional Investments made with respect thereto are permitted under the other provisions of this Section 10.05;

(iv) Lead Borrower and its Restricted Subsidiaries may acquire and hold Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers, and Investments received in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(v) Lead Borrower and its Restricted Subsidiaries may enter into Interest Rate Protection Agreements to the extent permitted by Section 10.04(ii), and Other Hedging Agreements to the extent permitted by Section 10.04(xii);

(vi) (a) Lead Borrower and any Restricted Subsidiary may make intercompany loans to and other investments (including cash management pooling obligations and arrangements) in Credit Parties (other than Holdings, unless otherwise permitted by Section 10.03), including in connection with tax planning activities, so long as, after giving effect thereto, the security interest of the Collateral Agent for the benefit of the Secured Creditors in the Collateral, taken as a whole, is not materially impaired, (b) any Foreign Subsidiary may make intercompany loans to and other investments (including cash management pooling obligations and arrangements) in any the Borrower or any of its Restricted Subsidiaries so long as in the case of such intercompany loans (other than cash management pooling obligations and arrangements) to Credit Parties (other than Holdings), all payment obligations of the respective Credit Parties are subordinated to their obligations under the Credit Documents on terms reasonably satisfactory to the Administrative Agent, (c) the Credit Parties may make intercompany loans to, guarantees on behalf of, and other investments (including cash management pooling obligations and arrangements) in, Restricted Subsidiaries that are not Credit Parties so long as the aggregate amount of outstanding loans, guarantees and other Indebtedness made pursuant to this subclause (c) does not exceed the greater of $120,000,000 and 8.50% of Consolidated Total Assets (measured at the time of such loans, guarantees or incurrence), (d) any Restricted Subsidiary that is not a Credit Party may make intercompany loans to, and other investments (including cash management pooling obligations and arrangements) in, any other Restricted Subsidiary that is also not a Credit Party and (e) Credit Parties may make intercompany loans and other investments (including cash management pooling obligations and arrangements) in any Restricted Subsidiary that is not

a Credit Party so long as such Investment is part of a series of simultaneous Investments by Restricted Subsidiaries in other Restricted Subsidiaries that results in the proceeds of the initial Investment being invested in one or more Credit Parties (other than Holdings, unless otherwise permitted by Section 10.03);

(vii) Permitted Acquisitions shall be permitted in accordance with Section 9.14;

(viii) loans and advances by Lead Borrower and its Restricted Subsidiaries to officers, directors and employees of Lead Borrower and its Restricted Subsidiaries in connection with (i) business-related travel, relocations and other ordinary course of business purposes (including travel and entertainment expenses) shall be permitted and (ii) any such Person's purchase of Equity Interests of Holdings or any Parent Company; *provided* that no cash is actually advanced pursuant to this clause (ii) unless immediately repaid;

(ix) advances of payroll payments to employees of Lead Borrower and its Restricted Subsidiaries in the ordinary course of business;

(x) non-cash consideration may be received in connection with any Asset Sale permitted pursuant to Section 10.02(ii) or (x);

(xi) additional Restricted Subsidiaries of Lead Borrower may be established or created if Lead Borrower and such Subsidiary comply with the requirements of Section 9.12, if applicable; *provided* that to the extent any such new Subsidiary is created solely for the purpose of consummating a transaction pursuant to an acquisition permitted by this Section 10.05, and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such transaction, such new Subsidiary shall not be required to take the actions set forth in Section 9.12, as applicable, until the respective acquisition is consummated (at which time the surviving or transferee entity of the respective transaction and its Subsidiaries shall be required to so comply in accordance with the provisions thereof);

(xii) extensions of trade credit may be made in the ordinary course of business (including advances made to distributors consistent with past practice), Investments received in satisfaction or partial satisfaction of previously extended trade credit from financially troubled account debtors, Investments consisting of prepayments to suppliers made in the ordinary course of business and loans or advances made to distributors in the ordinary course of business;

(xiii) earnest money deposits may be made to the extent required in connection with Permitted Acquisitions and other Investments to the extent permitted under Section 10.01(xxviii);

(xiv) Investments in deposit accounts or securities accounts opened in the ordinary course of business;

(xv) Investments in the nature of pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business;

(xvi) Investments in the ordinary course of business consisting of UCC Article 3 (or the equivalent under other applicable law) endorsements for collection or deposit;

(xvii) purchases of minority interests in Restricted Subsidiaries that are not Wholly-Owned Subsidiaries by Lead Borrower and the Guarantors; *provided* that the aggregate amount of such purchases, when added to the aggregate amount of Dividends pursuant to Section 10.03(xiv), shall not exceed the greater of $14,000,000 and 1.00% of Consolidated Total Assets (measured at the time such Investment is made);

(xviii) Investments to the extent made with the Available Amount;

(xix) in addition to Investments permitted by clauses (i) through (xviii) and (xx) through (xxxii) of this Section 10.05, Lead Borrower and its Restricted Subsidiaries may make additional loans, advances and other Investments to or in a Person (including a joint venture) in an aggregate outstanding amount for all loans, advances and other Investments made pursuant to this clause (xix), not to exceed the greater of $105,000,000 and 7.75% of Consolidated Total Assets (measured at the time such Investment is made);

(xx) the licensing, sublicensing or contribution of Intellectual Property rights pursuant to arrangements with Persons other than Lead Borrower and the Restricted Subsidiaries in the ordinary course of business for fair market value, as determined by Lead Borrower or such Restricted Subsidiary, as the case may be, in good faith;

(xxi) loans and advances to any Parent Company in lieu of, and not in excess of the amount of (after giving effect to any other loans, advances or Dividends made to any Parent Company), Dividends permitted to be made to any Parent Company in accordance with Section 10.03; *provided* that any such loan or advance shall reduce the amount of such applicable Dividends thereafter permitted under Section 10.03 by a corresponding amount (if such applicable subsection of Section 10.03 contains a maximum amount);

(xxii) Investments to the extent that payment for such Investments is made in the form of common Equity Interests or Qualified Preferred Stock of Holdings or any Equity Interests of any other direct or indirect Parent Company to the seller of such Investments;

(xxiii) Investments of a Person that is acquired and becomes a Restricted Subsidiary or of a company merged or amalgamated or consolidated into any Restricted Subsidiary, in each case after the Closing Date and in accordance with this Section 10.05 and/or Section 10.02, as applicable, to the extent such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation, do not constitute a material portion of the aggregate assets acquired in such transaction and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(xxiv) Investments in a Restricted Subsidiary that is not a Credit Party or in a joint venture, in each case, to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Restricted Subsidiary or joint venture;

(xxv) to the extent that they constitute Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case, in the ordinary course of business;

(xxvi) Investments by Lead Borrower and its Restricted Subsidiaries consisting of deposits, prepayment and other credits to suppliers or landlords made in the ordinary course of business;

(xxvii) guarantees made in the ordinary course of business of obligations owed to landlords, suppliers, customers, franchisees and licensees of Lead Borrower or its Subsidiaries;

(xxviii) Investments consisting of the licensing, sublicensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons;

(xxix) Investments in Unrestricted Subsidiaries having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this Section 10.05(xxix) that are at that time outstanding not to exceed the greater of $60,000,000 and 4.50% of Consolidated Total Assets (measured at the time such Investment is made) at any one time outstanding;

(xxx) any Investments, so long as, on the date of such Investment, on a Pro Forma Basis, as of the last day of the most recently ended Test Period, the Consolidated Total Net Leverage Ratio does not exceed 3.75:1.00;

(xxxi) Investments by Lead Borrower and its Restricted Subsidiaries in joint ventures in an aggregate amount for all Investments made pursuant to this clause (xxxi), not to exceed, when added to the aggregate amount then guaranteed under clause (xxiii) of Section 10.04 and all unreimbursed payments theretofore made in respect of guarantees pursuant to clause (xxiii) of Section 10.04, the greater of $60,000,000 and 4.50% of Consolidated Total Assets (measured at the time such Investment is made); and

(xxxii) (i) Investments in a Securitization Entity or any Investment by a Securitization Entity in any other Person in connection with a Qualified Securitization Transaction permitted by Section 10.04; *provided*, *however*, that any such Investment in a Securitization Entity is in the form of (x) a contribution of additional Securitization Assets, (y) Limited Originator Recourse or (z) loans in respect of the noncash portion of the purchase price of Securitization Assets not to exceed 15% of such purchase price and (ii) distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Transaction or a Receivables Facility, as applicable.

To the extent an Investment is permitted to be made by a Credit Party directly in any Restricted Subsidiary or any other Person who is not a Credit Party (each such person, a "Target Person") under any provision of this Section 10.05, such Investment may be made by advance, contribution or distribution by a Credit Party to a Restricted Subsidiary or Holdings, and further advanced or contributed by such Restricted Subsidiary or Holdings for purposes of making the relevant Investment in the Target Person without constituting an additional Investment for purposes of this Section 10.05 (it being understood that such Investment must satisfy the requirements of, and shall count toward any thresholds in, a provision of this Section 10.05 as if made by the applicable Credit Party directly to the Target Person).

10.06 Transactions with Affiliates. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, enter into any transaction or series of related transactions with any Affiliate of Lead Borrower or any of its Subsidiaries, other than on terms and conditions deemed in good faith by the board of directors of Lead Borrower (or the board of directors of any direct or indirect parent of the Lead Borrower) (or any committee thereof, as applicable) to be not less favorable to Lead Borrower or such Restricted Subsidiary as would reasonably be obtained by Lead Borrower or such Restricted Subsidiary at that time in a comparable arm's-length transaction with a Person other than an Affiliate, except:

(i) Dividends (and loans and advances in lieu thereof) may be paid to the extent provided in Section 10.03;

(ii) loans and other transactions among Lead Borrower and its Restricted Subsidiaries;

(iii) customary fees and indemnification (including the reimbursement of out-of-pocket expenses) may be paid to directors of Holdings, Lead Borrower and its Restricted Subsidiaries (and, to the extent directly attributable to the operations of Lead Borrower and the other Restricted Subsidiaries, to any other Parent Company);

(iv) Lead Borrower and its Restricted Subsidiaries may enter into, and may make payments under, employment agreements, employee benefits plans, stock option plans, indemnification provisions, stay bonuses, severance and other similar compensatory arrangements with officers, employees and directors of Holdings, Lead Borrower and its Restricted Subsidiaries in the ordinary course of business;

(v) [reserved];

(vi) the Transaction (including Transaction Costs) shall be permitted;

(vii) Lead Borrower may make payments (or make dividends to Holdings or any other Parent Company to make payments) (i) to reimburse the Sponsor or the Sponsor Affiliates for its reasonable out-of-pocket expenses, and to indemnify it, pursuant to the terms of the Advisory Agreement, as in effect on the Closing Date, subject to amendments not adverse to the Lenders in any material respect and (ii) to reimburse any shareholders for their respective reasonable out-of-pocket expenses, and to indemnify them, pursuant to the terms of any stockholders agreement with respect to Holdings or any other Parent Company, as in effect on the Closing Date, subject to amendments not adverse to the Lenders in any material respect;

(viii) transactions described on Schedule 10.06(viii) or any amendment thereto to the extent such an amendment is not adverse to the Lenders in any material respect;

(ix) Investments in Lead Borrower's Subsidiaries and joint ventures (to the extent any such Subsidiary that is not a Restricted Subsidiary or any such joint venture is only an Affiliate as a result of Investments by Holdings and the Restricted Subsidiaries in such Subsidiary or joint venture) to the extent otherwise permitted under Section 10.05;

(x) [reserved];

(xi) transactions between Lead Borrower and any Person that is an Affiliate solely due to the fact that a director of such Person is also a director of Lead Borrower or any Parent Company; *provided*, *however*, that such director abstains from voting as a director of Lead Borrower or such Parent Company, as the case may be, on any matter involving such other Person;

(xii) payments by Holdings, Lead Borrower or any of its Restricted Subsidiaries to the Sponsor or any Parent Company for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are approved by a majority of the board of directors of Lead Borrower (or the board of directors of any direct or indirect parent of the Lead Borrower) in good faith;

(xiii) guarantees of performance by Lead Borrower and its Restricted Subsidiaries of Unrestricted Subsidiaries in the ordinary course of business, except for guarantees of Indebtedness in respect of borrowed money;

(xiv) the issuance of Equity Interests in the form of common stock or Qualified Preferred Stock of Lead Borrower to the Sponsor or any Parent Company, or to any director, officer, employee or consultant thereof; and

(xv) to the extent not otherwise prohibited by this Agreement, transactions between or among Holdings, Lead Borrower and any of its Restricted Subsidiaries shall be permitted (including equity issuances).

Notwithstanding anything to the contrary contained above in this Section 10.06, in no event shall Lead Borrower or any of its Restricted Subsidiaries pay any management, consulting or similar fee to the Sponsor or any Affiliate of the Sponsor except as specifically provided in clauses (v) and (vii) of this Section 10.06.

10.07 Limitations on Payments, Certificate of Incorporation, By-Laws and Certain Other Agreements, etc. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to:

(a) make (or give any notice (other than any such notice that is expressly contingent upon the repayment in full in cash of all Obligations other than any indemnification obligations arising hereunder which are not due and payable) in respect of) any voluntary or optional payment or prepayment on or redemption or acquisition for value of, or any prepayment or redemption as a result of any asset sale, Change of Control or similar event of (including, in each case without limitation, by way of depositing money or securities with the trustee with respect thereto or any other Person before due for the purpose of paying when due), any Subordinated Indebtedness,

except that Subordinated Indebtedness may be repaid, redeemed, repurchased or defeased (and any applicable deposit of money or securities with any applicable trustee with respect thereto or any Person for the purpose of paying such Subordinated Indebtedness when due may be made) (i) with the Available Amount; *provided*, that solely to the extent clause (a)(i)(B) of the definition of "Available Amount" is being utilized, (x) no Event of Default shall have occurred and be continuing at the time of the consummation of the proposed repayment or prepayment or immediately after giving effect thereto and (y) the Consolidated Total Net Leverage Ratio, determined on a Pro Forma Basis as of the last day of the most recently ended Test Period, shall not exceed 5.20:1.00, (ii) so long as, on a Pro Forma Basis, as of the last day of the most recently ended Test Period, the Consolidated Total Net Leverage Ratio does not exceed 3.70:1.00, and (iii) in an aggregate amount not to exceed the greater of $120,000,000 and 8.50% of Consolidated Total Assets (measured at the time such payment, prepayment, redemption or acquisition is made); *provided*, that nothing herein shall otherwise prevent Lead Borrower and its Restricted Subsidiaries from refinancing any Indebtedness with Permitted Refinancing Indebtedness;

(b) amend or modify, or permit the amendment or modification of any provision of, any Unsecured Notes Document other than any amendment or modification that is not materially adverse to the interests of the Lenders;

(c) amend or modify, or permit the amendment or modification of any provision of, any Permitted Junior Debt Document (after the entering into thereof) with a principal amount in excess of the Threshold Amount, other than any amendment or modification that is not materially adverse to the interests of the Lenders; or

(d) amend, modify or change its certificate or articles of incorporation (including, without limitation, by the filing or modification of any certificate or articles of designation) or certificate of formation; limited liability company agreement or by-laws (or the equivalent organizational documents); accounting policies, reporting policies or fiscal year (except as required by U.S. GAAP), as applicable, or any agreement entered into by it with respect to its Equity Interests, or enter into any new agreement with respect to its Equity Interests, unless such amendment, modification, change or other action contemplated by this clause (d) is not materially adverse to the interests of the Lenders.

10.08 Limitation on Certain Restrictions on Subsidiaries. The Borrowers will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to (a) pay dividends or make any other distributions on its capital stock or any other interest or participation in its profits owned by Lead Borrower or any of its Restricted Subsidiaries, or pay any Indebtedness owed to Lead Borrower or any of its Restricted Subsidiaries, (b) make loans or advances to Lead Borrower or any of its Restricted Subsidiaries or (c) transfer any of its properties or assets to Lead Borrower or any of its Restricted Subsidiaries, except for such encumbrances or restrictions existing under or by reason of:

(i) applicable law;

(ii) this Agreement and the other Credit Documents, the ABL Credit Agreement, the Unsecured Notes Indenture and the other definitive documentation entered into in connection with any of the foregoing;

(iii) any Refinancing Note Documents;

(iv) customary provisions restricting subletting or assignment of any lease governing any leasehold interest of Lead Borrower or any of its Restricted Subsidiaries;

(v) customary provisions restricting assignment of any licensing agreement (in which Lead Borrower or any of its Restricted Subsidiaries is the licensee) or other contract entered into by Lead Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(vi) restrictions on the transfer of any asset pending the close of the sale of such asset;

(vii) any agreement or instrument governing Indebtedness assumed in connection with a Permitted Acquisition, to the extent the relevant encumbrance or restriction was not agreed to or adopted in connection with, or in anticipation of, the respective Permitted Acquisition and does not apply to Lead Borrower or any Restricted Subsidiary of Lead Borrower, or the properties of any such Person, other than the Persons or the properties acquired in such Permitted Acquisition;

(viii) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(ix) any agreement or instrument relating to Indebtedness of a Foreign Subsidiary incurred pursuant to Section 10.04 to the extent such encumbrance or restriction only applies to such Foreign Subsidiary;

(x) an agreement effecting a refinancing, replacement or substitution of Indebtedness issued, assumed or incurred pursuant to an agreement or instrument referred to in clause (vii) above; *provided* that the provisions relating to such encumbrance or restriction contained in any such refinancing, replacement or substitution agreement are no less favorable to Lead Borrower or the Lenders in any material respect than the provisions relating to such encumbrance or restriction contained in the agreements or instruments referred to in such clause (vii);

(xi) restrictions on the transfer of any asset subject to a Lien permitted by Section 10.01;

(xii) restrictions and conditions imposed by the terms of the documentation governing any Indebtedness of a Restricted Subsidiary of Lead Borrower that is not a Subsidiary Guarantor, which Indebtedness is permitted by Section 10.04;

(xiii) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 10.05 and applicable solely to such joint venture;

(xiv) on or after the execution and delivery thereof, (i) the Permitted Junior Debt Documents and (ii) the Permitted Pari Passu Notes Documents;

(xv) negative pledges and restrictions on Liens in favor of any holder of Indebtedness for borrowed money permitted under Section 10.04 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and/or the Collateral Agent and the Secured Creditors with respect to the credit facilities established hereunder and the Obligations under the Credit Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens securing the Obligations under the Credit Documents equally and ratably or on a junior basis; and

(xvi) restrictions and conditions under the terms of the documentation governing any Qualified Securitization Financing or a Receivables Facility that, in each case, permitted by Section 10.04, are necessary or advisable, in the good faith determination of Lead Borrower or the applicable Restricted Subsidiary, to effect such Qualified Securitization Financing or such Receivables Facility.

10.09 Business.

(a) The Borrowers will not permit at any time the business activities taken as a whole conducted by Lead Borrower and its Restricted Subsidiaries to be materially different from the business activities taken as a whole conducted by Lead Borrower and its Restricted Subsidiaries on the Closing Date (after giving effect to the Transaction) except that Lead Borrower and its Restricted Subsidiaries may engage in Similar Business.

(b) Holdings will not engage in any business other than its ownership of the capital stock of, and the management of, Lead Borrower and, indirectly, its Subsidiaries and activities incidental thereto; *provided* that Holdings may engage in those activities that are incidental to (i) the maintenance of its existence in compliance with

applicable law, (ii) legal, tax and accounting matters in connection with any of the foregoing or following activities, (iii) the entering into, and performing its obligations under, this Agreement, the other Credit Documents to which it is a party, the Advisory Agreement, the ABL Credit Agreement, the Unsecured Notes Indenture and the other definitive documentation entered into in connection with any of the foregoing, (iv) the issuance, sale or repurchase of its Equity Interests and the receipt of capital contributions, (v) the making of dividends or distributions on its Equity Interests, (vi) the filing of registration statements, and compliance with applicable reporting and other obligations, under federal, state or other securities laws, (vii) the listing of its equity securities and compliance with applicable reporting and other obligations in connection therewith, (viii) the retention of (and the entry into, and exercise of rights and performance of obligations in respect of, contracts and agreements with) transfer agents, private placement agents, underwriters, counsel, accountants and other advisors and consultants, (ix) the performance of obligations under and compliance with its certificate of incorporation and by-laws, or any applicable law, ordinance, regulation, rule, order, judgment, decree or permit, including, without limitation, as a result of or in connection with the activities of its Subsidiaries, (x) the incurrence and payment of its operating and business expenses and any taxes for which it may be liable (including reimbursement to Affiliates for such expenses paid on its behalf), (xi) the consummation of the Transaction, (xii) the making of loans to or other Investments in, or incurrence of Indebtedness from, the Borrowers or in the case of incurrence of Indebtedness, from any Wholly-Owned Domestic Subsidiary which is a Subsidiary Guarantor) as and to the extent not prohibited by this Agreement and (xiii) any other activity expressly contemplated by this Agreement to be engaged in by Holdings, including, without limitation, repurchases of Indebtedness of the Borrowers under this Agreement pursuant to Section 2.19 and Section 2.20 and entry into and performance of guarantees of Refinancing Notes, Permitted Junior Debt, Permitted Pari Passu Notes and, subject to any applicable limitations set forth herein, other permitted Indebtedness of Lead Borrower and its Restricted Subsidiaries.

10.10 Negative Pledges. Holdings and the Borrowers shall not, and shall not permit any of the Restricted Subsidiaries to, agree or covenant with any Person to restrict in any way its ability to grant any Lien on its assets in favor of the Lenders, other than pursuant to the ABL Intercreditor Agreement, any First Lien/Second Lien Intercreditor Agreement, any Additional Intercreditor Agreement, any Pari Passu Intercreditor Agreement or any other intercreditor agreement contemplated by this agreement, and except that this Section 10.10 shall not apply to:

(i) any covenants contained in this Agreement or any other Credit Documents or that exist on the Closing Date;

(ii) covenants existing under the ABL Credit Documents and the Unsecured Notes Indenture, each as in effect on the First Restatement Effective Date or as amended in a manner consistent with any amendment to this Agreement or the other Credit Documents;

(iii) the covenants contained in any Refinancing Term Loans, any Refinancing Note Documents, any Permitted Pari Passu Notes Documents or any Permitted Junior Debt (in each case so long as same do not restrict the granting of Liens to secure Indebtedness pursuant to this Agreement);

(iv) covenants and agreements made in connection with any agreement relating to secured Indebtedness permitted by this Agreement but only if such covenant or agreement applies solely to the specific asset or assets to which such Lien relates;

(v) customary provisions in leases, subleases, licenses or sublicenses and other contracts restricting the right of assignment thereof;

(vi) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures that are applicable solely to such joint venture;

(vii) restrictions imposed by law;

(viii) customary restrictions and conditions contained in agreements relating to any sale of assets or Equity Interests pending such sale; *provided* such restrictions and conditions apply only to the Person or property that is to be sold;

(ix) contractual obligations binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary, so long as such contractual obligations were not entered into solely in contemplation of such Person becoming a Restricted Subsidiary;

(x) negative pledges and restrictions on Liens in favor of any holder of Indebtedness for borrowed money entered into after the Closing Date and otherwise permitted under Section 10.04 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and/or the Collateral Agent and the Secured Creditors with respect to the credit facilities established hereunder and the Obligations under the Credit Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens securing the Obligations under the Credit Documents equally and ratably or on a junior basis;

(xi) restrictions on any Foreign Subsidiary pursuant to the terms of any Indebtedness of such Foreign Subsidiary permitted to be incurred hereunder;

(xii) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business; and

(xiii) any restrictions on Liens imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i), (ii), (iii), (ix), (x) and (xi) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Lead Borrower, not materially more restrictive, taken as a whole, with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 11. Events of Default. Upon the occurrence of any of the following specified events (each, an "Event of Default"):

11.01 Payments. The Borrowers shall (i) default in the payment when due of any principal of any Term Loan or (ii) default, and such default shall continue unremedied for five or more Business Days, in the payment when due of any interest on any Term Loan, or any Fees or any other amounts owing hereunder or under any other Credit Document; or

11.02 Representations, etc. Any representation, warranty or statement made or deemed made by any Credit Party herein or in any other Credit Document or in any certificate delivered to the Administrative Agent, the Collateral Agent or any Lender pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or

11.03 Covenants. Holdings, any Borrower or any Restricted Subsidiary shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.01(f)(i), 9.04 (as to Lead Borrower), 9.11, 9.14(a) or Section 10 or (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in this Agreement or in any other Credit Document (other than those set forth in Sections 11.01 and 11.02), and such default shall continue unremedied for a period of 30 days after written notice thereof to Lead Borrower by the Administrative Agent, the Collateral Agent or the Required Lenders; or

11.04 Default Under Other Agreements. (i) Holdings, any Borrower or any of the Restricted Subsidiaries shall (x) default in any payment of any Indebtedness (other than Indebtedness under this Agreement) beyond the period of grace, if any, provided in an instrument or agreement under which such Indebtedness was created or (y) default in the observance or performance of any agreement or condition relating to any Indebtedness (other than Indebtedness under this Agreement) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Indebtedness to become due prior to its stated maturity or (ii) any Indebtedness (other than Indebtedness under this Agreement) of

Holdings, any Borrower or any of the Restricted Subsidiaries shall be declared to be (or shall become) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof; *provided* that (A) it shall not be a Default or an Event of Default under this Section 11.04 unless the aggregate principal amount of all Indebtedness as described in preceding clauses (i) and (ii) is at least equal to the Threshold Amount, (B) the preceding clause (ii) shall not apply to Indebtedness that becomes due as a result of a voluntary sale or transfer of, or Recovery Event with respect to, the property or assets securing such Indebtedness, if such sale or transfer or Recovery Event is otherwise permitted hereunder and (C) an Event of Default under clause (i)(y) of this Section 11.04 with respect to the ABL Credit Agreement shall not be an Event of Default until the earliest of (I) in the case of a payment default, the first date on which such default shall continue unremedied for a period of 30 days after the date of such default (during which period such default is not waived or cured), (II) the date on which the Indebtedness under the ABL Credit Agreement has been accelerated as a result of such default and (III) the date on which the administrative agent, the collateral agent and/or the lenders under the ABL Credit Agreement have exercised their secured creditor remedies as a result of such default; or

11.05 Bankruptcy, etc. Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence a voluntary case concerning itself under Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary), and the petition is not dismissed within 60 days, after commencement of the case; or a custodian (as defined in the Bankruptcy Code), receiver, receiver-manager, trustee, monitor is appointed for, or takes charge of, all or substantially all of the property of Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary), or Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) commences any other proceeding under any reorganization, bankruptcy, insolvency, arrangement, winding-up, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary), or there is commenced against Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) any such proceeding which remains undismissed for a period of 60 days, or Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or Holdings or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) suffers any appointment of any custodian, receiver, receiver-manager, trustee, monitor or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, any Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) makes a general assignment for the benefit of creditors; or any corporate, limited liability company or similar action is taken by Lead Borrower or any of the Restricted Subsidiaries (other than any Immaterial Subsidiary) for the purpose of effecting any of the foregoing; or

11.06 ERISA. (a) An ERISA Event has occurred with respect to a Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in a Material Adverse Effect, (b) there is or arises Unfunded Pension Liability which has resulted or would reasonably be expected to result in a Material Adverse Effect, (c) a Foreign Pension Plan has failed to comply with, or be funded in accordance with, applicable law which has resulted or would reasonably be expected to result in a Material Adverse Effect, or (d) Lead Borrower or any of its Restricted Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Pension Plan that, in each case, has resulted or would reasonably be expected to result in a Material Adverse Effect; or

11.07 Security Documents. Any of the Security Documents shall cease to be in full force and effect, or shall cease to give the Collateral Agent for the benefit of the Secured Creditors the Liens, rights, powers and privileges purported to be created thereby (including, without limitation (to the extent provided therein), a perfected security interest, to the extent required by the Credit Documents, in, and Lien on, all or any material portion of the Collateral (other than as a result of the failure of the Collateral Agent to file continuation statements or the failure of the Collateral Agent or the collateral agent under the ABL Credit Agreement to maintain possession of possessory collateral delivered to it), in favor of the Collateral Agent, superior to and prior to the rights of all third Persons (except as permitted by Section 10.01); or

11.08 Guarantees. Any Guaranty shall cease to be in full force and effect as to any Guarantor (other than any Guarantor otherwise qualifying as an Immaterial Subsidiary, whether or not so designated), or any Guarantor or any Person acting for or on behalf of such Guarantor shall deny or disaffirm in writing such Guarantor's obligations under the Guaranty to which it is a party; or

11.09 Judgments. One or more judgments or decrees shall be entered against Holdings, any Borrower or any Restricted Subsidiary (other than any Immaterial Subsidiary) involving in the aggregate for Holdings, Lead Borrower and its Restricted Subsidiaries (other than any Immaterial Subsidiary) a liability or liabilities (not paid or fully covered (other than to the extent of any deductible) by a reputable and solvent insurance company with respect to judgments for the payment of money) and such judgments and decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed or bonded pending appeal for any period of 60 consecutive days, and the aggregate amount of all such judgments and decrees (to the extent not paid or fully covered (other than to the extent of any deductible) by such insurance company) equals or exceeds the Threshold Amount; or

11.10 Change of Control. A Change of Control shall occur;

then and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the written request of the Required Lenders, shall by written notice to Lead Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Lender or the holder of any Note to enforce its claims against any Credit Party (*provided* that, if an Event of Default specified in Section 11.05 shall occur with respect to Lead Borrower, the result which would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Total Commitment terminated, whereupon all Commitments of each Lender shall forthwith terminate immediately; (ii) declare the principal of and any accrued interest in respect of all Term Loans and the Notes and all Obligations owing hereunder and thereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Credit Party; (iii) enforce, as Collateral Agent, all of the Liens and security interests created pursuant to the Security Documents; and (iv) enforce each Guaranty.

Section 12. The Administrative Agent and the Collateral Agent.

12.01 Appointment and Authorization.

(a) Each of the Lenders hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Sections 12.08, 12.10 and 12.11) are solely for the benefit of the Administrative Agent and the Lenders, and neither any Borrower nor any other Credit Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Bank of America shall also act as the "Collateral Agent" and "security trustee" under the Credit Documents, and each of the Lenders (on behalf of itself and its Affiliates, including in its capacity as a potential Guaranteed Creditor under a Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement) hereby irrevocably appoints and authorizes Bank of America to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any Credit Party to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, Bank of America, as "Collateral Agent" or "security trustee" and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 12.02 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent, shall be entitled to the benefits of all provisions of this Section 12 and Section 13 (including Section 13.01, as though such co-agents, sub-agents and

attorneys-in-fact were the "collateral agent" or "security trustee" under the Credit Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the Collateral Agent to execute any and all documents (including releases) with respect to the Collateral and the rights of the Guaranteed Creditors with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents and acknowledge and agree that any such action by any Agent shall bind the Lenders.

(c) Each of the Lenders (including in its capacity as a potential Guaranteed Creditor under a Designated Interest Rate Protection Agreement or a Designated Treasury Services Agreement) hereby authorizes the Administrative Agent and/or the Collateral Agent to enter into the ABL Intercreditor Agreement, any First Lien/Second Lien Intercreditor Agreement, any Additional Intercreditor Agreement, any Pari Passu Intercreditor Agreement and any other intercreditor agreement or arrangement or supplement thereto permitted under this Agreement without any further consent by any Lender and any such intercreditor agreement shall be being binding upon the Lenders.

12.02 Delegation of Duties. Each of the Administrative Agent and the Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent and/or the Collateral Agent. The Administrative Agent, the Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 12 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent or the Collateral Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent and as Collateral Agent, as applicable.

12.03 Exculpatory Provisions. The Administrative Agent and the Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and the Collateral Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent and/or the Collateral Agent are required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents); *provided* that each of the Administrative Agent and the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent or the Collateral Agent, as applicable, to liability or that is contrary to any Credit Document or applicable law;

(c) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent and/or the Collateral Agent or any of their respective Affiliates in any capacity;

(d) shall not be liable to any Lender for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent and/or the Collateral Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11 and 13.12) or (ii) in the absence of its own gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction and by a final and nonappealable judgment. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent and the Collateral Agent by Lead Borrower or a Lender; and

(e) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Section 6 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and/or the Collateral Agent.

12.04 Reliance by Administrative Agent and Collateral Agent. Each of the Administrative Agent and the Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each of the Administrative Agent and the Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Term Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Term Loan. The Administrative Agent may consult with legal counsel (who may be counsel for Lead Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

12.05 No Other Duties, Etc. Anything herein to the contrary notwithstanding, neither the Lead Arranger nor any of its Affiliates shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent, the Collateral Agent or a Lender hereunder.

12.06 Non-reliance on Administrative Agent, Collateral Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

12.07 Indemnification by the Lenders. To the extent that the Borrowers for any reason fail to pay any amount required under Section 13.01(a) to be paid by them to the Administrative Agent or Collateral Agent (or any sub-agent of either of them), or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent or Collateral Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's *pro rata* share (based on the amount of then outstanding Term Loans held by each Lender or, if the Term Loans have been repaid in full, based on the amount of outstanding Term Loans held by each Lender immediately prior to such repayment in full) of (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or Collateral Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent or Collateral Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this Section 12.07 are subject to the provisions of Section 5.04.

12.08 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its

individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Lead Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

12.09 Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Lead Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 4.01 and 13.01) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 4.01 and 13.01.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or in any such proceeding.

The Secured Creditors hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar laws in any other jurisdictions to which a Credit Party is subject or (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Creditors shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (*provided* that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a)(i) through (a)(v) of Section 13.12 of this Agreement), and (iii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid

being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders *pro rata* and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Creditor or any acquisition vehicle to take any further action.

12.10 Resignation of the Agents. Each of the Administrative Agent and the Collateral Agent may at any time give notice of its resignation to the Lenders and Lead Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with Lead Borrower's consent (other than during the existence of an Event of Default under Section 11.01 or 11.05), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders (and consented to by Lead Borrower, to the extent so required) and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent or Collateral Agent may, with Lead Borrower's consent (other than during the existence of an Event of Default under Section 11.01 or 11.05), on behalf of the Lenders, appoint a successor Administrative Agent or successor Collateral Agent, as applicable, in each case meeting the qualifications set forth above; *provided* that if the Administrative Agent or the Collateral Agent shall notify Lead Borrower and the Lenders that no qualifying Person has accepted such appointment within such period, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent or retiring Collateral Agent, as applicable, shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Credit Documents, the retiring Collateral Agent shall continue to hold such collateral security solely for purposes of maintaining the Secured Creditors' security interest thereon until such time as a successor Collateral Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders (with the consent of Lead Borrower, to the extent so required) appoint a successor Administrative Agent as provided for above in this Section 12.10. Upon the acceptance of a successor's appointment as Administrative Agent or as Collateral Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent or Collateral Agent, as applicable, and the retiring Administrative Agent or retiring Collateral Agent, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). After the retiring Administrative Agent's or retiring Collateral Agent's resignation hereunder and under the other Credit Documents, the provisions of this Section 12 and Section 13.01 shall continue in effect for the benefit of such retiring Administrative Agent or Collateral Agent, as applicable, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

12.11 Collateral Matters and Guaranty Matters. Each of the Lenders (including in its capacity as a potential Guaranteed Creditor under a Designated Interest Rate Protection Agreement or Designated Treasury Services Agreement) irrevocably authorizes the Administrative Agent or Collateral Agent, as applicable,

(a) to release any Lien on any property granted to or held by the Collateral Agent under any Credit Document (i) upon termination of the Commitments and payment in full of all Obligations (other than (x) contingent indemnification obligations and (y) obligations and liabilities under Designated Interest Rate Protection Agreements and Designated Treasury Services Agreements), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Credit Document to a Person that is not a Credit Party, (iii) that constitutes Excluded Collateral, (iv) if the property subject to such Lien is owned by a Subsidiary Guarantor, subject to Section 13.12, upon release of such Subsidiary Guarantor from its obligations under the Guaranty Agreement pursuant to clause (b) below or (v) if approved, authorized or ratified in writing in accordance with Section 13.12;

(b) to release any Subsidiary Guarantor from its obligations under the Guaranty Agreement if such Person ceases to be a Restricted Subsidiary or becomes an Excluded Subsidiary as a result of a transaction permitted hereunder; and

(c) to subordinate any Lien on any property granted to or held by the Collateral Agent under any Credit Document to the holder of any Lien on such property that is permitted by Sections 10.01(iv)(y), (vi) or (xiv)

or any other Lien that is expressly permitted by Section 10.01 to be senior to the Lien securing the Obligations or to release, and to execute and/or deliver documents to evidence the release or non-existence of, any Lien securing the Obligations upon any Excluded Collateral.

Upon request by the Administrative Agent or Collateral Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's and Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 12.11. In each case as specified in this Section 12.11, the Administrative Agent and Collateral Agent will (and each Lender irrevocably authorizes the Administrative Agent and Collateral Agent to), at the Borrowers' expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Credit Documents and this Section 12.11.

The Administrative Agent and Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's and Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

12.12 Designated Interest Rate Protection Agreements and Designated Treasury Services Agreements. No Guaranteed Creditor that obtains the benefits of any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Section 12.12 to the contrary, the Administrative Agent and Collateral Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Designated Interest Rate Protection Agreements and Designated Treasury Services Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Guaranteed Creditor. Each Guaranteed Creditor agrees to be bound by this Section 12 to the same extent as a Lender hereunder.

12.13 Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective), such Lender shall, within 10 days after written demand therefor, indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrowers pursuant to Section 5.04 and without limiting or expanding the obligation of the Borrowers to do so) for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due the Administrative Agent under this Section 12.13. The agreements in this Section 12.13 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all other Obligations.

12.14 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being

a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless clause (i) in the immediately preceding paragraph (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in clause (iv) in the immediately preceding paragraph (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that:

(i) none of the Administrative Agent, the Lead Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related to hereto or thereto);

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E);

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations);

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Internal Revenue Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder; and

(v) no fee or other compensation is being paid directly to the Administrative Agent or any other Agent or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments or this Agreement.

The Administrative Agent and each other Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Credit Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

12.15 Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender (the "Creditor Party"), whether or not in respect of an Obligation due and owing by the applicable Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Creditor Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Creditor Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Creditor Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Creditor Party promptly upon determining that any payment made to such Creditor Party comprised, in whole or in part, a Rescindable Amount.

Section 13. Miscellaneous.

13.01 Payment of Expenses, etc.

(a) The Credit Parties hereby jointly and severally agree, from and after the Closing Date, to: (i) pay all reasonable invoiced out-of-pocket costs and expenses of the Agents (limited, in the case of legal expenses, to the reasonable fees and disbursements of one primary counsel to all Agents and, if reasonably necessary, one local counsel in any relevant jurisdiction (which may include a single firm of counsel acting in multiple jurisdictions)) in connection with (x) the preparation, execution, enforcement and delivery of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein, (y) the administration hereof and thereof and any amendment, waiver or consent relating hereto or thereto (whether or not effective) and (z) their syndication efforts with respect to this Agreement; (ii) pay all reasonable invoiced out-of-pocket costs and expenses of the Agents and each Lender in connection with the enforcement of this Agreement and the other Credit Documents and the documents and instruments referred to herein and therein or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings (limited, in the case of legal expenses, to one primary counsel to all Agents and Lenders to be retained by the Administrative Agent and, if reasonably necessary, one local counsel in any relevant jurisdiction (which may include a single firm of counsel acting in multiple jurisdictions) and, in the case of an actual or perceived conflict of interest where any Indemnified Person affected by such conflict informs

Lead Borrower of such conflict, of a single additional firm of counsel in each relevant jurisdiction for all similarly situated affected Indemnified Persons); (iii) pay and hold each Agent and each Lender harmless from and against any and all Other Taxes with respect to the foregoing matters and save each Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay or omission (other than to the extent attributable to such Agent, such Lender or the Lead Arranger) to pay such Other Taxes; and (iv) indemnify each Agent and each Lender and their respective Affiliates, and the partners, shareholders, officers, directors, employees, agents, trustees, representatives and investment advisors of each of the foregoing, in each case, together with their respective successors and assigns (each, an "Indemnified Person") from and hold each of them harmless against any and all liabilities, obligations (including removal or remedial actions), losses, damages, penalties, claims, actions, judgments, suits, costs, expenses and disbursements (including reasonable attorneys' and consultants' fees and disbursements) (but excluding Taxes other than Taxes that represent liabilities, obligations, losses, damages, penalties, actions, costs, expenses and disbursements arising from a non-Tax claim) incurred by, imposed on or assessed against any of them as a result of, or arising out of, or in any way related to, or by reason of, (a) any investigation, litigation or other proceeding (whether or not any Agent or any Lender is a party thereto and whether or not such investigation, litigation or other proceeding is brought by or on behalf of any Credit Party) related to the entering into and/or performance of this Agreement or any other Credit Document or the proceeds of any Term Loans hereunder or the consummation of the Transaction or any other transactions contemplated herein or in any other Credit Document or the exercise of any of their rights or remedies provided herein or in the other Credit Documents, or (b) the actual or alleged presence of Hazardous Materials relating in any way to any Real Property owned, leased or operated, at any time, by Lead Borrower or any of its Subsidiaries; the generation, storage, transportation, handling, Release or threat of Release of Hazardous Materials by Lead Borrower or any of its Subsidiaries at any location, whether or not owned, leased or operated by Lead Borrower or any of its Subsidiaries; the non-compliance by Lead Borrower or any of its Subsidiaries with any Environmental Law (including applicable permits thereunder) applicable to any Real Property; or any Environmental Claim or liability under Environmental Laws relating in any way to Lead Borrower, any of its Subsidiaries or relating in any way to any Real Property at any time owned, leased or operated by Lead Borrower or any of its Subsidiaries, including, in each case, without limitation, the reasonable fees and disbursements of counsel and other consultants incurred in connection with any such investigation, litigation or other proceeding, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnified Person (but excluding in each case (and each Indemnified Person, by accepting the benefits hereof, agrees to promptly refund or return any indemnity received hereunder to the extent it is later determined by a final, non-appealable judgment of a court of competent jurisdiction that such Indemnified Person is not entitled thereto) any losses, liabilities, claims, damages or expenses (i) to the extent incurred by reason of the gross negligence, bad faith or willful misconduct of the applicable Indemnified Person, any Affiliate of such Indemnified Person or any of their respective directors, officers, employees, representatives, agents, Affiliates, trustees or investment advisors, (ii) to the extent incurred by reason of any material breach of the obligations of such Indemnified Person under this Agreement or the other Credit Documents (in the case of each of the preceding clauses (i) and (ii), as determined by a court of competent jurisdiction in a final and non-appealable decision) or (iii) that do not involve or arise from an act or omission by any Credit Party or any of their respective affiliates and is brought by an Indemnified Person against another Indemnified Person (other than claims against any Agent solely in its capacity as such or in its fulfilling such role)). To the extent that the undertaking to indemnify, pay or hold harmless any Agent or any Lender or other Indemnified Person set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Credit Parties shall make the maximum contribution to the payment and satisfaction of each of the indemnified liabilities which is permissible under applicable law.

(b) No Agent or any Indemnified Person shall be responsible or liable to any Credit Party or any other Person for (x) any determination made by it pursuant to this Agreement or any other Credit Document in the absence of gross negligence, bad faith or willful misconduct on the part of such Indemnified Person (in each case, as determined by a court of competent jurisdiction in a final and non-appealable judgment) or (y) any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems.

(c) No party hereto (and no Indemnified Person or any Subsidiary or Affiliate of Holdings or the Borrowers) shall be responsible to any other party hereto (or any Indemnified Person or any Subsidiary or Affiliate of Holdings or the Borrowers) for any indirect, special, exemplary, incidental, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) which may be alleged as a result

of this Agreement or any other Credit Document or the financing contemplated hereby; *provided* that nothing in this Section 13.01(c) shall limit the Credit Parties' indemnity obligations to the extent that such indirect, special, punitive or consequential damages are included in any claim by a third party unaffiliated with any Indemnified Person with respect to which the applicable Indemnified Person is entitled to indemnification under Section 13.01(a).

13.02 Right of Setoff.

(a) In addition to any rights now or hereafter granted under applicable law or otherwise, and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, the Collateral Agent, each Lender and each Guaranteed Creditor is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to any Credit Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) (other than accounts used exclusively for payroll, payroll taxes, fiduciary and trust purposes, and employee benefits) and any other Indebtedness at any time held or owing by the Administrative Agent, the Collateral Agent, such Lender or such Guaranteed Creditor (including, without limitation, by branches and agencies of the Administrative Agent, the Collateral Agent, such Lender or such Guaranteed Creditor wherever located) to or for the credit or the account of any Borrower or any of its Subsidiaries against and on account of the Obligations and liabilities of the Credit Parties to the Administrative Agent, the Collateral Agent, such Lender or such Guaranteed Creditor under this Agreement or under any of the other Credit Documents, including, without limitation, all interests in Obligations purchased by such Lender or such Guaranteed Creditor pursuant to Section 13.06(b), and all other claims of any nature or description arising out of or connected with this Agreement or any other Credit Document, irrespective of whether or not the Administrative Agent, the Collateral Agent, such Lender or such Guaranteed Creditor shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

(b) NOTWITHSTANDING THE FOREGOING SUBSECTION (a), AT ANY TIME THAT THE LOANS OR ANY OTHER OBLIGATION SHALL BE SECURED BY REAL PROPERTY LOCATED IN CALIFORNIA, NO LENDER SHALL EXERCISE A RIGHT OF SETOFF, LIEN OR COUNTERCLAIM OR TAKE ANY COURT OR ADMINISTRATIVE ACTION OR INSTITUTE ANY PROCEEDING TO ENFORCE ANY PROVISION OF THIS AGREEMENT OR ANY NOTE UNLESS IT IS TAKEN WITH THE CONSENT OF THE REQUIRED LENDERS OR APPROVED IN WRITING BY THE ADMINISTRATIVE AGENT, IF SUCH SETOFF OR ACTION OR PROCEEDING WOULD OR MIGHT (PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 580a, 580b, 580d AND 726 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE OR SECTION 2924 OF THE CALIFORNIA CIVIL CODE, IF APPLICABLE, OR OTHERWISE) AFFECT OR IMPAIR THE VALIDITY, PRIORITY OR ENFORCEABILITY OF THE LIENS GRANTED TO THE COLLATERAL AGENT PURSUANT TO THE SECURITY DOCUMENTS OR THE ENFORCEABILITY OF THE NOTES AND OTHER OBLIGATIONS HEREUNDER, AND ANY ATTEMPTED EXERCISE BY ANY LENDER OF ANY SUCH RIGHT WITHOUT OBTAINING SUCH CONSENT OF THE REQUIRED LENDERS OR THE ADMINISTRATIVE AGENT SHALL BE NULL AND VOID. THIS SUBSECTION (b) SHALL BE SOLELY FOR THE BENEFIT OF EACH OF THE LENDERS, THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT HEREUNDER.

13.03 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including telegraphic, telex, telecopier, cable communication or electronic transmission) and mailed, telegraphed, telexed, telecopied, cabled, delivered or transmitted:

(i) if to any Credit Party, the Administrative Agent or the Collateral Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.03 or such other address as shall be designated by such party in a written notice to the other parties hereto; and

(ii) if to any Lender, at its address specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information

relating to Lead Borrower) or at such other address as shall be designated by such Lender in a written notice to Lead Borrower and the Administrative Agent.

All such notices and communications shall, when mailed or overnight courier, be effective when deposited in the mails, or overnight courier, as the case may be, or sent by facsimile or other electronic means of transmission, except that notices and communications to the Administrative Agent, Collateral Agent and the Borrowers shall not be effective until received by the Administrative Agent, Collateral Agent or Lead Borrower, as the case may be.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent, Collateral Agent, Lead Borrower or Holdings may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(c) (i) Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall each of the Administrative Agent and the Collateral Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Holdings, the Borrowers, the Subsidiary Guarantors, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of a Borrower's, any Credit Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic messaging service, or through the Internet, in the absence of gross negligence, bad faith or willful misconduct of any Agent Party, as determined by a court of competent jurisdiction and by a final and nonappealable judgment.

13.04 Benefit of Agreement; Assignments; Participations, etc.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted, except that (i) the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void), except as contemplated by Section 10.02(vi) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Transferees all or a portion of its rights and obligations under this Agreement (including all or a

portion of its Commitments and Term Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) Lead Borrower; *provided* that, Lead Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; *provided* that no consent of Lead Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing under Section 11.01 or 11.05, any other Eligible Transferee;

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund;

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Term Loans of any Tranche, the amount of the Commitment or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless each of Lead Borrower and the Administrative Agent otherwise consent; *provided* that no such consent of Lead Borrower shall be required if an Event of Default has occurred and is continuing under Section 11.01 or 11.05;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; *provided* that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Tranche of Commitments or Term Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with the payment by the assignee of a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Credit Parties and their related parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 5.04 and 13.01. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) below.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and

principal amount (and stated interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and, as to its own positions only, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants), the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) above and any written consent to such assignment required by clause (b) above, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to this Agreement, the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (v).

(c) Any Lender may, without the consent of Lead Borrower or the Administrative Agent, sell participations to one or more Eligible Transferees (a "Participant"), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Term Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that requires the consent of each Lender or each adversely affected Lender and that directly affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.10 and 5.04 (subject to the requirements and limitations therein (it being understood that the documentation required under Sections 5.04(b) and (c) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.04; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.12 as if it were an assignee under clause (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.10 or 5.04, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at Lead Borrower's request and expense, to use reasonable efforts to cooperate with Lead Borrower to effectuate the provisions of Section 2.13 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.12 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Lead Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "Participant Register"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments or Term Loan or its other obligations under any Credit Document) to any Person except to the extent such disclosure is necessary to establish that such Commitment, Term Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement

notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Holdings, Lead Borrower and its Restricted Subsidiaries shall also be entitled to purchase (from Lenders) outstanding principal of Term Loans in accordance with the provisions of Sections 2.19 and 2.20, which purchases shall be evidenced by assignments (in form reasonably satisfactory to the Administrative Agent) from the applicable Lender to the Borrowers. Each assignor and assignee party to the relevant repurchases under Sections 2.19 and 2.20 shall render customary "big boy" disclaimer letters or any such disclaimers shall be incorporated into the terms of the Assignment and Assumption. No such transfer or assignment shall be effective until recorded by the Administrative Agent (which the Administrative Agent agrees to promptly record) on the Register pursuant to clause (b) above. All Term Loans purchased pursuant to Sections 2.19 and 2.20 shall be immediately and automatically cancelled and retired, and the Borrowers shall in no event become a Lender hereunder. To the extent of any assignment to a Borrower as described in this clause (d), the assigning Lender shall be relieved of its obligations hereunder with respect to the assigned Term Loans.

(e) Nothing in this Agreement shall prevent or prohibit any Lender from pledging its Term Loans and Notes hereunder to a Federal Reserve Bank or central banking authority in support of borrowings made by such Lender from such Federal Reserve Bank or central banking authority and, with prior notification to the Administrative Agent (but without the consent of the Administrative Agent or Lead Borrower), any Lender which is a fund may pledge all or any portion of its Term Loans and Notes to its trustee or to a collateral agent providing credit or credit support to such Lender in support of its obligations to such trustee, such collateral agent or a holder of such obligations, as the case may be. No pledge pursuant to this clause (e) shall release the transferor Lender from any of its obligations hereunder.

(f) Each Lender acknowledges and agrees to comply with the provisions of this Section 13.04 applicable to it as a Lender hereunder.

(g) Each Sponsor Affiliate, solely in its capacity as a Lender, hereby agrees, and each Assignment and Assumption entered into by a Sponsor Affiliate shall provide a confirmation, that, if any Credit Party shall be subject to any voluntary or involuntary proceeding commenced under any Debtor Relief Law now or hereafter in effect ("Bankruptcy Proceedings"), (i) such Sponsor Affiliate shall not take any step or action in such Bankruptcy Proceeding to object to, impede, or delay the exercise of any right or the taking of any action by the Administrative Agent (or the taking of any action by a third party that is supported by the Administrative Agent) in relation to such Sponsor Affiliate's claim with respect to its Term Loans (a "Claim") (including, without limitation, objecting to any debtor in possession financing, use of cash collateral, grant of adequate protection, sale or disposition, compromise, or plan of reorganization) so long as such Sponsor Affiliate is treated in connection with such exercise or action on the same or better terms as the other Lenders and (ii) with respect to any matter requiring the vote of Lenders during the pendency of a Bankruptcy Proceeding (including, without limitation, voting on any plan of reorganization), the Term Loans held by such Sponsor Affiliate (and any Claim with respect thereto) shall be deemed to be voted by such Sponsor Affiliate in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Sponsor Affiliates, so long as such Sponsor Affiliate is treated in connection with the exercise of such right or taking of such action on the same or better terms as the other Lenders; *provided*, *however*, that the Administrative Agent shall vote on behalf of any such Sponsor Affiliates holding Term Loans in accordance with this Section 13.04(g) and the relevant Assignment and Assumption. For the avoidance of doubt, the Lenders and each Sponsor Affiliate agree and acknowledge that the provisions set forth in this Section 13.04(g) constitute a "subordination agreement" as such term is contemplated by, and utilized in, Section 510(a) of the Bankruptcy Code, and, as such, would be enforceable for all purposes in any case where a Credit Party has filed for protection under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect applicable to Credit Party. Except as expressly provided in this Section 13.04(g), the provisions of this Section 13.04(g) shall not be applicable to any Debt Fund Affiliate.

(h) If any Borrower wishes to replace the Term Loans or Commitments with Term Loans or Commitments having different terms, it shall have the option, with the consent of the Administrative Agent and subject to at least three Business Days' advance notice to the Lenders of such Term Loans or holdings such Commitments, instead of prepaying the Term Loans or reducing or terminating the Commitments to be replaced, to (i) require such Lenders to assign such Term Loans or Commitments to the Administrative Agent or its designees

and (ii) amend the terms thereof in accordance with Section 13.12 (with such replacement, if applicable, being deemed to have been made pursuant to Section 13.12). Pursuant to any such assignment, all Term Loans and Commitments to be replaced shall be purchased at par (allocated among the applicable Lenders in the same manner as would be required if such Term Loans were being optionally prepaid or such Commitments were being optionally reduced or terminated by the Borrowers), accompanied by payment of any accrued interest and fees thereon and any amounts owing pursuant to Section 2.08. By receiving such purchase price, the applicable Lenders shall automatically be deemed to have assigned such Term Loans or Commitments pursuant to the terms of an Assignment and Assumption, and accordingly no other action by such Lenders shall be required in connection therewith. The provisions of this paragraph are intended to facilitate the maintenance of the perfection and priority of existing security interests in the Collateral during any such replacement.

(i) The Administrative Agent shall have the right, and Lead Borrower hereby expressly authorizes the Administrative Agent, to provide to any requesting Lender, the list of Disqualified Lenders provided to the Administrative Agent by Lead Borrower and any updates thereto. The Borrowers hereby agree that any such requesting Lender may share the list of Disqualified Lenders with any potential assignee, transferee or participant. Notwithstanding the foregoing, each Credit Party and the Lenders acknowledge and agree that the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of this Agreement relating to Disqualified Lenders (other than with respect to assignments or participations by it of its Loans and Commitments, if any). Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or participant or prospective Lender or participant is a Disqualified Lender or (y) the Administrative Agent shall have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender (other than with respect to assignments or participations by it of its Loans and Commitments, if any).

(j) Disqualified Lenders. Notwithstanding anything to the contrary contained in this Agreement, any assignment to a Disqualified Lender shall not be void, but shall be subject to the following provisions:

(i) If any assignment is made to any Disqualified Lender without Lead Borrower's prior written consent, or if any Person becomes a Disqualified Lender after the Closing Date, Lead Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, cancel any unfunded Commitment the subject thereof and (A) in the case of outstanding Term Loans held by Disqualified Lenders, prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder (it being understood that, notwithstanding anything in the Credit Documents to the contrary, any such prepayment shall not be subject to any provisions requiring prepayments of the Term Loans on a pro rata basis and no other Term Loans shall be required to be repaid as a result of such prepayment) and/or (B) require such Disqualified Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in this Section 13.04), all of its interest, rights and obligations under this Agreement and related Credit Documents to an Eligible Transferee that shall assume such obligations at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder; *provided* that (i) Lead Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 13.04(b) (unless waived by the Administrative Agent) and (ii) in the case of clause (A), the Borrowers shall not use the proceeds from any Loans or loans under the ABL Credit Agreement to prepay any Term Loans held by Disqualified Lenders.

(ii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrowers, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or

any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Credit Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lender consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws ("Plan of Reorganization"), each Disqualified Lender party hereto hereby agrees (1) not to vote on such Plan of Reorganization, (2) if such Disqualified Lender does vote on such Plan of Reorganization notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Plan of Reorganization in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

13.05 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent, the Collateral Agent or any Lender in exercising any right, power or privilege hereunder or under any other Credit Document and no course of dealing between any Borrower or any other Credit Party and the Administrative Agent, the Collateral Agent or any Lender shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The rights, powers and remedies herein or in any other Credit Document expressly provided are cumulative and not exclusive of any rights, powers or remedies which the Administrative Agent, the Collateral Agent or any Lender would otherwise have. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Administrative Agent, the Collateral Agent or any Lender to any other or further action in any circumstances without notice or demand.

13.06 Payments Pro Rata.

(a) The Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of any Credit Party in respect of any Obligations of such Credit Party, it shall, except as otherwise provided in this Agreement, distribute such payment to the Lenders (other than any Lender that has consented in writing to waive its *pro rata* share of such payment) *pro rata* based upon their respective shares, if any, of the Obligations with respect to which such payment was received.

(b) Each of the Lenders agrees that, if it should receive any amount hereunder (whether by voluntary payment, by realization upon security, by the exercise of the right of setoff or banker's lien, by counterclaim or cross action, by the enforcement of any right under the Credit Documents, or otherwise) which is applicable to the payment of the principal of, or interest on, the Term Loans or Fees, of a sum which with respect to the related sum or sums received by other Lenders is in a greater proportion than the total of such Obligation then owed and due to such Lender bears to the total of such Obligation then owed and due to all of the Lenders immediately prior to such receipt, then such Lender receiving such excess payment shall purchase for cash without recourse or warranty from the other Lenders an interest in the Obligations of the respective Credit Party to such Lenders in such amount as shall result in a proportional participation by all of the Lenders in such amount; *provided* that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 13.06(a) and (b) shall be subject to (x) the express provisions of this Agreement which require, or permit, differing payments to be made to Non-Defaulting Lenders as opposed to Defaulting Lenders, (y) the express provisions of this Agreement which permit disproportionate payments with respect to various of the Tranches as, and to the extent, provided herein, and (z) any other provisions which permit disproportionate payments with respect to the Term Loans as, and to the extent, provided therein.

13.07 Calculations; Computations.

(a) The financial statements to be furnished to the Lenders pursuant hereto shall be made and prepared in accordance with U.S. GAAP consistently applied throughout the periods involved (except as set forth in the notes thereto); *provided* that to the extent expressly provided herein, certain calculations shall be made on a Pro Forma Basis; *provided further*, that if Lead Borrower notifies the Administrative Agent that Lead Borrower wishes to amend any leverage calculation or any financial definition used therein to implement the effect of any change in U.S. GAAP or the application thereof occurring after the Closing Date on the operation thereof (or if the Administrative Agent notifies Lead Borrower that the Required Lenders wish to amend any leverage test or any financial definition used therein for such purpose), then Lead Borrower and the Administrative Agent shall negotiate in good faith to amend such leverage test or the definitions used therein (subject to the approval of the Required Lenders) to preserve the original intent thereof in light of such changes in U.S. GAAP; *provided*, *further* that all determinations made pursuant to any applicable leverage test or any financial definition used therein shall be determined on the basis of U.S. GAAP as applied and in effect immediately before the relevant change in U.S. GAAP or the application thereof became effective, until such leverage test or such financial definition is amended. Notwithstanding any other provision contained herein, (i) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to Statement of Financial Accounting Standards 141R or ASC 805 (or any other financial accounting standard having a similar result or effect) and (ii) the accounting for any lease shall be based on Lead Borrower's treatment thereof in accordance with U.S. GAAP as in effect on the Closing Date and without giving effect to any subsequent changes in U.S. GAAP (or the required implementation of any previously promulgated changes in U.S. GAAP) relating to the treatment of a lease as an operating lease or capitalized lease.

(b) The calculation of any financial ratios under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-down if there is no nearest number).

13.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, EXCEPT AS OTHERWISE PROVIDED IN THE RELEVANT SECURITY DOCUMENT, BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (EXCEPT THAT, (X) IN THE CASE OF ANY MORTGAGE OR OTHER SECURITY DOCUMENT, PROCEEDINGS MAY ALSO BE BROUGHT BY THE ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN THE STATE IN WHICH THE RELEVANT MORTGAGED PROPERTY OR COLLATERAL IS LOCATED OR ANY OTHER RELEVANT JURISDICTION AND (Y) IN THE CASE OF ANY BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS WITH RESPECT TO ANY CREDIT PARTY, ACTIONS OR PROCEEDINGS RELATED TO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS MAY BE BROUGHT IN SUCH COURT HOLDING SUCH BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDINGS) MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, EACH OF THE PARTIES HERETO OR THERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PARTY HERETO HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER IT, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENTS BROUGHT IN ANY OF THE AFOREMENTIONED COURTS, THAT SUCH COURTS LACK PERSONAL JURISDICTION OVER IT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH PARTY, AS THE CASE MAY BE, AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO IRREVOCABLY

WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY OTHER SUCH PARTY IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

13.09 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts and by different parties hereto in different counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Credit Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 6, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

13.10 [Reserved].

13.11 Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

13.12 Amendment or Waiver; etc.

(a) Except as expressly contemplated hereby, neither this Agreement nor any other Credit Document nor any terms hereof or thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Credit Parties party hereto or thereto, the Administrative Agent and the Required Lenders (although additional parties may be added to (and annexes may be modified to reflect such additions) the Guaranty Agreement and the Security Documents in accordance with the provisions hereof and thereof without the consent of the other Credit Parties party thereto or the Required Lenders) or the Administrative Agent with the written consent of the Required Lenders; *provided* that no such change, waiver, discharge or termination shall (i) without the prior written consent of each Lender directly and adversely affected thereby, extend the final scheduled maturity of any Term Loan, or reduce the rate or extend the time of payment of interest or fees thereon; except in connection with the waiver of the applicability of any post-default increase in interest rates, (ii) except as otherwise expressly provided in the Security Documents, release all or substantially all of the Collateral without the prior written consent of each Lender, (iii) except as otherwise provided in the Credit Documents, release all or substantially all of the value of the Guaranty by the Guarantors without the prior written consent of each Lender, (iv) amend, modify or waive any provision of this Section 13.12(a) or Section 13.06 (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to the Initial Term Loans on the First Restatement

Effective Date), in each case, without the prior written consent of each Lender directly and adversely affected thereby, (v) reduce the percentage specified in the definition of Required Lenders without the prior written consent of each Lender (it being understood that additional extensions of credit pursuant to this Agreement that are permitted by the terms hereof or that have been consented to by the Required Lenders may be included in the determination of the Required Lenders, as applicable, on substantially the same basis as the extensions of Initial Term Loans are included on the First Restatement Effective Date), (vi) consent to the assignment or transfer by the Borrowers of any of their respective rights and obligations under this Agreement without the consent of each Lender or (vii) amend Section 2.14 the effect of which is to extend the maturity of any Term Loan without the prior written consent of each Lender directly and adversely affected thereby; *provided*, *further*, that no such change, waiver, discharge or termination shall (1) increase the Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default or of a mandatory reduction in the Total Commitment shall not constitute an increase of the Commitment of any Lender, and that an increase in the available portion of any Commitment of any Lender shall not constitute an increase of the Commitment of such Lender), (2) without the consent of each Agent adversely affected thereby, amend, modify or waive any provision of Section 12 or any other provision of any Credit Document as the same relates to the rights or obligations of such Agent, (3) without the consent of Collateral Agent, amend, modify or waive any provision relating to the rights or obligations of the Collateral Agent, (4) except in cases where additional extensions of term loans are being afforded substantially the same treatment afforded to the Term Loans pursuant to this Agreement as in effect on the First Restatement Effective Date, without the consent of the Majority Lenders of each Tranche which is being allocated a lesser prepayment, repayment or commitment reduction, alter the required application of any prepayments or repayments (or commitment reduction), as between the various Tranches, pursuant to Section 5.01 or 5.02 (although (x) the Required Lenders may waive, in whole or in part, any such prepayment, repayment or commitment reduction, so long as the application, as amongst the various Tranches, of any such prepayment, repayment or commitment reduction which is still required to be made is not altered and (y) any conversion of any Tranche of Term Loans into another Tranche of Term Loans hereunder in like principal amount and any other conversion of any Tranche of Term Loans into Extended Term Loans pursuant to an Extension Amendment shall not be considered a "prepayment" or "repayment" for purposes of this clause (4)), (5) without the consent of the Majority Lenders of the respective Tranche affected thereby, amend the definition of Majority Lenders (it being understood that, with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Majority Lenders on substantially the same basis as the extensions of Term Loans and Commitments are included on the First Restatement Effective Date) or (6) without the consent of the Supermajority Lenders of the relevant Tranche, reduce the amount of or extend the date of, any Scheduled Repayment (except that, if additional Term Loans are made pursuant to a given Tranche, the scheduled repayments of such Tranche may be increased on a proportionate basis without the consent otherwise required by this clause (6)), or amend the definition of "Supermajority Lenders" (it being understood that, with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Supermajority Lenders on substantially the same basis as the Initial Term Loans and Initial Term Loan Commitments are included on the First Restatement Effective Date); and *provided further* that only the consent the Administrative Agent shall be necessary for amendments described in clause (y) of the first proviso contained in clause (vi) of the definition of "Permitted Junior Loans."

(b) If, in connection with any proposed change, waiver, discharge or termination of any of the provisions of this Agreement as contemplated by clauses (i) through (v), inclusive, of the first proviso to Section 13.12(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then Lead Borrower shall have the right, so long as all non-consenting Lenders whose individual consent is required are treated as described in either clause (A) or (B) below, to either (A) replace each such non-consenting Lender or Lenders with one or more Replacement Lenders pursuant to Section 2.13 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (B) terminate such non-consenting Lender's Commitments and/or repay the outstanding Term Loans of each Tranche of such Lender in accordance with Section 5.01(b)(i); *provided* that, unless the Commitments that are terminated, and Term Loans repaid, pursuant to the preceding clause (B) are immediately replaced in full at such time through the addition of new Lenders or the increase of outstanding Term Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause (B) the Required Lenders (determined after giving effect to the proposed action) shall specifically consent thereto; *provided*, *further*, that in any event Lead Borrower shall not have the right to replace a Lender,

terminate its Commitments or repay its Term Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to the second proviso to Section 13.12(a).

(c) Notwithstanding anything to the contrary contained in clause (a) of this Section 13.12, the Borrowers, the Administrative Agent and each applicable Incremental Term Loan Lender may, without the consent of any other Lender, (i) in accordance with the provisions of Section 2.15 enter into an Incremental Term Loan Amendment; *provided* that after the execution and delivery by the Borrowers, the Administrative Agent and each such Incremental Term Loan Lender of such Incremental Term Loan Amendment, such Incremental Term Loan Amendment, may thereafter only be modified in accordance with the requirements of clause (a) above of this Section 13.12, and (ii) amend this Agreement to increase the interest rate margin, increase the interest rate floor, increase, extend or add any prepayment premium, increase, extend or add any call protection or increase the amortization schedule with respect to any existing Tranche of Term Loans in order to cause any Incremental Term Loans to be fungible with such existing Tranche of Term Loans.

(d) Notwithstanding anything to the contrary in clause (a) above of this Section 13.12, this Agreement may be amended (or amended and restated) (i) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers, (x) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loan and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and (ii) with the written consent of the Administrative Agent, the Borrowers and the Refinancing Term Loan Lenders, this Agreement and the other Credit Documents shall be amended (or amended and restated) in connection with any refinancing facilities permitted pursuant to Section 2.18.

(e) Notwithstanding anything to the contrary herein, any fee letter may be amended, or rights and privileges thereunder waived, in a writing executed only by the parties thereto.

(f) Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, to the fullest extent permitted by applicable law, such Lender will not be entitled to vote in respect of amendments, waivers and consents hereunder and the Commitment and the outstanding Term Loans or other extensions of credit of such Lender hereunder will not be taken into account in determining whether the Majority Lenders, the Required Lenders or all of the Lenders, as required, have approved any such amendment, waiver or consent (and the definitions of "Majority Lenders" and "Required Lenders" will automatically be deemed modified accordingly for the duration of such period); *provided* that any such amendment or waiver that would increase or extend the term of the Commitment of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Lender.

(g) Further, notwithstanding anything to the contrary contained in this Section 13.12, if following the Closing Date, the Administrative Agent and/or the Collateral Agent and any Credit Party shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Documents, then the Administrative Agent and/or the Collateral Agent and the Credit Parties shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Credit Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof.

13.13 Survival. All indemnities set forth herein including, without limitation, in Sections 2.10, 2.11, 5.04, 12.07 and 13.01 shall survive the execution, delivery and termination of this Agreement and the Notes and the making and repayment of the Obligations.

13.14 Joint and Several Liability of Borrowers.

(a) Each Borrower is accepting joint and several liability hereunder and under the other Credit Documents in consideration of the financial accommodations to be provided by the Lenders under this Agreement,

for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers, with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 13.14), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligations.

(d) The Obligations of each Borrower under the provisions of this Section 13.14 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstances whatsoever.

(e) Except as otherwise expressly provided in this Agreement and the other Credit Documents, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Incremental Term Loans, Refinancing Term Loans or Extended Term Loans issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by any Agent or any other Secured Creditor under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement).

(f) Each Borrower represents and warrants to the Agents and the other Secured Creditor that such Borrower is currently informed of the financial condition of the other Borrowers and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and the other Secured Creditor that such Borrower has read and understands the terms and conditions of the Credit Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of the other Borrowers' financial condition, the financial condition of other guarantors, if any, and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) Each Borrower waives all rights and defenses arising out of an election of remedies by any Agent or any other Secured Creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed such Agent's or such Secured Creditor's rights of subrogation and reimbursement against any Borrower.

(h) Each Borrower waives all rights and defenses that such Borrower may have because the Obligations are or become secured by Real Property. This means, among other things:

(i) the Agents and other Secured Creditors may collect from such Borrower without first foreclosing on any Real Property or personal property Collateral pledged by Borrowers.

(ii) If any Agent or any other Secured Creditor forecloses on any Collateral consisting of Real Property pledged by any Credit Party:

(A) the amount of the Obligations may be reduced only by the price for which that Collateral is sold at the foreclosure sale, even if such Collateral is worth more than the sale price; and

(B) the Agents and the other Secured Creditors may collect from such Borrower even if any Agent or other Secured Creditor, by foreclosing on the Collateral consisting of Real Property, has destroyed any right such Borrower may have to collect from the other Borrowers or any other Credit Party.

This is an unconditional and irrevocable waiver of any rights and defenses each Borrower may have because the Obligations are or become secured by Real Property.

(i) The provisions of this Section 13.14 are made for the benefit of the Agents, the other Secured Creditors and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers as often as occasion therefor may arise and without requirement on the part of any Agent, any other Secured Creditor or any of their respective successors or assigns first to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 13.14 shall remain in effect until all of the Obligations shall have been paid in full in accordance with the express terms of this Agreement. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by any Agent or any other Secured Creditor upon the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section 13.14 will forthwith be reinstated in effect, as though such payment had not been made.

(j) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against any other Borrower with respect to any liability incurred by it hereunder or under any of the other Credit Documents, any payments made by it to any Agent or any other Secured Creditor with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in accordance with the terms of this Agreement. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any other Secured Creditor hereunder or under any other Credit Documents are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor.

(k) Each Borrower hereby agrees that, after the occurrence and during the continuance of any Default or Event of Default, the payment of any amounts due with respect to any indebtedness owing by any Borrower to any other Borrower is hereby subordinated to the prior payment in full in cash of the Obligations. Each Borrower hereby agrees that after the occurrence and during the continuance of any Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, subject to any applicable intercreditor agreements then in effect, such amounts shall be collected, enforced and received by such Borrower as trustee for the Agents, and such Borrower shall deliver any such amounts to Administrative Agent for application to the Obligations in accordance with Section 7.4 of the Security Agreement.

(l) Each Borrower hereby agrees that, to the extent any Borrower shall have paid more than its proportionate share of any payment made hereunder, such Borrower shall be entitled to seek and receive contribution from and against any other Borrower hereunder which has not paid its proportionate share of such payment, in an amount not to exceed the highest amount that would be valid and enforceable and not subordinated to the claims of other creditors as determined in any action or proceeding involving any state corporate, limited partnership or limited liability law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally. Each such Borrower's right of contribution shall be subject to the terms and conditions of clauses (j) and (k) of this Section 13.14. The provisions of this clause (l) shall in no respect limit the obligations and liabilities of any Borrower to the Agents and the Lenders, and each Borrower shall remain liable to the Agent and the Lenders for the full amount such Borrower agreed to repay hereunder.

13.15 Confidentiality.

(a) Subject to the provisions of clause (b) of this Section 13.15, each Agent, Lead Arranger and Lender agrees that it will not disclose without the prior written consent, which may take the form of electronic mail, of Lead Borrower (other than to its affiliates and its and their respective directors, officers, employees, auditors, advisors or counsel, or to another Lender if such Lender or such Lender's holding or parent company in its reasonable discretion determines that any such party should have access to such information in connection with the transactions contemplated by this Agreement and such Agent's, Lead Arranger's or Lender's role hereunder or investment in the Term Loans; *provided* such Persons shall be subject to the provisions of this Section 13.15 to the same extent as such Lender (or language substantially similar to this Section 13.15(a)) any non-public information with respect to Lead Borrower or any of its Subsidiaries (other than, for the avoidance of doubt, information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry) which is now or in the future furnished by or on behalf of any Credit Party pursuant to this Agreement or any other Credit Document; *provided* that each Agent, Lead Arranger and Lender may disclose any such information (i) as has become generally available to the public other than by virtue of a breach of this Section 13.15(a) by such Agent, Lead Arranger or Lender, (ii) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or Federal or supranational regulatory body having or claiming to have jurisdiction over such Agent, Lead Arranger or Lender or to the Federal Reserve Board or other central banking authority or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (iii) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (iv) in order to comply with any law, order, regulation or ruling applicable to such Agent, Lead Arranger or Lender, (v) in the case of any Lead Arranger or Lender, to the Administrative Agent or the Collateral Agent, (vi) to any prospective or actual direct or indirect contractual counterparty (other than any Disqualified Lender except that the list of Disqualified Lenders may be furnished) in any swap, hedge or similar agreement (or to any such contractual counterparty's professional advisor), so long as such contractual counterparty (or such professional advisor) agrees to be bound by the provisions of this Section 13.15 (or language substantially similar to this Section 13.15(a)), (vii) in the case of any Lender, to any prospective or actual transferee, pledgee or participant (other than any Disqualified Lender except that the list of Disqualified Lenders may be furnished) in connection with any contemplated transfer, pledge or participation of any of the Notes or Commitments or any interest therein by such Lender, (viii) has become available to any Agent, Lead Arranger, any Lender, or any of their respective Affiliates on a non-confidential basis from a source other than Holdings, Lead Borrower or any Subsidiary thereof, and which source is not known by such Person to be subject to a confidentiality restriction in respect thereof in favor of Lead Borrower or any Affiliate of Lead Borrower, (ix) for purposes of establishing a "due diligence" defense and (x) that has been independently developed by such Agent, Lead Arranger or Lender without the use of any other confidential information provided by Lead Borrower or on Lead Borrower's behalf; *provided* that such prospective transferee, pledge or participant agrees to be bound by the confidentiality provisions contained in this Section 13.15 (or language substantially similar to this Section 13.15(a)); *provided*, *further*, that, to the extent permitted pursuant to any applicable law, order, regulation or ruling, and other than in connection with credit and other bank examinations conducted in the ordinary course with respect to such Agent, Lead Arranger or Lender, in the case of any disclosure pursuant to the foregoing clauses (ii), (iii) or (iv), such Agent, Lead Arranger or Lender will use its commercially reasonable efforts to notify Lead Borrower in advance of such disclosure so as to afford Lead Borrower the opportunity to protect the confidentiality of the information proposed to be so disclosed.

(b) The Borrowers hereby acknowledge and agree that each Lender may share with any of its affiliates, and such affiliates may share with such Lender, any information related to Holdings, Lead Borrower or any of its Subsidiaries (including, without limitation, any non-public customer information regarding the creditworthiness of Holdings, Lead Borrower and its Subsidiaries); *provided* such Persons shall be subject to the provisions of this Section 13.15 to the same extent as such Lender.

13.16 USA Patriot Act Notice. Each Lender hereby notifies Holdings and the Borrowers that pursuant to the requirements of the USA PATRIOT Act Title III of Pub. 107-56 (signed into law October 26, 2001 and amended on March 9, 2009) (the "Patriot Act"), it is required to obtain, verify, and record information that identifies Holdings, the Borrowers and each Subsidiary Guarantor, which information includes the name of each Credit Party and other information that will allow such Lender to identify the Credit Party in accordance with the Patriot Act, and each Credit Party agrees to provide such information from time to time to any Lender.

13.17 Waiver of Sovereign Immunity. Each of the Credit Parties, in respect of itself, its Subsidiaries, its process agents, and its properties and revenues, hereby irrevocably agrees that, to the extent that Holdings, the Borrowers, their respective Subsidiaries or any of their properties has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in the United States or elsewhere, to enforce or collect upon the Term Loans or any Credit Document or any other liability or obligation of Holdings, any Borrower or any of their respective Subsidiaries related to or arising from the transactions contemplated by any of the Credit Documents, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, Holdings and the Borrowers, for themselves and on behalf of their respective Subsidiaries, hereby expressly waive, to the fullest extent permissible under applicable law, any such immunity, and agree not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere. Without limiting the generality of the foregoing, Holdings and the Borrowers further agree that the waivers set forth in this Section 13.17 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

13.18 Lead Borrower. Each Borrower hereby designates Lead Borrower as its representative and agent for all purposes under the Credit Documents, including requests for Term Loans, designation of interest rates, delivery or receipt of communications, preparation and delivery of financial reports, receipt and payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Credit Documents (including in respect of compliance with covenants), and all other dealings with the Administrative Agent, the Collateral Agent or any Lender. Lead Borrower hereby accepts such appointment. The Administrative Agent, the Collateral Agent and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any Notice of Borrowing) delivered by Lead Borrower on behalf of any Borrower. The Administrative Agent and the Lenders may give any notice or communication with a Borrower hereunder to Lead Borrower on behalf of such Borrower. Each of the Administrative Agent, the Collateral Agent and the Lenders shall have the right, in its discretion, to deal exclusively with Lead Borrower for any or all purposes under the Credit Documents. Each Borrower agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by Lead Borrower shall be binding upon and enforceable against it.

13.19 INTERCREDITOR AGREEMENTS.

(a) EACH LENDER PARTY HERETO UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT IT (AND EACH OF ITS SUCCESSORS AND ASSIGNS) AND EACH OTHER LENDER (AND EACH OF THEIR SUCCESSORS AND ASSIGNS) SHALL BE BOUND BY THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT, WHICH IN CERTAIN CIRCUMSTANCES MAY REQUIRE (AS MORE FULLY PROVIDED THEREIN) THE TAKING OF CERTAIN ACTIONS BY THE LENDERS, INCLUDING THE PURCHASE AND SALE OF PARTICIPATIONS BY VARIOUS LENDERS TO EACH OTHER IN ACCORDANCE WITH THE TERMS THEREOF.

(b) THE PROVISIONS OF THIS SECTION 13.19 ARE NOT INTENDED TO SUMMARIZE OR FULLY DESCRIBE THE PROVISIONS OF THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT ITSELF TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NO AGENT OR ANY OF AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT. COPIES OF THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT MAY BE OBTAINED FROM THE ADMINISTRATIVE AGENT.

(c) EACH OF THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT IS AN AGREEMENT SOLELY AMONGST THE LENDERS (AND THEIR SUCCESSORS AND ASSIGNS) AND IS NOT AN AGREEMENT TO WHICH HOLDINGS OR ANY OF

ITS SUBSIDIARIES IS PARTY. AS MORE FULLY PROVIDED THEREIN, THE ABL INTERCREDITOR AGREEMENT AND ANY FIRST LIEN/SECOND LIEN INTERCREDITOR AGREEMENT CAN ONLY BE AMENDED BY THE PARTIES THERETO IN ACCORDANCE WITH THE PROVISIONS THEREOF.

13.20 Absence of Fiduciary Relationship. Notwithstanding any other provision of this Agreement or any provision of any other Credit Document, (i) none of the Lead Arranger, any Lender or any of their respective Affiliates shall, solely by reason of this Agreement or any other Credit Document, have any fiduciary, advisory or agency relationship or duty in respect of any Lender or any other Person and (ii) Holdings and the Borrowers hereby waive, to the fullest extent permitted by law, any claims they may have against the Lead Arranger, any Lender or any of their respective Affiliates for breach of fiduciary duty or alleged breach of fiduciary duty by reason of this Agreement, any other Credit Document or the transactions contemplated hereby or thereby. Each Agent, Lender and their Affiliates may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates.

13.21 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other Notice of Borrowings, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; *provided* that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may, if agreed by the Administrative Agent, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Lead Borrower agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Lead Borrower to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Lead Borrower enforceable against the Lead Borrower in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Administrative Agent. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Administrative Agent's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent shall be entitled to rely on any such Electronic Signature given by or on behalf of any Credit Party without further verification and (b) upon the request of the Administrative Agent any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

13.22 Entire Agreement. This Agreement and the other Credit Documents represent the final agreement among the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties.

13.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

13.24 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

* * *

[Signature Pages Intentionally Removed]

Exhibit A-140

EXHIBIT B
TO AMENDMENT

FORM OF NOTICE OF BORROWING

[Date]

Bank of America, N.A., as Administrative Agent (the "Administrative Agent") for the Lenders party to the Amended and Restated Credit Agreement referred to below

2380 Performance Dr.
Building C
Richardson, Texas 75082
Mail Code: TX2-984-03-23
Telephone: 469-201-8836
Fax: 214-290-9416
Email: kesha.martinez@bofa.com

Attention: Kesha Martinez

Ladies and Gentlemen:

The undersigned, VM Consolidated, Inc. (f/k/a ATS Consolidated, Inc.), a Delaware corporation ("Lead Borrower"), refers to the Amended and Restated First Lien Term Loan Credit Agreement, dated as of March 26, 2021 (as may be further amended, restated, modified, supplemented, extended or renewed from time to time, the "Amended and Restated Credit Agreement," the terms defined therein being used herein as therein defined), among Greenlight Acquisition Corporation, a Delaware corporation, Lead Borrower, American Traffic Solutions, Inc., a Kansas corporation ("AT Solutions"), and LaserCraft, Inc., a Georgia corporation (together with Lead Borrower and AT Solutions, the "Borrowers"), the financial institutions from time to time party thereto (the "Lenders") and the Administrative Agent, and hereby gives you irrevocable notice pursuant to Section 2.03 of the Amended and Restated Credit Agreement that the undersigned hereby requests a Borrowing under the Amended and Restated Credit Agreement (the "Proposed Borrowing") and sets forth below the information relating to the Proposed Borrowing as required by Section 2.03 of the Amended and Restated Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, _____.

(ii) The aggregate principal amount of the Proposed Borrowing is $_____.

(iii) The Term Loans to be made pursuant to the Proposed Borrowing shall consist of [Initial Term Loans] [Incremental Term Loans] [Refinancing Term Loans].

(iv) The Term Loans to be made pursuant to the Proposed Borrowing shall be initially maintained as [Base Rate Term Loans] [Term SOFR Term Loans].

(v) [The initial Interest Period for the Proposed Borrowing is [if Interest Period is less than one month, describe Interest Period] [one month] [three months] [six months] [twelve months]].

(vi) The proceeds of the Proposed Borrowing are to be disbursed as follows:

[INSERT ACCOUNT INFORMATION OF BORROWERS INTO WHICH THE PROCEEDS OF THE PROPOSED BORROWING ARE TO BE DEPOSITED OR OTHER WIRE INSTRUCTIONS THEREFOR].

Very truly yours,

VM CONSOLIDATED, INC.,
as Lead Borrower

By:
Name:
Title:

EXHIBIT C
TO AMENDMENT

FORM OF NOTICE OF CONVERSION/CONTINUATION

[Date]

Bank of America, N.A., as Administrative Agent (the "Administrative Agent") for the Lenders party to the Amended and Restated Credit Agreement referred to below

2380 Performance Dr.
Building C
Richardson, Texas 75082
Mail Code: TX2-984-03-23
Telephone: 469-201-8836
Fax: 214-290-9416
Email: kesha.martinez@bofa.com

Attention: Kesha Martinez

Ladies and Gentlemen:

The undersigned, VM Consolidated, Inc. (f/k/a ATS Consolidated, Inc.), a Delaware corporation ("Lead Borrower"), refers to the Amended and Restated First Lien Term Loan Credit Agreement, dated as of March 26, 2021 (as may be further amended, restated, modified, supplemented, extended or renewed from time to time, the "Amended and Restated Credit Agreement," the terms defined therein being used herein as therein defined), among Greenlight Acquisition Corporation, a Delaware corporation, Lead Borrower, American Traffic Solutions, Inc., a Kansas corporation ("AT Solutions"), and LaserCraft, Inc., a Georgia corporation (together with Lead Borrower and AT Solutions, the "Borrowers"), the financial institutions from time to time party thereto (the "Lenders") and the Administrative Agent, and hereby gives you irrevocable notice pursuant to Section 2.06 of the Amended and Restated Credit Agreement that the undersigned hereby requests to [convert] [continue] the Borrowing of Term Loans referred to below (the "Proposed [Conversion][Continuation]") and sets forth below the information relating to such Proposed [Conversion][Continuation], as required by Section 2.06 of the Amended and Restated Credit Agreement:

(i) The Proposed [Conversion][Continuation] relates to the Borrowing of Term Loans in the principal amount of $_____ and currently maintained as a Borrowing of [Base Rate Term Loans][Term SOFR Term Loans with an Interest Period ending on ____,____] (the "Outstanding Borrowing").

(ii) The Business Day of the Proposed [Conversion][Continuation] is _____.

(iii) The Outstanding Borrowing shall be [continued as a Borrowing of [Base Rate Term Loans] [Term SOFR Term Loans with an Interest Period ending on_____ ___, _____]][converted into a Borrowing of [Base Rate Term Loans] [Term SOFR Term Loans with an Interest Period ending on_____ ___, _____]].

[The undersigned hereby certifies that no Event of Default is in existence on the date of the Proposed Conversion].

Exhibit 10.15

FIRST AMENDMENT TO
VERRA MOBILITY CORPORATION
AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN

This First Amendment ("***First Amendment***") to the Verra Mobility Corporation 2018 Equity Incentive Plan (the "***Plan***"), is adopted by the Board of Directors (the "***Board***") of Verra Mobility Corporation, a Delaware corporation (the "***Company***"), effective as of November 19, 2024 (the "***Amendment Effective Date***"). Capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

RECITALS

A. The Company currently maintains the Plan.

B. Pursuant to Section 17 of the Plan, the Plan may be amended at any time.

C. The Compensation Committee of the Board (the "***Committee***") believes it is in the best interests of the Company and its stockholders to amend the Plan to provide that the Committee or the Board may delegate its authority to administer the Plan to one or more sub-committees of the Committee of the Board or officers of the Company, subject to applicable laws.

AMENDMENT

The Plan is hereby amended as follows, effective as of the Amendment Effective Date:

1. Section 3.1. Section 3.1 of the Plan is hereby amended and restated in its entirety with the following:

"**Administration by the Committee**. The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in connection with the administration of the Plan shall be paid by the Company. To the extent applicable laws permit, the Committee or the Board may delegate any or

all of its powers under the Plan to one or more committees of the Board or the Committee, or to one or more Officers. The Committee or the Board, as applicable, may rescind any such delegation, abolish any such committee and/or re-vest in itself any previously delegated authority at any time."

2. This First Amendment shall be and, as of the Amendment Effective Date, is hereby incorporated in and forms a part of the Plan.

3. Except as expressly provided herein, all terms and conditions of the Plan shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, I hereby certify that the foregoing Amendment was duly adopted by the Board of Directors of Verra Mobility Corporation on November 19, 2024.

Verra Mobility Corporation

By: /s/ Jon Keyser
Jon Keyser
Secretary

Date: November 19, 2024

Exhibit 10.16

SECOND AMENDMENT TO
VERRA MOBILITY CORPORATION
AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN

This Second Amendment ("***Second Amendment***") to the Verra Mobility Corporation 2018 Equity Incentive Plan (as amended, the "***Plan***"), is adopted by the Compensation Committee (the "***Committee***") of the Board of Directors (the "***Board***") of Verra Mobility Corporation, a Delaware corporation (the "***Company***"), effective as of February 19, 2025 (the "***Amendment Effective Date***"). Capitalized terms used in this Second Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

RECITALS

A. The Company currently maintains the Plan.

B. Pursuant to Section 17 of the Plan, the Plan may be amended at any time.

C. The Committee believes it is in the best interests of the Company and its stockholders to amend the Plan to provide that certain equity awards will vest upon the grantee's death or disability.

AMENDMENT

The Plan is hereby amended as follows, effective as of the Amendment Effective Date:

1. Section 10.7(a). Section 10.7(a) of the Plan is hereby amended and restated in its entirely with the following:

   "[Reserved]."

2. Section 18.2. The heading of Section 18.2 of the Plan is hereby amended to say "**Forfeiture Events; Certain Acceleration Events.**" and Section 18.2 of the Plan is hereby amended by adding a new subclause (c) as follows:

   "Acceleration on Death or Disability. Except as may otherwise be provided in an applicable Award Agreement with respect to an Award, in the event that the Participant experiences a termination of Service due to the Participant's death or Disability, any Awards held by the Participant that vest solely based on the passage of time shall automatically vest in full and, if applicable, become exercisable."

3. This Second Amendment shall be and, as of the Amendment Effective Date, is hereby incorporated in and forms a part of the Plan.

4. Except as expressly provided herein, all terms and conditions of the Plan shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, I hereby certify that the foregoing Amendment was duly adopted by the Compensation Committee of the Board of Directors of Verra Mobility Corporation on February 19, 2025.

Verra Mobility Corporation

By: /s/ Jon Keyser
Jon Keyser
Secretary

Date: February 19, 2025

Exhibit 10.24

VERRA MOBILITY CORPORATION
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Last updated December 4, 2024

Each member of the board of directors (the "***Board***") of Verra Mobility Corporation, a Delaware corporation (the "***Company***") who is not an employee of the Company or subsidiary of the Company (each "***Non-Employee Director***") shall be subject to, and eligible to receive cash and equity compensation for their service on the Board and any committee thereof ("***Committee***") in accordance with this Non-Employee Director Compensation Policy (the "***Policy***"). For the avoidance of doubt, the Policy shall not apply to members of the Board who are employees of the Company or any subsidiary of the Company. This Policy shall remain in effect until it is amended or rescinded by further action of the Board.

General

This Policy shall be followed in connection with all compensation paid by the Company to Non-Employee Directors, including, without limitation, amounts paid or awards granted under The Verra Mobility 2018 Equity Incentive Plan (the "***Plan***"). Non-Employee Directors shall not be entitled to any compensation for their service on the Board other than as described in this Policy and the Plan.

Cash Compensation

Each Non-Employee Director shall be entitled to the following cash compensation:

Annual Cash Retainers

Each Non-Employee Director shall receive an annual cash retainer of $75,000 for their service on the Board.

The Non-Executive Chairman of the Board shall receive an additional cash retainer of $90,000.

The Chairman of any Committee shall receive an additional annual cash retainer as follows:

- Chairman of the Audit Committee: $15,000.
- Chairman of the Compensation Committee: $12,500.
- Chairman of the Nominating and Corporate Governance Committee: $10,000.

Members of each Committee shall receive additional annual cash retainers as follows:

- Member of the Audit Committee (other than the Chairman): $10,000.
- Member of the Compensation Committee (other than the Chairman): $7,500.
- Member of the Nominating and Corporate Governance Committee (other than the Chairman): $5,000.

Each Non-Employee Director who serves on the Board or a Committee for less than a full quarterly period shall receive a prorated portion of the annual cash retainer for such quarterly period, determined based on the number of days served during the quarterly period.

The annual cash retainers, including any pro rata portion thereof, shall be paid either annually, in arrears, or quarterly in arrears at the election of the respective Non-Employee Director.

Equity Compensation

Annual Equity Grant

On the close of business on the date of each annual stockholders meeting of the Company, without further action by the Board, each Non-Employee Director then in office shall receive an equity award (the "***Annual Award***"). The Annual Award will have an estimated fair value of $195,000 using valuation methodologies deemed appropriate by the Compensation Committee of the Board or the Board from time to time, in light of commercial considerations deemed necessary to fulfill the goals set forth in this Policy and to align directors with stockholder interests. The Annual Award will be comprised of Restricted Stock Units which will vest in full upon the earlier of (i) the first anniversary of the vesting start date or (ii) the date immediately prior to the Company's next annual meeting of stockholders.

Each Non-Employee Director who is appointed to the Board during the year shall be entitled to a pro-rated annual equity award, determined based on the number of days between the date the Non-Employee Director joins the Board and the anticipated date of the next annual shareholders meeting.

All equity awards will be made in accordance with the Plan and other applicable equity plan documents, including forms of award agreements approved by the Board for grants to Non-Employee Directors consistent with this Policy.

Travel Expense Reimbursement

Each Non-Employee Director shall be reimbursed for reasonable travel expenses in connection with their attendance at Board and Committee meetings. Each Non-Employee Director shall provide the Company with such receipts and other records related to such reimbursable expenses as the Company may require. Reimbursements shall be paid in accordance with the payment requirements set out in the Plan.

Insider Trading

Non-Employee Directors are subject to the Company's Insider Trading Policy.

Hedging Stock Ownership

Non-Employee Directors are prohibited from entering into hedging transactions or similar arrangements regarding their Company securities pursuant to the Company's Insider Trading Policy.

Interpretation

The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any interpretation made by the Compensation Committee shall be final, conclusive and binding.

Review of Policy

The Compensation Committee shall review this Policy at least annually and may recommend any modifications to the Board. The Board will determine any changes to be made to this Policy based on the Compensation Committee's recommendations.

Exhibit 10.36

VERRA MOBILITY CORPORATION
PERFORMANCE SHARE UNITS
NOTICE OF GRANT AND AWARD AGREEMENT

Verra Mobility Corporation (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), this Notice of Grant ("***Grant Notice***") and the attached Award Agreement (the "***Agreement***"), hereby grants to the holder listed below (the "***Participant***"), an award (the "***Award***") of Performance Share Units (the "***Units***"), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock (each a "***Share***"), as follows:

Participant:	
Grant Date:	
Target Number of Units:	_____, subject to adjustment as provided by the Agreement.
Maximum Number of Units:	_____, which is 150% of the Target Number of Units, subject to adjustment as provided by the Agreement.
Performance Period:	The three-year period beginning [_____] and ending [_____] (the "***Expiration Date***"), subject to Section 9.1 of the Agreement (the "***Performance Period***").
Performance Measure:	Relative Total Stockholder Return ("***Relative TSR***"), meaning the percentile rank for the Performance Period of Company Annualized TSR versus the Annualized TSR of the Comparator Group, all as determined in accordance with Section 2 of the Agreement.
Comparator Group:	The group of companies determined in accordance with Appendix B (each, a "***Comparator Group Company***").
Earned Units:	A number of Units (rounded up to the nearest whole Unit), if any (not to exceed the Maximum Number of Units), equal to the product of (i) the Target Number of Units and (ii) the Relative TSR Factor, as illustrated by Appendix A.
Relative TSR Factor:	A percentage (rounded to the nearest 1/100 of 1% and not greater than 150% or less than 50%) determined in accordance with Section 2 of the Agreement; provided, however, that (i) the Relative TSR Factor shall be zero percent (0%) if the Relative TSR is less than 25th percentile and (ii) the Relative TSR Factor shall not exceed 100% if the Company Absolute TSR for the Performance Period is less than zero percent (0%). Determination of the Relative TSR Factor is illustrated by Appendix A.
Vesting Date:	[_____], except as otherwise provided by the Agreement.
Vested Units:	Provided that the Participant's Service has not terminated prior to the Vesting Date (except as otherwise provided by the

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	Agreement), the Earned Units, if any, shall become Vested Units on the Vesting Date.
Settlement Date:	For each Vested Unit, except as otherwise provided by the Agreement, the Settlement Date shall be the Vesting Date or as soon thereafter as practicable; provided, however that the Committee, in its discretion, may specify as the Settlement Date a later date on which the sale of Shares to be issued in settlement of Vested Units would not violate the Trading Compliance Policy, but in any event no later than the 15th day of the third calendar month following the end of the Applicable Year in which the Vesting Date occurs. For this purpose, "Applicable Year" means the calendar year or the Company's fiscal year, whichever year ends later.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Plan and the Agreement, both of which are made part of this document. The Participant acknowledges that copies of the Plan, the Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Plan and the Agreement, and hereby accepts the Award subject to all of their terms and conditions. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or relating to the Units.

VERRA MOBILITY CORPORATION	**PARTICIPANT**
By:	By:
Print Name:	Print Name:
Title:	
Address:	Address:

Exhibit 10.36

APPENDIX A

ILLUSTRATION OF RELATIVE TSR FACTOR AND RESULTING NUMBER OF EARNED UNITS

Relative TSR (Percentile rank of Company Annualized TSR versus the Annualized TSR of the Comparator Group)	**Relative TSR Factor (Rounded to nearest 1/100 of 1%)**	**Earned Units (Per 1,000 Target Units, rounded up to nearest whole Unit)**
Maximum: 75th Percentile and above	150.00%	1,500
70th Percentile	137.5%	1,375
65th Percentile	125%	1,250
60th Percentile	112.5%	1,125
Target: 55th Percentile	100.00%	1,000
50th Percentile	91.67%	917
45th Percentile	83.33%	833
40th Percentile	75.00%	750
35th Percentile	66.67%	667
30th Percentile	58.33%	583
25th Percentile	50.00%	500
Threshold: Less than 25th percentile	0%	0

- The Relative TSR Factor may not exceed 150%.
- If the Company Absolute TSR for the Performance Period is a negative number, the Relative TSR Factor may not exceed 100% even if the Company Annualized TSR exceeds the Comparator Group 55th Percentile Annualized TSR.
- If the Relative TSR is less than 25th percentile, the Relative TSR Factor shall be zero percent (0%).
- The Relative TSR Factor is determined by linear interpolation for Relative TSRs falling between the whole numbers represented in the table above.

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APPENDIX A CONTINUED

ILLUSTRATIONS OF CALCULATION OF EARNED UNITS
PER 1,000 TARGET UNITS

Company Annualized TSR Exceeds Comparator Group 55th Percentile Annualized TSR		
Assumptions		
Company:		
Beginning Average Per Share Closing Price		$15.00
Ending Average Per Share Closing Price		$26.00
Dividends per Share		$0.00
Performance Period		3 years
Comparator Group:		
Comparator Group 75th Percentile Annualized TSR		23.00%
Comparator Group 55th Percentile Annualized TSR		15.00%
Computations		
Company Annualized TSR	[($26/$15) (1/3) – 1] x 100%	20.12%
Relative TSR	*Percentile Rank vs. Comparator Group*	65th Percentile
Relative TSR Factor	((65th–55th)*2.5%)+100%	125.00%
Earned Units	1,000 x 125.00%	1,250

Company Annualized TSR Is Less Than Comparator Group 55th Percentile Annualized TSR		
Assumptions		
Company:		
Beginning Average Per Share Closing Price		$15.00
Ending Average Per Share Closing Price		$20.00
Dividends per Share		$0.00
Performance Period		3 years
Comparator Group:		
Comparator Group 55th Percentile Annualized TSR		15.00%
Comparator Group 25th Percentile Annualized TSR		8.00%
Computations:		
Company Annualized TSR	[($20/$15) (1/3) – 1] x 100%	10.06%

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Relative TSR	*Percentile Rank vs. Comparator Group*	40th Percentile
Relative TSR Factor	100%-((55th-40th)*1.67%)	75%
Earned Units	1,000 x 75%	750

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Exhibit 10.36

APPENDIX B

COMPARATOR GROUP

The Comparator Group consists of all companies that, as of the Grant Date, are included in the S&P 1000 Index (i.e., the S&P Mid-Cap 400 Index and the S&P Small-Cap 600 Index) (the "***Comparator Group Criteria***").

The Comparator Group established as of the Grant Date, and, if applicable, a constituent's company's Total Stockholder Return for the Performance Period, will only be modified during the Performance Period as follows:

- A constituent company that becomes bankrupt during the Performance Period will remain a member of the Comparator Group, but its Annualized TSR for the Performance Period will be deemed to equal negative 100%.
- A constituent company that is acquired or ceases to be publicly traded for a reason other than bankruptcy during the Performance Period will be excluded from the Comparator Group.
- A constituent company that distributes a portion of its business in a spin-off transaction during the Performance Period and that remains publicly traded will be retained in the Comparator Group, but the company that is spun off will not be included in the Comparator Group.
- A constituent company that ceases to satisfy the Comparator Group Criteria during the Performance Period nevertheless will be retained in the Comparator Group.

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VERRA MOBILITY CORPORATION
PERFORMANCE SHARE UNITS
AWARD AGREEMENT
(U.S. PARTICIPANTS)

Verra Mobility Corporation (the "***Company***") has granted to the Participant named in the Grant Notice to which this Agreement is attached an Award consisting of Performance Share Units (the "***Units***") subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to the Verra Mobility Corporation 2018 Equity Incentive Plan (the *"**Plan**"*), as amended to the Grant Date, the provisions of which are incorporated herein by reference.

Unless otherwise defined herein or in the Grant Notice, capitalized terms shall have the meanings assigned under the Plan.

1. **THE AWARD.**

The Company hereby awards to the Participant the Target Number of Units set forth in the Grant Notice, which, depending on the extent to which the Performance Goal is attained during the Performance Period, may result in the Participant earning as little as zero (0) Units or as many as the Maximum Number of Units. Subject to the terms of this Agreement and the Plan, each Unit, to the extent it is earned and becomes a Vested Unit, represents a right to receive on the Settlement Date one (1) Share. Unless and until a Unit has been determined to be an Earned Unit and has vested and become a Vested Unit as set forth in the Grant Notice, the Participant will have no right to settlement of such Units. Prior to settlement of Vested Units, such Units will represent an unfunded and unsecured obligation of the Company.

2. **CERTAIN DEFINED TERMS.**

2.1 "***Annualized TSR Percentage***" means, for the Company and each Comparator Group Company, the compound annual growth rate, expressed as a percentage (rounded to the nearest 1/100 of 1%), in the value of one share of such company's common stock during the Performance Period due to the appreciation in the price per share and dividends paid during such period with respect to such share, assuming dividends are reinvested, calculated as follows:

$$\frac{\textit{Ending Price} + \textit{Dividends}}{\textit{Beginning Price}}^{1/N} - 1 \times 100\%$$

Where,

"Ending Price" is the Ending Average Per Share Closing Price of such company;

"Dividends" are the aggregate values of all dividends paid to a stockholder of record of such company with respect to one share of common stock during the Performance Period;

"Beginning Price" is the Beginning Average Per Share Closing Price of such company; and

"N" is the number of 12-month periods that have elapsed between the first day of the Performance Period and the last day of the Performance Period (which may not be a full integer if computed in connection with a Change in Control or a termination of employment under Section 9.2).

2.2 "***Average Per Share Closing Price***" means, for the Company and each Comparator Group Company, the average of the daily closing prices per share of common stock of such company as reported on the national or regional securities exchange or quotation system constituting the primary market for such common stock for all trading days falling within the applicable averaging period.

2.3 "***Beginning Average Per Share Closing Price***" means, for the Company and each Comparator Group Company, the Average Per Share Closing Price for the 20 trading days beginning on the first trading day occurring on or immediately following the first day of the Performance Period.

2.4 "***Ending Average Per Share Closing Price***" means, for the Company and each Comparator Group Company, the Average Per Share Closing Price for the 20 trading days ending on the last trading day of the Performance Period.

2.5 "***Company Absolute TSR***" means the percentage point increase or decrease (rounded to the nearest 1/100 of 1%) equal to the quotient of (a) the sum of (i) the Ending Average Per Share Closing Price of the Company and (ii) the aggregate value of all dividends paid to a stockholder of record of the Company with respect to one Share during the Performance Period, divided by (b) the Beginning Average Per Share Closing Price of the Company.

2.6 "***Company Annualized TSR***" means the Company's Annualized TSR Percentage for the Performance Period.

2.7 "***Comparator Group Annualized TSR***" means the Annualized TSR Percentages of all Comparator Group Companies for the Performance Period.

2.8 "***Good Reason***" means the occurrence of any of the following events or conditions, unless the Participant has expressly consented in writing thereto: (i) a material reduction in the Participant's annual base salary; (ii) the material diminution of the Participant's duties, responsibilities, or authority, provided that Good Reason shall not exist under this clause (ii) if such diminution of authority, duties and responsibilities is a result of the hiring of additional subordinates to assume some of the Participant's duties and responsibilities which are in fact, in the aggregate from time to time, not a material diminution of such authority, duties and responsibilities of the Participant's position; (iii) the Company requires that the Participant's principal office location be moved to a location more than fifty (50) miles from the Participant's principal office location immediately before the change without the Participant's prior consent; or (iv) a material breach by the Company of the Participant's employment agreement between the parties. Notwithstanding the foregoing, the Participant shall not have Good Reason for termination unless (i) the Participant reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Participant notifies the Company in writing of the occurrence of the Good Reason condition within sixty (60) days of such occurrence; (iii) the Participant cooperates in good faith with the Company's efforts, for a period not less than thirty (30) days following such notice (the "***Cure Period***"), to cure the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following expiration of the Cure Period as determined by the Company; and (v) the Participant terminates his employment within sixty (60) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

2.9 "***Relative TSR***" means, for the Performance Period, the percentile rank of Company Annualized TSR versus Comparator Group Annualized TSR.

2.10 "***Relative TSR Factor***" means a percentage (rounded to the nearest 1/100 of 1%) determined as follows:

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(a) Relative TSR Above the 55th Percentile. If the Relative TSR for the Performance Period is equal to or greater than the 55th percentile of the Comparator Group, the Relative TSR Factor shall be calculated as follows:

Relative TSR-55 x 2.5+100%

(b) Relative TSR Below the 55th Percentile. If the Relative TSR for the Performance Period is below the 55th percentile of the Comparator Group, the Relative TSR Factor shall be calculated as follows:

100%-55-Relative TSR x 1.67

Notwithstanding the foregoing, the calculation of the Relative TSR Factor shall be qualified by the following:

(i) the Relative TSR Factor may not exceed 150%;

(ii) if the Company Absolute TSR for the Performance Period is a negative number, the Relative TSR Factor may not exceed 100% even if the Company Annualized TSR exceeds the Comparator Group 55th Percentile Annualized TSR; and

(iii) if the Relative TSR is less than the 25th percentile, the Relative TSR Factor shall be zero percent (0%).

3. **COMMITTEE DETERMINATION OF EARNED UNITS.**

3.1 **Level of Performance Measure Attained.** As soon as practicable following completion of the Performance Period, but in any event no later than the Settlement Date, the Committee shall determine the level of attainment of the Performance Measure during the Performance Period, the resulting Relative TSR Factor and the number of Units which have become Earned Units.

3.2 **Adjustment for Leave of Absence or Part-Time Work.** Unless otherwise required by law or Company policy, if the Participant takes one or more unpaid leaves of absence in excess of thirty (30) days in the aggregate during the Performance Period, the number of Units which would otherwise become Earned Units shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on an unpaid leave of absence. Unless otherwise required by law or Company policy, if the Participant commences working on a part-time basis during the Performance Period, the Committee may, in its discretion, reduce on a pro rata basis (reflecting the portion of the Performance Period worked by the Participant on a full-time equivalent basis) the number of Units which would otherwise become Earned Units, or provide that the number of Units which would otherwise become Earned Units shall be reduced as provided by the terms of an agreement between the Participant and the Company pertaining to the Participant's part-time schedule.

4. **VESTING OF EARNED UNITS.**

4.1 **Normal Vesting.** Except as otherwise provided by this Agreement, Earned Units shall vest and become Vested Units as provided in the Grant Notice.

4.2 **Vesting Upon a Change in Control.** In the event of a Change in Control, the vesting of Earned Units shall be determined in accordance with Section 9.1.

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4.3 **Vesting Upon Involuntary Termination in Anticipation of a Change in Control.** In the event that Participant's Service is terminated (i) by the Company for a reason other than for Cause, death or Disability or (ii) by Participant for Good Reason (together, an "***Involuntary Termination***"), and such Involuntary Termination either (a) occurred within the ninety (90) day period prior to the effective date of a Change in Control or (b) is demonstrated by the Participant to the reasonable satisfaction of the Committee to have been at the request of a third party who is a party to such Change in Control (in either case, an "***Involuntary Termination in Anticipation of a Change in Control***"), then the vesting of Earned Units shall be determined in accordance with Section 9.2.

4.4 **Vesting Upon Involuntary Termination Following a Change in Control.** In the event that upon or within twelve (12) months following the effective date of a Change in Control, the Participant's Service terminates due to Involuntary Termination, then the vesting of Earned Units shall be determined in accordance with Section 9.3.

4.5 **Vesting Upon Death or Disability Prior to a Change in Control**. In the event that Participant's Service terminates due to Participant's death or Disability, in either case, prior to a Change in Control, then a number of PSUs shall become Vested Units equal to **the Target Number of Units,** multiplied by a fraction, (x) the numerator of which is the number of days Participant was in service from the first day of the Performance Period through the date of Participant's termination of Service and (y) the denominator of which is the number of days from (and including) the first day of the Performance Period through (and including) the Expiration Date (the "***Pro-Ration Fraction***").

4.6 **Vesting upon Death or Disability On or Following a Change in Control**. In the event that Participant's Service terminates due to Participant's death or Disability, in either case, on or following the effective date of a Change in Control, then the vesting of the Earned Units shall be determined in accordance with Section 9.4.

5. **TERMINATION OF SERVICE.**

In the event that the Participant's Service terminates for any reason, with or without cause, other than as described in Section 4.3 – 4.6, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units, and the Participant shall not be entitled to any payment therefor.

6. **SETTLEMENT OF THE AWARD.**

6.1 **Issuance of Shares.** Subject to the provisions of Section 6.3 and Section 7 below, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) Share. Shares issued in settlement of Vested Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 6.3.

6.2 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all Shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such Shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the Shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

6.3 **Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of Shares upon settlement of the Award shall be subject to compliance with all

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applicable requirements of U.S. federal, state or foreign law with respect to such securities. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable U.S. federal, state or foreign securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the Shares to be issued pursuant to the Units has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the Shares (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

6.4 **Fractional Shares.** The Company shall not be required to issue fractional Shares upon the settlement of the Award.

7. **TAX WITHHOLDING AND ADVICE.**

7.1 **In General.** Subject to Section 7.2, at the time the Grant Notice is executed, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the U.S. federal, state, and local taxes and (if applicable) taxes imposed by jurisdictions outside of the United States (including income tax, social insurance contributions, payment on account and any other taxes) and required by law to be withheld with respect to any taxable event arising as a result of the Participant's participation in the Plan (referred to herein as "***Tax-Related Items***").

7.2 **Withholding of Taxes.** The Company or any other Participating Company, as appropriate, shall have the authority and the right to deduct or withhold, or require the Participant to remit to the applicable Participating Company, an amount sufficient to satisfy applicable Tax-Related Items or to take such other action as may be necessary in the opinion of the applicable Participating Company to satisfy such Tax-Related Items (including hypothetical withholding tax amounts if the Participant is covered under a Company tax equalization policy). In this regard, the Participant authorizes the applicable Participating Company or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Participant's wages or other cash compensation paid to the Participant by the applicable Participating Company; or

(b) withholding from proceeds of the sale of Shares acquired upon vesting and settlement of the Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or

(c) withholding in Shares to be issued upon vesting and settlement of the Units; or

(d) direct payment from the Participant.

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To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Participant is covered by a Company tax equalization policy, the Participant agrees to pay to the Company any additional hypothetical tax obligation calculated and paid under the terms and conditions of such tax equalization policy. Finally, the Participant shall pay to the applicable Participating Company any amount of Tax-Related Items that the Participating Company may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares that may be issued in connection with the settlement of the Units if the Participant fails to comply with his or her Tax-Related Items obligations.

7.3 **Tax Advice**. The Participant represents, warrants and acknowledges that the Company has made no warranties or representations to the Participant with respect to the income tax consequences of the transactions contemplated by this Agreement, and the Participant is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. THE PARTICIPANT UNDERSTANDS THAT THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE PARTICIPANT SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE UNITS. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

8. AUTHORIZATION TO RELEASE NECESSARY PERSONAL INFORMATION.

The Participant hereby authorizes and directs the Participant's employer to collect, use and transfer in electronic or other form, any personal information (the "***Data***") regarding the Participant's Service, the nature and amount of the Participant's compensation and the fact and conditions of the Participant's participation in the Plan (including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of all Units or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding) for the purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Data may be transferred to the Company or any other Participating Company, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a brokerage firm or other third party assisting with administration of the Award or with whom Shares acquired upon settlement of this Award or cash from the sale of such Shares may be deposited. The Participant acknowledges that recipients of the Data may be located in different countries, and those countries may have data privacy laws and protections different from those in the country of the Participant's residence. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company or any of other Participating Company, or to any third parties is necessary for Participant's participation in the Plan. The Participant may at any time withdraw the consents herein, by contacting the Company's stock administration department in writing. The Participant further acknowledges that withdrawal of consent may affect the Participant's ability to realize benefits from the Award, and the Participant's ability to participate in the Plan.

9. **CHANGE IN CONTROL.**

In the event of a Change in Control, this Section 9 shall determine the treatment of the Units which have not otherwise become Vested Units, except as otherwise determined in accordance with an employment agreement or other agreement between the Company and the Participant which is applicable to this Award.

9.1 **Effect of Change in Control on Award.** In the event of a Change in Control, the Performance Period shall end on the day immediately preceding the Change in Control (the "***Adjusted***

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Performance Period"). The number of Earned Units and the vesting of those Units shall be determined for the Adjusted Performance Period in accordance with the following:

(a) **Earned Units.** In the Committee's determination of the number of Earned Units for the Adjusted Performance Period, the following modifications shall be made to the components of the Relative TSR Factor:

(i) The Company's Annualized TSR Percentage shall be determined for the Adjusted Performance Period as provided by Section 2.1, except that the Ending Average Per Share Closing Price for the 20 trading days ending on the last day of the Adjusted Performance Period shall be replaced with the price per Share to be paid to the holder thereof in accordance with the definitive agreement governing the transaction constituting the Change in Control (or, in the absence of such agreement, the closing price per Share as reported on the Nasdaq Capital Market for the last trading day of the Adjusted Performance Period), increased by the aggregate of all cash dividends paid to the holder of a share of Stock during the Adjusted Performance Period.

(ii) The Comparator Group Annualized TSR shall be determined as provided by Section 2.7, except that the Ending Average Per Share Closing Price for each Comparator Group Company shall be determined for the 20 trading days ending on the last day of the Adjusted Performance Period.

(b) **Vested Units.**

(i) Except as otherwise provided by Section 9.3, where, in connection with the Change in Control, the Acquiror assumes or continues in full force and effect the Company's rights and obligations under such Earned Units determined in accordance with Section 9.1(a), or substitutes for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, such Earned Units shall become Vested Units on the Vesting Date of the original Performance Period determined without regard to this Section, provided that the Participant's Service has not terminated prior to such Vesting Date. Such Vested Units shall be settled on the Settlement Date in accordance with Section 6, provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

(ii) Except as otherwise provided by Section 9.2, if in connection with the Change in Control the Acquiror does not assume or continue in full force and effect the Company's rights and obligations under the Earned Units determined in accordance with Section 9.1(a), or substitute for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, such Earned Units shall become Vested Units immediately prior to the consummation of the Change in Control, provided that the Participant's Service has not terminated prior to the date of the Change in Control. Such Vested Units shall be settled on the Settlement Date in accordance with Section 6, treating the date of the Change in Control as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

9.2 **Involuntary Termination in Anticipation of a Change in Control.** In the event that the Participant's Service terminates due to Involuntary Termination in Anticipation of a Change in

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Control, the number of Earned Units shall be determined in the manner specified by Section 9.1 as of the day immediately preceding the Change in Control, with respect to an Adjusted Performance Period ending on such day, provided that the Participant executes a release of claims and separation agreement with the Company (on the Company's standard form) that becomes effective and irrevocable within the period set forth therein (which period shall not be longer than sixty (60) days following termination of Service). The number of Earned Units so determined shall vest in full and become Vested Units, and such Vested Units shall be settled in accordance with Section 6 immediately prior to the consummation of the Change in Control, treating the date of the Change in Control as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

9.3 **Involuntary Termination Following Change in Control.** In the event that upon or within twelve (12) months following the effective date of the Change in Control, the Participant's Service terminates due to Involuntary Termination and the Acquiror assumes or continues in full force and effect the Company's rights and obligations under the Earned Units determined in accordance with Section 9.1(a), or substitutes for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, the Earned Units determined in accordance with Section 9.1(a) shall be deemed Vested Units effective as of the date of the Participant's Involuntary Termination and shall be settled in accordance with Section 6, treating the date of the Participant's termination of Service as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares) and provided further that the Participant executes a release of claims and separation agreement with the Company (on the Company's standard form) that becomes effective and irrevocable within the period set forth therein (which period shall not be longer than sixty (60) days following termination of Service).

9.4 **Termination due to Death or Disability On or Following Change in Control**. In the event that following the effective date of the Change in Control, the Participant's Service terminates due to Participant's death or Disability, and the Acquiror assumes or continues in full force and effect the Company's rights and obligations under the Earned Units determined in accordance with Section 9.1(a), or substitutes for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, a number of Earned Units shall be deemed Vested Units effective as of the date of such termination of Service, equal to the Earned Units determined in accordance with Section 9.1(a), multiplied by the Pro-Ration Factor. Such Vested Units shall be settled in accordance with Section 6, treating the date of the Participant's termination of Service as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

10. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.**

The number of Units awarded pursuant to this Agreement is subject to adjustment as provided in Section 4.3 of the Plan. Upon the occurrence of an event described in Section 4.3 of the Plan, any and all new, substituted or additional securities or other property to which a holder of a Share issuable in settlement of the Award would be entitled shall be immediately subject to the Agreement and included within the meaning of the term "Shares" for all purposes of the Award. The Participant shall be notified of such adjustments and such adjustments shall be binding upon the Company and the Participant.

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11. **NO ENTITLEMENT OR CLAIMS FOR COMPENSATION.**

11.1 The Participant's rights, if any, in respect of or in connection with the Units are derived solely from the discretionary decision of the Company to permit the Participant to participate in the Plan and to benefit from a discretionary Award. By accepting the Units, the Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Units or other Awards to the Participant. The Units are not intended to be compensation of a continuing or recurring nature, or part of the Participant's normal or expected compensation, and in no way represents any portion of the Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

11.2 Neither the Plan nor the Units shall be deemed to give the Participant a right to remain an Employee, Director or Consultant of the Company or any other Participating Company. The Participating Company Group reserves the right to terminate the Service of the Participant at any time, with or without cause, and for any reason, subject to applicable laws, the Company's Certificate of Incorporation and Bylaws and a written employment agreement (if any), and the Participant shall be deemed irrevocably to have waived any claim to damages or specific performance for breach of contract or dismissal, compensation for loss of office, tort or otherwise with respect to the Plan, the Units or any other outstanding Award that is forfeited and/or is terminated by its terms or to any future Award.

12. **RIGHTS AS A STOCKHOLDER.**

The Participant shall have no rights as a stockholder with respect to any Shares that may be issued in settlement of this Award until the date of the issuance of a certificate for such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, dividend equivalents, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 10.

13. **MISCELLANEOUS PROVISIONS.**

13.1 **Amendment.** The Committee may amend this Agreement at any time; provided, however, that no such amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant, except to the extent such amendment is necessary to comply with applicable law, including, but not limited to, Code Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

13.2 **Nontransferability of the Award.** Prior to the issuance of Shares on the applicable Settlement Date, no right or interest of the Participant in the Award nor any Shares issuable on settlement of the Award shall be in any manner pledged, encumbered, or hypothecated to or in favor of any party other than the Company or shall become subject to any lien, obligation, or liability of such Participant to any other party other than the Company. Except as otherwise provided by the Committee, no Award shall be assigned, transferred or otherwise disposed of other than by will or the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.3 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

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13.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.5 **Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address maintained for the Participant in the Company's records or at the address of the local office of the Company or of any other Participating Company at which the Participant works.

13.6 **Construction of Agreement.** The Grant Notice, this Agreement, and the Units evidenced hereby (i) are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan, and (ii) constitute the entire agreement between the Participant and the Company on the subject matter hereof and supersede all proposals, written or oral, and all other communications between the parties related to the subject matter. All decisions of the Committee with respect to any question or issue arising under the Grant Notice, this Agreement or the Plan shall be conclusive and binding on all persons having an interest in the Units.

13.7 **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

13.8 **Section 409A.**

(a) **Compliance with Section 409A.** Notwithstanding any other provision of the Plan, this Agreement or the Grant Notice, the Plan, this Agreement and the Grant Notice shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof). The vesting and settlement of Units awarded pursuant to this Agreement are intended to qualify for the "short-term deferral" exemption from Code Section 409A. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that the Units qualify for exemption from or comply with Section 409A of the Code; *provided*, *however*, that the Company makes no representations that the Units will be exempt from Section 409A and makes no undertaking to preclude Section 409A from applying to the Units.

(b) **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the Participant's termination of Service which constitutes a "deferral of compensation" within the meaning of Section 409A of the Code shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of Section 409A. Furthermore, to the extent that the Participant is a "specified employee" within the meaning of Section 409A as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall paid to the Participant before the date (the *"**Delayed Payment Date**"*) which is the first day of the seventh month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

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13.9 **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Units.

13.10 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.11 **Severability.** If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

13.12 **Relocation Outside the United States.** If the Participant relocates to a country outside the United States, the Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Units and on any Shares acquired under the Plan, to the extent the Company determines necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Exhibit 10.37

VERRA MOBILITY CORPORATION
PERFORMANCE SHARE UNITS
NOTICE OF GRANT AND AWARD AGREEMENT

Verra Mobility Corporation (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), this Notice of Grant ("***Grant Notice***") and the attached Award Agreement (the "***Agreement***"), hereby grants to the holder listed below (the "***Participant***"), an award (the "***Award***") of Performance Share Units (the "***Units***"), each of which represents the right to receive on the applicable Settlement Date one (1) share of Stock (each a "***Share***"), as follows:

Participant:	
Grant Date:	
Target Number of Units:	_____, subject to adjustment as provided by the Agreement.
Maximum Number of Units:	_____, which is 150% of the Target Number of Units, subject to adjustment as provided by the Agreement.
Performance Period:	The three-year period beginning [_____] and ending [_____] (the "***Expiration Date***"), subject to Section 9.1 of the Agreement (the "***Performance Period***").
Performance Measure:	Relative Total Stockholder Return ("***Relative TSR***"), meaning the percentile rank for the Performance Period of Company Annualized TSR versus the Annualized TSR of the Comparator Group, all as determined in accordance with Section 2 of the Agreement.
Comparator Group:	The group of companies determined in accordance with Appendix B (each, a "***Comparator Group Company***").
Earned Units:	A number of Units (rounded up to the nearest whole Unit), if any (not to exceed the Maximum Number of Units), equal to the product of (i) the Target Number of Units and (ii) the Relative TSR Factor, as illustrated by Appendix A.
Relative TSR Factor:	A percentage (rounded to the nearest 1/100 of 1% and not greater than 150% or less than 50%) determined in accordance with Section 2 of the Agreement; provided, however, that (i) the Relative TSR Factor shall be zero percent (0%) if the Relative TSR is less than 25th percentile and (ii) the Relative TSR Factor shall not exceed 100% if the Company Absolute TSR for the Performance Period is less than zero percent (0%). Determination of the Relative TSR Factor is illustrated by Appendix A.
Vesting Date:	[_____], except as otherwise provided by the Agreement.
Vested Units:	Provided that the Participant's Service has not terminated prior to the Vesting Date (except as otherwise provided by the

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Agreement), the Earned Units, if any, shall become Vested Units on the Vesting Date.

Settlement Date: For each Vested Unit, except as otherwise provided by the Agreement, the Settlement Date shall be the Vesting Date or as soon thereafter as practicable; provided, however that the Committee, in its discretion, may specify as the Settlement Date a later date on which the sale of Shares to be issued in settlement of Vested Units would not violate the Trading Compliance Policy, but in any event no later than the 15th day of the third calendar month following the end of the Applicable Year in which the Vesting Date occurs. For this purpose, "Applicable Year" means the calendar year or the Company's fiscal year, whichever year ends later.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Plan and the Agreement, both of which are made part of this document. The Participant acknowledges that copies of the Plan, the Agreement and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant for attachment to the Participant's copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Plan and the Agreement, and hereby accepts the Award subject to all of their terms and conditions. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or relating to the Units.

VERRA MOBILITY CORPORATION	**PARTICIPANT**
By:	By:
Print Name:	Print Name:
Title:	
Address:	Address:

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Exhibit 10.37

APPENDIX A

ILLUSTRATION OF RELATIVE TSR FACTOR AND RESULTING NUMBER OF EARNED UNITS

Relative TSR (Percentile rank of Company Annualized TSR versus the Annualized TSR of the Comparator Group)	**Relative TSR Factor (Rounded to nearest 1/100 of 1%)**	**Earned Units (Per 1,000 Target Units, rounded up to nearest whole Unit)**
Maximum: 75th Percentile and above	150.00%	1,500
70th Percentile	137.5%	1,375
65th Percentile	125%	1,250
60th Percentile	112.5%	1,125
Target: 55th Percentile	100.00%	1,000
50th Percentile	91.67%	917
45th Percentile	83.33%	833
40th Percentile	75.00%	750
35th Percentile	66.67%	667
30th Percentile	58.33%	583
25th Percentile	50.00%	500
Threshold: Less than 25th percentile	0%	0

- The Relative TSR Factor may not exceed 150%.
- If the Company Absolute TSR for the Performance Period is a negative number, the Relative TSR Factor may not exceed 100% even if the Company Annualized TSR exceeds the Comparator Group 55th Percentile Annualized TSR.
- If the Relative TSR is less than 25th percentile, the Relative TSR Factor shall be zero percent (0%).
- The Relative TSR Factor is determined by linear interpolation for Relative TSRs falling between the whole numbers represented in the table above.

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APPENDIX A CONTINUED

ILLUSTRATIONS OF CALCULATION OF EARNED UNITS
PER 1,000 TARGET UNITS

Company Annualized TSR Exceeds Comparator Group 55th Percentile Annualized TSR		
Assumptions		
Company:		
Beginning Average Per Share Closing Price		$15.00
Ending Average Per Share Closing Price		$26.00
Dividends per Share		$0.00
Performance Period		3 years
Comparator Group:		
Comparator Group 75th Percentile Annualized TSR		23.00%
Comparator Group 55th Percentile Annualized TSR		15.00%
Computations		
Company Annualized TSR	[($26/$15) (1/3) – 1] x 100%	20.12%
Relative TSR	*Percentile Rank vs. Comparator Group*	65th Percentile
Relative TSR Factor	((65th–55th)*2.5%)+100%	125.00%
Earned Units	1,000 x 125.00%	1,250

Company Annualized TSR Is Less Than Comparator Group 55th Percentile Annualized TSR		
Assumptions		
Company:		
Beginning Average Per Share Closing Price		$15.00
Ending Average Per Share Closing Price		$20.00
Dividends per Share		$0.00
Performance Period		3 years
Comparator Group:		
Comparator Group 55th Percentile Annualized TSR		15.00%
Comparator Group 25th Percentile Annualized TSR		8.00%
Computations:		
Company Annualized TSR	[($20/$15) (1/3) – 1] x 100%	10.06%

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Relative TSR	*Percentile Rank vs. Comparator Group*	40th Percentile
Relative TSR Factor	100%-((55th-40th)*1.67%)	75%
Earned Units	1,000 x 75%	750

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Exhibit 10.37

APPENDIX B

COMPARATOR GROUP

The Comparator Group consists of all companies that, as of the Grant Date, are included in the S&P 1000 Index (i.e., the S&P Mid-Cap 400 Index and the S&P Small-Cap 600 Index) (the "***Comparator Group Criteria***").

The Comparator Group established as of the Grant Date, and, if applicable, a constituent's company's Total Stockholder Return for the Performance Period, will only be modified during the Performance Period as follows:

- A constituent company that becomes bankrupt during the Performance Period will remain a member of the Comparator Group, but its Annualized TSR for the Performance Period will be deemed to equal negative 100%.
- A constituent company that is acquired or ceases to be publicly traded for a reason other than bankruptcy during the Performance Period will be excluded from the Comparator Group.
- A constituent company that distributes a portion of its business in a spin-off transaction during the Performance Period and that remains publicly traded will be retained in the Comparator Group, but the company that is spun off will not be included in the Comparator Group.
- A constituent company that ceases to satisfy the Comparator Group Criteria during the Performance Period nevertheless will be retained in the Comparator Group.

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VERRA MOBILITY CORPORATION
PERFORMANCE SHARE UNITS
AWARD AGREEMENT
(Non-U.S. PARTICIPANTS)

Verra Mobility Corporation (the "***Company***") has granted to the Participant named in the Grant Notice to which this Agreement is attached an Award consisting of Performance Share Units (the "***Units***") subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to the Verra Mobility Corporation 2018 Equity Incentive Plan (the *"**Plan**"*), as amended to the Grant Date, the provisions of which are incorporated herein by reference.

Unless otherwise defined herein or in the Grant Notice, capitalized terms shall have the meanings assigned under the Plan.

1. **THE AWARD.**

The Company hereby awards to the Participant the Target Number of Units set forth in the Grant Notice, which, depending on the extent to which the Performance Goal is attained during the Performance Period, may result in the Participant earning as little as zero (0) Units or as many as the Maximum Number of Units. Subject to the terms of this Agreement and the Plan, each Unit, to the extent it is earned and becomes a Vested Unit, represents a right to receive on the Settlement Date one (1) Share. Unless and until a Unit has been determined to be an Earned Unit and has vested and become a Vested Unit as set forth in the Grant Notice, the Participant will have no right to settlement of such Units. Prior to settlement of Vested Units, such Units will represent an unfunded and unsecured obligation of the Company.

2. **CERTAIN DEFINED TERMS.**

2.1 "***Annualized TSR Percentage***" means, for the Company and each Comparator Group Company, the compound annual growth rate, expressed as a percentage (rounded to the nearest 1/100 of 1%), in the value of one share of such company's common stock during the Performance Period due to the appreciation in the price per share and dividends paid during such period with respect to such share, assuming dividends are reinvested, calculated as follows:

$$\textit{Ending Price} + \textit{Dividends}\textit{Beginning Price}\ 1N— 1 \times 100\%$$

Where,

"Ending Price" is the Ending Average Per Share Closing Price of such company;

"Dividends" are the aggregate values of all dividends paid to a stockholder of record of such company with respect to one share of common stock during the Performance Period;

"Beginning Price" is the Beginning Average Per Share Closing Price of such company; and

"N" is the number of 12-month periods that have elapsed between the first day of the Performance Period and the last day of the Performance Period (which may not be a full integer if computed in connection with a Change in Control or a termination of employment under Section 9.2).

2.2 "***Average Per Share Closing Price***" means, for the Company and each Comparator Group Company, the average of the daily closing prices per share of common stock of such company as reported on the national or regional securities exchange or quotation system constituting the primary market for such common stock for all trading days falling within the applicable averaging period.

2.3 "***Beginning Average Per Share Closing Price***" means, for the Company and each Comparator Group Company, the Average Per Share Closing Price for the 20 trading days beginning on the first trading day occurring on or immediately following the first day of the Performance Period.

2.4 "***Ending Average Per Share Closing Price***" means, for the Company and each Comparator Group Company, the Average Per Share Closing Price for the 20 trading days ending on the last trading day of the Performance Period.

2.5 "***Company Absolute TSR***" means the percentage point increase or decrease (rounded to the nearest 1/100 of 1%) equal to the quotient of (a) the sum of (i) the Ending Average Per Share Closing Price of the Company and (ii) the aggregate value of all dividends paid to a stockholder of record of the Company with respect to one Share during the Performance Period, divided by (b) the Beginning Average Per Share Closing Price of the Company.

2.6 "***Company Annualized TSR***" means the Company's Annualized TSR Percentage for the Performance Period.

2.7 "***Comparator Group Annualized TSR***" means the Annualized TSR Percentages of all Comparator Group Companies for the Performance Period.

2.8 "***Good Reason***" means the occurrence of any of the following events or conditions, unless the Participant has expressly consented in writing thereto: (i) a material reduction in the Participant's annual base salary; (ii) the material diminution of the Participant's duties, responsibilities, or authority, provided that Good Reason shall not exist under this clause (ii) if such diminution of authority, duties and responsibilities is a result of the hiring of additional subordinates to assume some of the Participant's duties and responsibilities which are in fact, in the aggregate from time to time, not a material diminution of such authority, duties and responsibilities of the Participant's position; (iii) the Company requires that the Participant's principal office location be moved to a location more than fifty (50) miles from the Participant's principal office location immediately before the change without the Participant's prior consent; or (iv) a material breach by the Company of the Participant's employment agreement between the parties. Notwithstanding the foregoing, the Participant shall not have Good Reason for termination unless (i) the Participant reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Participant notifies the Company in writing of the occurrence of the Good Reason condition within sixty (60) days of such occurrence; (iii) the Participant cooperates in good faith with the Company's efforts, for a period not less than thirty (30) days following such notice (the "***Cure Period***"), to cure the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following expiration of the Cure Period as determined by the Company; and (v) the Participant terminates his employment within sixty (60) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

2.9 "***Relative TSR***" means, for the Performance Period, the percentile rank of Company Annualized TSR versus Comparator Group Annualized TSR.

2.10 "***Relative TSR Factor***" means a percentage (rounded to the nearest 1/100 of 1%) determined as follows:

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(a) Relative TSR Above the 55th Percentile. If the Relative TSR for the Performance Period is equal to or greater than the 55th percentile of the Comparator Group, the Relative TSR Factor shall be calculated as follows:

Relative TSR-55 x 2.5+100%

(b) Relative TSR Below the 55th Percentile. If the Relative TSR for the Performance Period is below the 55th percentile of the Comparator Group, the Relative TSR Factor shall be calculated as follows:

100%-55-Relative TSR x 1.67

Notwithstanding the foregoing, the calculation of the Relative TSR Factor shall be qualified by the following:

(i) the Relative TSR Factor may not exceed 150%;

(ii) if the Company Absolute TSR for the Performance Period is a negative number, the Relative TSR Factor may not exceed 100% even if the Company Annualized TSR exceeds the Comparator Group 55th Percentile Annualized TSR; and

(iii) if the Relative TSR is less than the 25th percentile, the Relative TSR Factor shall be zero percent (0%).

3. **COMMITTEE DETERMINATION OF EARNED UNITS.**

3.1 **Level of Performance Measure Attained.** As soon as practicable following completion of the Performance Period, but in any event no later than the Settlement Date, the Committee shall determine the level of attainment of the Performance Measure during the Performance Period, the resulting Relative TSR Factor and the number of Units which have become Earned Units.

3.2 **Adjustment for Leave of Absence or Part-Time Work.** Unless otherwise required by law or Company policy, if the Participant takes one or more unpaid leaves of absence in excess of thirty (30) days in the aggregate during the Performance Period, the number of Units which would otherwise become Earned Units shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on an unpaid leave of absence. Unless otherwise required by law or Company policy, if the Participant commences working on a part-time basis during the Performance Period, the Committee may, in its discretion, reduce on a pro rata basis (reflecting the portion of the Performance Period worked by the Participant on a full-time equivalent basis) the number of Units which would otherwise become Earned Units, or provide that the number of Units which would otherwise become Earned Units shall be reduced as provided by the terms of an agreement between the Participant and the Company pertaining to the Participant's part-time schedule.

4. **VESTING OF EARNED UNITS.**

4.1 **Normal Vesting.** Except as otherwise provided by this Agreement, Earned Units shall vest and become Vested Units as provided in the Grant Notice.

4.2 **Vesting Upon a Change in Control.** In the event of a Change in Control, the vesting of Earned Units shall be determined in accordance with Section 9.1.

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4.3 **Vesting Upon Involuntary Termination in Anticipation of a Change in Control.** In the event that Participant's Service is terminated (i) by the Company for a reason other than for Cause, death or Disability or (ii) by Participant for Good Reason (together, an "***Involuntary Termination***"), and such Involuntary Termination either (a) occurred within the ninety (90) day period prior to the effective date of a Change in Control or (b) is demonstrated by the Participant to the reasonable satisfaction of the Committee to have been at the request of a third party who is a party to such Change in Control (in either case, an "***Involuntary Termination in Anticipation of a Change in Control***"), then the vesting of Earned Units shall be determined in accordance with Section 9.2.

4.4 **Vesting Upon Involuntary Termination Following a Change in Control.** In the event that upon or within twelve (12) months following the effective date of a Change in Control, the Participant's Service terminates due to Involuntary Termination, then the vesting of Earned Units shall be determined in accordance with Section 9.3.

4.5 Vesting Upon Death or Disability Prior to a Change in Control. In the event that Participant's Service terminates due to Participant's death or Disability, in either case, prior to a Change in Control, then a number of PSUs shall become Vested Units equal to **the Target Number of Units,** multiplied by a fraction, (x) the numerator of which is the number of days Participant was in service from the first day of the Performance Period through the date of Participant's termination of Service and (y) the denominator of which is the number of days from (and including) the first day of the Performance Period through (and including) the Expiration Date (the "***Pro-Ration Fraction***").

4.6 **Vesting upon Death or Disability On or Following a Change in Control**. In the event that Participant's Service terminates due to Participant's death or Disability, in either case, on or following the effective date of a Change in Control, then the vesting of the Earned Units shall be determined in accordance with Section 9.4.

5. **TERMINATION OF SERVICE.**

In the event that the Participant's Service terminates for any reason, with or without cause, other than as described in Section 4.3 – 4.6, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units, and the Participant shall not be entitled to any payment therefor.

6. **SETTLEMENT OF THE AWARD.**

6.1 **Issuance of Shares.** Subject to the provisions of Section 6.3 and Section 7 below, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) Share. Shares issued in settlement of Vested Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 6.3.

6.2 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all Shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such Shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the Shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

6.3 **Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of Shares upon settlement of the Award shall be subject to compliance with all

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applicable requirements of U.S. federal, state or foreign law with respect to such securities. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable U.S. federal, state or foreign securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the Shares to be issued pursuant to the Units has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the Shares (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

6.4 **Fractional Shares.** The Company shall not be required to issue fractional Shares upon the settlement of the Award.

7. **TAX WITHHOLDING AND ADVICE.**

7.1 **In General.** Subject to Section 7.2, at the time the Grant Notice is executed, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the U.S. federal, state, and local taxes and (if applicable) taxes imposed by jurisdictions outside of the United States (including income tax, social insurance contributions, payment on account and any other taxes) and required by law to be withheld with respect to any taxable event arising as a result of the Participant's participation in the Plan, including the grant, vesting or settlement of the Award, the subsequent sale of shares acquired pursuant to such settlement, or the receipt of any dividends (referred to herein as "***Tax-Related Items***"). The Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items and (b) does not commit to structure the terms of the grant or any other aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items.

7.2 **Withholding of Taxes.** The Company or any other Participating Company, as appropriate, shall have the authority and the right to deduct or withhold, or require the Participant to remit to the applicable Participating Company, an amount sufficient to satisfy applicable Tax-Related Items or to take such other action as may be necessary in the opinion of the applicable Participating Company to satisfy such Tax-Related Items (including hypothetical withholding tax amounts if the Participant is covered under a Company tax equalization policy). In this regard, the Participant authorizes the applicable Participating Company or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Participant's wages or other cash compensation paid to the Participant by the applicable Participating Company; or

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(b) withholding from proceeds of the sale of Shares acquired upon vesting and settlement of the Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or

(c) withholding in Shares to be issued upon vesting and settlement of the Units; or

(d) direct payment from the Participant.

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the Participant is covered by a Company tax equalization policy, the Participant agrees to pay to the Company any additional hypothetical tax obligation calculated and paid under the terms and conditions of such tax equalization policy. Finally, the Participant shall pay to the applicable Participating Company any amount of Tax-Related Items that the Participating Company may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares that may be issued in connection with the settlement of the Units if the Participant fails to comply with his or her Tax-Related Items obligations.

7.3 **Tax Advice**. The Participant represents, warrants and acknowledges that the Company has made no warranties or representations to the Participant with respect to the income tax consequences of the transactions contemplated by this Agreement, and the Participant is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. THE PARTICIPANT UNDERSTANDS THAT THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE PARTICIPANT SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE UNITS. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

8. DATA PRIVACY.

(a) Data Collected and Purposes of Collection. The Participant understands that the Company, acting as the controller, as well as the employing Participating Company, will process, to the extent permissible under applicable law, certain personal information about the Participant, including name, home address, and telephone number, information necessary to process the Units (e.g., mailing address for a check payment or bank account wire transfer information), date of birth, social insurance number or other identification numbers, salary, nationality, job title, employment location, details of all Units granted, canceled, vested, unvested or outstanding in the Participant's favor, and where applicable service termination date and reason for termination, any capital shares or directorships held in the Company (where needed for legal or tax compliance), and any other information necessary to process mandatory tax withholding and reporting (all such personal information is referred to as "Data"). The Data is collected from the Participant, and from the Participating Company Group, for the purpose of implementing, administering, and managing the Plan pursuant to its terms. The legal bases (that is, the legal justification) for processing the Data is that it is necessary to perform, administer and manage the Plan and in Company's legitimate interests, which means the Company is using the relevant Data to conduct and develop its business activities, subject to the Participant's interest and fundamental rights. The Data must be provided in order for the Participant to participate in the Plan and for the parties to this Agreement to perform their respective obligations thereunder. If the Participant does not provide Data, he or she will not be able to participate in the Plan and become a party to this Agreement.

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(b) Transfers and Retention of Data. The Participant understands that the Data will be transferred to and among the Participating Company Group, as well as service providers (such as stock administration providers, brokers, transfer agents, accounting firms, payroll processing firms or tax firms), for the purposes explained above. The Participant understands that the recipients of the Data may be located in the United States and in other jurisdictions outside of the European Economic Area where we or our service providers have operations. The United States and some of these other jurisdictions have not been found by the European Commission to have adequate data protection safeguards. If the Participating Company Group transfer Data outside of the European Economic Area, we will take steps as required and recognized by the European Commission to provide adequate safeguards for the transferred Data. The Participant has a right to obtain details of the mechanism(s) under which the Participant's Data is transferred outside of the European Economic Area, or the United Kingdom, which the Participant may exercise by contacting privacy@verramobility.com.

(c) The Participant's Rights in Respect of Data. The Participant has the right to access the Participant's Data being processed by the Company as well as understand why Company is processing such Data. Additionally, subject to applicable law, the Participant is entitled to have any inadequate, incomplete or incorrect Data corrected (that is, rectified). Further, subject to applicable law, the Participant may be entitled to the following rights in regard to his or her Data: (i) to object to the processing of Data; (ii) to have his or her Data erased, under certain circumstances, such as where it is no longer necessary in relation to the purposes for which it was processed; (iii) to restrict the processing of the Participant's Data so that it is stored but not actively processed (e.g., while the Company assesses whether the Participant is entitled to have Data erased) under certain circumstances; (iv) to port a copy of the Data provided pursuant to this Agreement or generated by the Participant, in a common machine-readable format; and (v) to obtain a copy of the appropriate safeguards under which Data is transferred to a third country or international organization. To exercise his or her rights, the Participant may contact the applicable human resources representative. The Participant may also contact the relevant data protection supervisory authority, as he or she has the right to lodge a complaint.

9. **CHANGE IN CONTROL.**

In the event of a Change in Control, this Section 9 shall determine the treatment of the Units which have not otherwise become Vested Units, except as otherwise determined in accordance with an employment agreement or other agreement between the Company and the Participant which is applicable to this Award.

9.1 **Effect of Change in Control on Award.** In the event of a Change in Control, the Performance Period shall end on the day immediately preceding the Change in Control (the "***Adjusted Performance Period***"). The number of Earned Units and the vesting of those Units shall be determined for the Adjusted Performance Period in accordance with the following:

(a) **Earned Units.** In the Committee's determination of the number of Earned Units for the Adjusted Performance Period, the following modifications shall be made to the components of the Relative TSR Factor:

(i) The Company's Annualized TSR Percentage shall be determined for the Adjusted Performance Period as provided by Section 2.1, except that the Ending Average Per Share Closing Price for the 20 trading days ending on the last day of the Adjusted Performance Period shall be replaced with the price per Share to be paid to the holder thereof in accordance with the definitive agreement governing the transaction constituting the Change in Control (or, in the absence of such agreement, the

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closing price per Share as reported on the Nasdaq Capital Market for the last trading day of the Adjusted Performance Period), increased by the aggregate of all cash dividends paid to the holder of a share of Stock during the Adjusted Performance Period.

(ii) The Comparator Group Annualized TSR shall be determined as provided by Section 2.7, except that the Ending Average Per Share Closing Price for each Comparator Group Company shall be determined for the 20 trading days ending on the last day of the Adjusted Performance Period.

(b) **Vested Units.**

(i) Except as otherwise provided by Section 9.3, where, in connection with the Change in Control, the Acquiror assumes or continues in full force and effect the Company's rights and obligations under such Earned Units determined in accordance with Section 9.1(a), or substitutes for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, such Earned Units shall become Vested Units on the Vesting Date of the original Performance Period determined without regard to this Section, provided that the Participant's Service has not terminated prior to such Vesting Date. Such Vested Units shall be settled on the Settlement Date in accordance with Section 6, provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

(ii) Except as otherwise provided by Section 9.2, if in connection with the Change in Control the Acquiror does not assume or continue in full force and effect the Company's rights and obligations under the Earned Units determined in accordance with Section 9.1(a), or substitute for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, such Earned Units shall become Vested Units immediately prior to the consummation of the Change in Control, provided that the Participant's Service has not terminated prior to the date of the Change in Control. Such Vested Units shall be settled on the Settlement Date in accordance with Section 6, treating the date of the Change in Control as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

9.2 **Involuntary Termination in Anticipation of a Change in Control.** In the event that the Participant's Service terminates due to Involuntary Termination in Anticipation of a Change in Control, the number of Earned Units shall be determined in the manner specified by Section 9.1 as of the day immediately preceding the Change in Control, with respect to an Adjusted Performance Period ending on such day, provided that the Participant executes a release of claims and separation agreement with the Company (on the Company's standard form) that becomes effective and irrevocable within the period set forth therein (which period shall not be longer than sixty (60) days following termination of Service). The number of Earned Units so determined shall vest in full and become Vested Units, and such Vested Units shall be settled in accordance with Section 6 immediately prior to the consummation of the Change in Control, treating the date of the Change in Control as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

9.3 **Involuntary Termination Following Change in Control.** In the event that upon or within twelve (12) months following the effective date of the Change in Control, the Participant's Service terminates due to Involuntary Termination and the Acquiror assumes or continues in full force and effect the Company's rights and obligations under the Earned Units determined in accordance with Section 9.1(a), or substitutes for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, the Earned Units determined in accordance with Section 9.1(a) shall be deemed Vested Units effective as of the date of the Participant's Involuntary Termination and shall be settled in accordance with Section 6, treating the date of the Participant's termination of Service as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares) and provided further that the Participant executes a release of claims and separation agreement with the Company (on the Company's standard form) that becomes effective and irrevocable within the period set forth therein (which period shall not be longer than sixty (60) days following termination of Service).

9.4 **Termination due to Death or Disability On or Following Change in Control**. In the event that following the effective date of the Change in Control, the Participant's Service terminates due to Participant's death or Disability, and the Acquiror assumes or continues in full force and effect the Company's rights and obligations under the Earned Units determined in accordance with Section 9.1(a), or substitutes for such Earned Units in connection with the Change in Control a substantially equivalent award for the Acquiror's stock, a number of Earned Units shall be deemed Vested Units effective as of the date of such termination of Service, equal to the Earned Units determined in accordance with Section 9.1(a), multiplied by the Pro-Ration Factor. Such Vested Units shall be settled in accordance with Section 6, treating the date of the Participant's termination of Service as the Vesting Date, and provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a Share on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares).

10. **ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.**

The number of Units awarded pursuant to this Agreement is subject to adjustment as provided in Section 4.3 of the Plan. Upon the occurrence of an event described in Section 4.3 of the Plan, any and all new, substituted or additional securities or other property to which a holder of a Share issuable in settlement of the Award would be entitled shall be immediately subject to the Agreement and included within the meaning of the term "Shares" for all purposes of the Award. The Participant shall be notified of such adjustments and such adjustments shall be binding upon the Company and the Participant.

11. **SERVICE CONDITIONS.**

In accepting the Award, the Participant acknowledges, understands and agrees that:

(a) Any notice period mandated under local law shall not be treated as Service for the purpose of determining the vesting of the Award; and the Participant's right to receive shares in settlement of the Award after the termination of Service, if any, will be measured by the date of termination of the Participant's active Service and will not be extended by any notice period mandated under local law. Subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

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(b) The vesting of the Award shall cease upon, and no Units shall become Vested Units following, the Participant's termination of Service for any reason except as may be explicitly provided by the Plan or this Agreement.

(c) The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended, or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement.

(d) The grant of the Award is voluntary and occasional and does not create any contractual or other rights to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past.

(e) All decisions with respect to future Award grants, if any, will be at the sole discretion of the Company.

(f) The Participant's participation in the Plan shall not create a right to further Service with any Participating Company and shall not interfere with the ability of any Participating Company to terminate the Participant's Service at any time, with or without cause.

(g) The Participant is voluntarily participating in the Plan.

(h) The Award is an extraordinary item that does not constitute compensation of any kind for Service of any kind rendered to any Participating Company, and which is outside the scope of the Participant's employment contract, if any.

(i) The Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(j) In the event that the Participant is not an employee of the Company, the Award grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the Award grant will not be interpreted to form an employment contract with any other Participating Company.

(k) The future value of the underlying shares is unknown and cannot be predicted with certainty. If the Participant obtains shares upon settlement of the Award, the value of those shares may increase or decrease.

(l) No claim or entitlement to compensation or damages arises from termination of the Award or diminution in value of the Award or shares acquired upon settlement of the Award resulting from termination of the Participant's Service (for any reason whether or not in breach of local law) and the Participant irrevocably releases the Company and each other Participating Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such a claim.

12. **RIGHTS AS A STOCKHOLDER.**

The Participant shall have no rights as a stockholder with respect to any Shares that may be issued in settlement of this Award until the date of the issuance of a certificate for such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of

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the Company). No adjustment shall be made for dividends, dividend equivalents, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 10.

13. **MISCELLANEOUS PROVISIONS.**

13.1 **Amendment.** The Committee may amend this Agreement at any time; provided, however, that no such amendment may adversely affect the Participant's rights under this Agreement without the consent of the Participant, except to the extent such amendment is necessary to comply with applicable law, including, but not limited to, Code Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

13.2 **Nontransferability of the Award.** Prior to the issuance of Shares on the applicable Settlement Date, no right or interest of the Participant in the Award nor any Shares issuable on settlement of the Award shall be in any manner pledged, encumbered, or hypothecated to or in favor of any party other than the Company or shall become subject to any lien, obligation, or liability of such Participant to any other party other than the Company. Except as otherwise provided by the Committee, no Award shall be assigned, transferred or otherwise disposed of other than by will or the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.3 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.5 **Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address maintained for the Participant in the Company's records or at the address of the local office of the Company or of any other Participating Company at which the Participant works.

13.6 **Construction of Agreement.** The Grant Notice, this Agreement, and the Units evidenced hereby (i) are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan, and (ii) constitute the entire agreement between the Participant and the Company on the subject matter hereof and supersede all proposals, written or oral, and all other communications between the parties related to the subject matter. All decisions of the Committee with respect to any question or issue arising under the Grant Notice, this Agreement or the Plan shall be conclusive and binding on all persons having an interest in the Units.

13.7 **Governing Law.** The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

13.8 **Section 409A.**

(a) **Compliance with Section 409A.** Notwithstanding any other provision of the Plan, this Agreement or the Grant Notice, the Plan, this Agreement and the Grant Notice shall be

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interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof). The vesting and settlement of Units awarded pursuant to this Agreement are intended to qualify for the "short-term deferral" exemption from Code Section 409A. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that the Units qualify for exemption from or comply with Section 409A of the Code; *provided*, *however*, that the Company makes no representations that the Units will be exempt from Section 409A and makes no undertaking to preclude Section 409A from applying to the Units.

(b) **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the Participant's termination of Service which constitutes a "deferral of compensation" within the meaning of Section 409A of the Code shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of Section 409A. Furthermore, to the extent that the Participant is a "specified employee" within the meaning of Section 409A as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall paid to the Participant before the date (the *"**Delayed Payment Date**"*) which is the first day of the seventh month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

13.9 **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Units.

13.10 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.11 **Severability.** If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

13.12 **Relocation Outside the United States.** If the Participant relocates to a country outside the United States, the Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Units and on any Shares acquired under the Plan, to the extent the Company determines necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

13.13 **Country-Specific Terms and Conditions.** Notwithstanding any other provision of this Agreement to the contrary, the Award shall be subject to the specific terms and conditions, if any, set forth in Addendum to this Agreement which are applicable to the Participant's country of residence, the provisions of which are incorporated in and constitute part of this Agreement. Moreover, if the Participant

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relocates to one of the countries included in the Addendum, the specific terms and conditions applicable to such country will apply to the Award to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan or this Agreement.

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ADDENDUM

VERRA MOBILITY CORPORATION
PERFORMANCE SHARE UNITS
AWARD AGREEMENT

FOR NON-US PARTICIPANTS

Terms and Conditions

This Addendum includes additional terms and conditions that govern the Award granted to the Participant under the Plan if he or she resides in one of the countries listed below. Certain capitalized terms used but not defined in this Addendum have the meanings set forth in the Plan and/or the main body of the Agreement.

Notifications

This Addendum also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2023. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Addendum as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time Participant vests in the Shares or sells the Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws of the Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which the Participant is currently working or transfers to another country after the grant of the Performance Share Units, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to the Participant under these circumstances.

NETHERLANDS

Notifications

Securities Law Information. The grant of Units under the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Regulation as implemented in the Netherlands.

Prohibition Against Insider Trading. The Participant should be aware of the Dutch insider trading rules, which may affect the sale of Shares acquired under this Agreement. In particular, the Participant may be prohibited from effecting certain share transactions if the Participant has insider information regarding the Company. Below is a discussion of the applicable restrictions. The Participant is advised to read the discussion carefully to determine whether the insider rules could apply to him or her. If it is uncertain whether the insider rules apply, the Company recommends that the Participant consults with a legal advisor.

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The Company cannot be held liable if the Participant violates the Dutch insider trading rules. The Participant is responsible for ensuring the Participant's compliance with these rules.

Dutch securities laws prohibit insider trading. As of 3 July 2016, the European Market Abuse Regulation (MAR), is applicable in the Netherlands. For further information, the Participant is referred to the website of the Authority for the Financial Markets (AFM): https://www.afm.nl/en/sector/effectenuitgevende-ondernemingen.

Given the broad scope of the definition of insider information, certain employees of the Company working at its Dutch Participating Company may have insider information and thus are prohibited from making a transaction in securities in the Netherlands at a time when they have such insider information. By entering into and participating in this Agreement, the Participant acknowledges having read and understood the notification above and acknowledges that it is the Participant's responsibility to comply with the Dutch insider trading rules, as discussed herein.

VERRA MOBILITY CORPORATION

INSIDER TRADING POLICY

Purpose and Overview

This Insider Trading Policy ("***Policy***") describes the standards of Verra Mobility Corporation and its subsidiaries ("***VRRM***" or the "***Company***") on trading, and causing the trading of, the Company's securities or securities of certain other publicly traded companies while in possession of confidential information. This Policy is divided into two parts: Part I prohibits trading in certain circumstances and applies to all directors, officers and employees and their respective immediate family members of the Company, and Part II imposes special additional trading restrictions and applies to all (i) directors of the Company, (ii) executive officers of the Company and (iii) the employees identified by the Company's Compliance Department (collectively, the "***Insiders***").

Part I

1. Applicability

This Policy applies to all employees, outside directors, officers, and consultants of Verra Mobility Corporation and its subsidiaries ("***VRRM***" or the "***Company***"), their family members and entities over which such individuals have or share voting or investment control. This Policy also applies to any other person who receives material nonpublic information from any VRRM insider or is otherwise designated by a VRRM Compliance Officer. For purposes of this policy, "***family members***" include people who live with you, or are financially dependent on you, and also include those whose transactions in securities are directed by you or are subject to your influence or control.

This Policy continues to apply following termination of employment or other relationship with VRRM until after the first trading day that any material non-public information in your possession has become public or is no longer material. Each employee, officer, consultant and director is *personally responsible* for the actions of their family members and other persons with whom they have a relationship who are subject to this policy, including any pre-clearances required.

2. General Policy: No Trading or Causing Trading while in Possession of Material Nonpublic Information

A. No person subject to this Policy may purchase, sell or gift, or offer to purchase or sell, any Company security, whether or not issued by the Company, while in possession of material nonpublic information (as defined in Section 3 below) about the Company.

B. No person subject to this Policy who knows of any material nonpublic information about the Company may communicate that information to "tip" any other person, including family members and friends, or otherwise disclose such information without the Company's authorization. Tipping includes passing information under circumstances that could suggest that you were trying to help another profit or avoid a loss. Exercise care when speaking with others who do not "***need to know***", even if they are subject to this Policy, as well as when communicating with family, friends and others not

associated with VRRM. To avoid the appearance of impropriety, refrain from discussing our business or prospects or making recommendations about buying or selling our securities or the securities of other companies with which we have a relationship. Inquiries about VRRM should be directed to our Investor Relations team.

C. No person subject to this Policy may purchase, sell or gift any security of any other company, whether or not issued by the Company, while in possession of material nonpublic information about that company that was obtained in the course of his or her involvement with the Company. No person subject to this Policy who knows of any such material nonpublic information may communicate that information to, or tip, any other person, including family members and friends, or otherwise disclose such information without the Company's authorization.

D. For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase, sale or gift of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain the advance approval of, a Compliance Officer.

E. Insiders (as defined below) must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in Part II below.

3. Definitions

A. Material. Insider trading restrictions apply only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations:

i. significant changes in the Company's prospects;

ii. significant write-downs in assets or increases in reserves;

iii. developments regarding significant litigation or government agency investigations;

iv. liquidity problems;

v. changes in earnings estimates or unusual gains or losses in major operations;

vi. major changes in the Company's management or the board of directors;

vii. changes in dividends;

viii. extraordinary borrowings;

ix. major changes in accounting methods or policies;

x. award or loss of a significant contract;

xi. cybersecurity risks and incidents, including vulnerabilities and breaches;

xii. changes in debt ratings;

xiii. proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets; and

xiv. offerings of Company securities.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult a Compliance Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates or assume that the information is material.**

B. Nonpublic. Insider trading prohibitions apply only when you possess information that is material and "nonpublic." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Even after public disclosure of information about the Company, you must wait until the close of business on the first trading day after the information was publicly disclosed before you can treat the information as public.

Nonpublic information may include:

i. information available to a select group of analysts or brokers or institutional investors;

ii. undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and

iii. information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two trading days).

As with questions of materiality, if you are not sure whether information is considered public, you should either consult with a Compliance Officer or assume that the information is nonpublic and treat it as confidential.

4. Compliance Officer

Compliance Officer. The Company has designated the Chief Legal Officer, the Chief Financial Officer and the Deputy General Counsel and Head of Corporate Compliance as Insider Trading Compliance Officers (each, a "***Compliance Officer***"). The Company will update the persons who are designated as Compliance Officers from time to time as necessary to

reflect additions and departures. The duties of each Compliance Officer will include the following:

A. administering, monitoring and enforcing compliance with the Policy;

B. responding to all inquiries relating to this policy and its procedures;

C. designating and announcing special trading blackout periods during which no Insiders may trade in Company securities;

D. providing copies of this Policy and other appropriate materials to all current and new directors, officers and employees, and such other persons as a Compliance Officer determines have access to material nonpublic information concerning the Company;

E. administering, monitoring and enforcing compliance with federal and state insider trading laws and regulations;

F. assisting in the preparation and filing of all required SEC reports relating to trading in Company securities, including without limitation Forms 3, 4, 5 and 144 and Schedules 13D and 13G;

G. maintaining as Company records originals or copies of all documents required by the provisions of this Policy or the procedures set forth herein, and copies of all required SEC reports relating to insider trading, including without limitation Forms 3, 4, 5 and 144 and Schedules 13D and 13G;

H. revising the Policy as necessary to reflect changes in federal or state insider trading laws and regulations; and

I. maintaining the accuracy of the list of Section 16 Insiders (as defined below) and the list of Insider Employees, each maintained by the Company's Compliance Department, and updating such lists periodically as necessary to reflect additions or deletions.

Compliance Officers may designate one or more individuals who may perform the Compliance Officer's duties in the event that a Compliance Officer is unable or unavailable to perform such duties. In fulfilling duties under this Policy, Compliance Officers shall be authorized to consult with VRRM outside counsel.

5. Only Designated Company Spokespersons Are Authorized to Disclose Material Nonpublic Information

U.S. federal securities laws prohibit the Company from selectively disclosing material nonpublic information. VRRM has established procedures for releasing material information in a manner that is designed to achieve broad dissemination of the information immediately upon its release. Employees may not, therefore, disclose material nonpublic information to anyone outside the Company, including family members and friends, other than in accordance with those established procedures. Any inquiries about the Company should be directed to our Investor Relations team.

6. Employees Must Follow Company Guidelines Pertaining to Communications about the Company

Employees must follow the VRRM Disclosure and Regulation FD Policy and the communication guidelines contained in the Employee Handbook when communicating about the Company, including via social media or other Internet posting.

Proprietary and Confidential

7. Other Transactions in Company Securities: Certain Exceptions to Policy

A. General Rule. This Policy applies to all transactions in VRRM securities, including any securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company's stock, whether or not issued by VRRM, such as exchange-traded options.

B. Employee Benefit Plans.

i. Equity Incentive Plans. The trading restrictions set forth in this Policy do not apply to the exercise of stock options or other equity awards for cash, but do apply to all sales of securities acquired through the exercise of stock options or other equity awards, including "***same-day sale***" or cashless exercise of Company stock options.

ii. Employee Stock Purchase Plans. The trading restrictions set forth in this Policy do not apply to purchases of Company securities pursuant to the employee's advance instructions under employee stock purchase plans or employee benefit plans (e.g., a pension or 401(k) plan). However, no alteration to instructions regarding the level of withholding or the purchase of Company securities in such plans is permitted while in the possession of material nonpublic information. Any sale of securities acquired under such plans remains subject to the prohibitions and restrictions of this Policy.

iii. The trading restrictions set forth in this Policy do not apply to the (i) exercise of options on a "net exercise" basis pursuant to which an optionee either (A) delivers outstanding shares of common stock to the Company or (B) authorizes the Company to withhold from issuance shares of common stock issuable upon exercise of the option, in either case, having a fair market value on the date of exercise equal to the aggregate exercise price; or (iii) the forfeiture to the Company of shares of common stock to cover withholding tax obligations; provided, that in each case, the trading restrictions set forth in this Policy apply to all sales of securities acquired through the exercise of stock options or other equity awards, including "same-day sale" or cashless exercise effected through a broker of Company stock options.

8. Policy Violations Must Be Reported

Any person who violates this Policy, the Company's Disclosure Policy or any federal or state laws governing insider trading, or knows of any such violation by any other person, must report the violation immediately to a Compliance Officer or the Audit Committee of VRRM Board of Directors, as the SEC can seek civil penalties against the Company, our directors and supervisory personnel for failing to take appropriate steps to prevent illegal trading. Upon learning of any such violation, a Compliance Officer or Audit Committee, in consultation with the Company's legal counsel, will determine whether the Company should release any material nonpublic information or whether the Company should report the violation to the SEC or other appropriate governmental authority.

9. VRRM May Suspend All Trading Activities by Employees

In order to avoid any questions and to protect both employees and the Company from any potential liability, from time to time VRRM may impose a "***blackout***" period during which some or all employees may not buy or sell VRRM securities. This restriction does not apply

to transactions made under an approved Rule 10b5-1 trading plan. A Compliance Officer will impose such a blackout period if, in his or her judgment, there exists nonpublic information that would make trades by VRRM employees (or certain VRRM employees) inappropriate in light of the risk that such trades could be viewed as violating applicable securities laws. If you are made aware of such a blackout period, do not disclose its existence to anyone. The Compliance Officer will notify persons that were subject to a blackout period when such period has ended.

10. Violations of Insider Trading Laws or This Policy Can Result in Severe Consequences

A. Civil and Criminal Penalties. The consequences of prohibited insider trading or tipping can be severe. Persons violating insider trading or tipping rules may be required to disgorge profit made or loss avoided, pay civil penalties up to three times the profit made or loss avoided, face private action for damages, as well as be subject to criminal penalties, including up to 20 years in prison and fines of up to $5 million. The Company and/or the supervisors of the person violating the rules may also be required to pay major civil or criminal penalties.

B. Company Discipline. Violation of this Policy or federal or state insider trading laws by any director, officer or employee may subject the director to removal proceedings and the officer or employee to disciplinary action by the Company, including termination for cause.

11. This Policy is Subject to Revision

VRRM may change the terms of this Policy from time to time to respond to developments in law and practice, and will take steps to inform all affected persons of any material changes.

12. All Persons Must Acknowledge Their Agreement to Comply with This Policy

The Policy will be available on the Company's internal website, delivered to all persons subject to this Policy upon adoption, and to all new other persons at the start of their employment or relationship with the Company. Upon first receiving a copy of the Policy or any revised versions, each such person must sign an acknowledgment that he or she has received a copy and agrees to comply with the Policy's terms. This acknowledgment and agreement will constitute consent for VRRM to impose sanctions for violation of this Policy and to issue any necessary stop-transfer orders to the Company's transfer agent to enforce compliance with this Policy.

Part II

13. Executive Officers, Directors and Certain Named Employees are Subject to Additional Restrictions

A. Section 16 Insiders. Each of the Company's directors and executive officers who are subject to the reporting provisions and trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and the underlying rules and regulations promulgated by the SEC are designated as a "**Section 16 Insider**" for this Policy. The Compliance Department will update the persons who are designated as a "Section 16 Insider" from time to time as necessary to reflect additions, resignations or departures.

B. Insider Employees. The Compliance Department maintains a list of employees who have frequent access to material nonpublic information concerning the Company ("***Insider Employees***"). The Compliance Department will update the list of Insider Employees from time to time as necessary to reflect additions or departures.

C. Additional Restrictions. Because Section 16 Insiders and Insider Employees regularly possess material nonpublic information about the Company, and in light of the reporting requirements to which Section 16 Insiders are subject under Section 16 of the Exchange Act, Section 16 Insiders and Insider Employees are subject to the additional restrictions set forth in this Part II of the Policy. For purposes of this Policy, Section 16 Insiders and Insider Employees are each referred to as "***Insiders.***"

14. Trading Window

Any trade by an Insider that is subject to this Policy will be permitted only during an open "***trading window***." Even when the window is open, all Company personnel are prohibited from trading in VRRM securities while in possession of material nonpublic information. The trading window generally opens **following the close of trading on the first full trading day** following the public issuance of the Company's earnings release for the most recent fiscal quarter and closes **at the close of trading fourteen (14) calendar days prior to the end of a fiscal quarter**. In addition to when the trading window is scheduled to be closed, the Company may impose a special blackout period at its discretion due to the existence of material nonpublic information. A VRRM Compliance Officer will advise Insiders when the trading window opens and closes.

15. Trading Pre-Clearance Required

As part of this Policy, all purchases, sales or gifts of securities of the Company by Insiders must be pre-cleared by a Compliance Officer, in all cases regardless of whether or not a blackout period is in effect. Insiders do not need to receive pre-clearance for transactions that are not subject to the Policy or for transactions pursuant to an approved Rule 10b5-1 trading plan. See "Pre-Clearance of Rule 10b5-1 Trading Plans Required" below. The pre-clearance requirement is intended to prevent inadvertent Policy violations, avoid trades involving the appearance of improper insider trading, facilitate timely Form 4 reporting by Section 16 Insiders and avoid transactions that are subject to disgorgement under Section 16(b) of the Exchange Act.

Requests for pre-clearance must be submitted on a Preclearance Request and Approval Form, a copy of which may be obtained from the Compliance Department, to a Compliance Officer at least **two** business days in advance of each proposed transaction. If the Insider does not receive a response from a Compliance Officer within **24** hours, the Insider must follow up to ensure that the message was received. Once the proposed transaction is pre-cleared, the Insider may proceed with it on the approved terms within a 5-business day period immediately following receipt by the Insider of such clearance, provided that he or she complies with all other securities law requirements, such as Rule 144 and prohibitions regarding trading on the basis of inside information, and with any special trading blackout imposed by the Company prior to the completion of the trade. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

16. Pre-Clearance of Rule 10b5-1 Trading Plans Required

Prior to entering into or amending a Rule 10b5-1 trading plan, an Insider must obtain the approval of a Compliance Officer at least **five** full trading days prior to entry into or modification of the plan. However, pre-clearance will not be required for individual transactions effected pursuant to an approved Rule 10b5-1 trading plan. Any Rule 10b5-1 trading plan entered into by an Insider must comply with and be operated in accordance with applicable rules of the Securities and Exchange Commission and the requirements set forth in the Company's Guidelines for Rule 10b5-1 Trading Plans, a copy of which may be obtained from the Compliance Department. Clearance of a Rule 10b5-1 trading plan by a Compliance Officer is valid for no more than the 5-business day period immediately following receipt by the Insider of such clearance. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. All Section 16 Insiders must immediately report the results of transactions effected under a trading plan to a Compliance Officer since they will be reportable on Form 4 within two business days following the execution of the trade, subject to an extension of not more than two additional business days where the Section 16 Insider is not immediately aware of the execution of the trade. Notwithstanding the foregoing, any transactions by a Compliance Officer who is also an Insider shall be subject to pre-clearance by another Compliance Officer, the Chief Financial Officer or, in the event of their unavailability, the Chief Executive Officer.

17. Hardship Exemptions

Compliance Officers may, on a case-by-case basis, authorize a transaction in VRRM securities outside of the trading window (but in no event during a special blackout period) due to financial or other hardship. Any request for a hardship exemption must be in writing and must describe the amount and nature of the proposed transaction and the circumstances of the hardship. The Insider requesting the hardship exemption must also certify to a Compliance Officer within two business days prior to the date of the proposed trade that he or she is not in possession of material nonpublic information concerning VRRM. The existence of the foregoing procedure does not in any way obligate a Compliance Officer to approve any hardship exemption requested by an Insider.

18. Brokers

All Insiders must ensure that their broker does not to execute any transaction for the Insider (other than under a previously approved Rule 10b5-1 trading plan) until the broker has verified with a Compliance Officer that the transaction has been precleared.

19. Reporting of Transactions Required

To facilitate timely reporting under Section 16 of the Exchange Act, Section 16 Insiders are required to ***on the same day as the trade date***, or, with respect to transactions effected pursuant to a Rule 10b5-1 trading plan, on the day the Insider is advised of the terms of the transaction, (a) report the details of each transaction to a Compliance Officer and (b) arrange with persons whose trades must be reported by the Insider under Section 16 of the Exchange Act (such as immediate family members living in the Insider's household) to immediately report directly to the Company and to the Insider the following transaction details:

- Transaction date (trade date).

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- Number of shares involved.
- Price per share at which the transaction was executed (before addition or deduction of brokerage commission and other transaction fees).
- For stock option exercises, the specific option exercised.
- Contact information for the broker who executed the transaction.

The transaction details must be reported to a Compliance Officer, with copies to VRRM personnel who will assist the Section 16 Insider in preparing his or her Form 4. Section 16 Insiders are also required to report any gifts on the same day as the gift transaction occurred.

20. Oversight by the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee (the "***Committee***") of the Board of Directors will be responsible for monitoring and recommending any modification to this Policy, if necessary or advisable, to the Board of Directors. The Committee will also review, at least annually, those individuals who are deemed to be executive officers for purposes of Section 16 of the Exchange Act and will recommend any changes regarding such status to the Board of Directors.

21. Named Employees Considered Insiders

The Committee will review, at least annually, those individuals deemed to be "***Insiders***" for purposes of this Part II. Insiders shall include persons subject to Section 16 of the Exchange Act and such other persons as the Committee deems to be Insiders. Generally, Insiders shall be any person who by function of their employment is *consistently* in possession of material nonpublic information *or* performs an operational role, such as head of a division or business unit, that is material to the Company as a whole.

22. Certain Types of Transactions Are Prohibited

A. Short Sales. Short sales of VRRM securities are prohibited, as short sales evidence the seller's expectation that VRRM securities will decline in value, signal to the market that the seller has no confidence in the Company or its short-term prospects, and may reduce the seller's incentive to improve VRRM performance. In addition, Section 16(c) of the Exchange Act prohibits executive officers and directors from engaging in short sales.

B. Publicly Traded Options. Transactions in puts, calls or other derivative securities involving VRRM stock are prohibited, as such transaction is, in effect, a bet on the short-term movement of the Company's stock, creates the appearance of trading based on inside information, and may focus attention on short-term performance at the expense of VRRM long-term objectives.

C. Hedging Transactions. Hedging or monetization transactions (including but not limited to zero-cost collars, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments) are prohibited, as such transactions allow you to continue to own VRRM securities without the full risks and rewards of ownership and as a result, you may not have the same objectives as other stockholders.

D. Margin Accounts and Pledges. Directors, officers and other employees are prohibited from holding Company securities in a margin account or pledging Company securities

as collateral for a loan, as such securities may be traded without your consent (for failing to meet a margin call or if you default on the loan) at a time when you possess material nonpublic information or otherwise are not permitted to trade.

E. Short-Term Trading. Executive officers and directors who purchase VRRM securities in the open market may not sell any VRRM securities of the same class during the six months following the purchase (or vice versa), as short-term trading of the Company's securities may be distracting and may unduly focus the person on short-term stock market performance, instead of VRRM long-term business objectives, and may result in the disgorgement of any short swing profits.

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Exhibit 21.1

Subsidiaries of Verra Mobility Corporation

Entity	Jurisdiction of Formation
American Traffic Solutions Consolidated, L.L.C.	Delaware
American Traffic Solutions, Inc.	Kansas
American Traffic Solutions, L.L.C.	Delaware
ATS Processing Services, L.L.C.	Delaware
Auto Tag of America LLC	Delaware
Auto Titles of America LLC	Delaware
Canadian Highway Toll Administration Ltd.	British Columbia
Citation Collection Services, LLC	Indiana
Contractum Ltd	England & Wales
EPC Hungary Kft	Hungary
Euro Parking Collection PLC	England & Wales
Greenlight Acquisition Corporation	Delaware
Highway Toll Administration, LLC	New York
LaserCraft, Inc.	Georgia
Mulvihill ICS, Inc.	New York
Pagatelia, S.L.U.	Spain
PlatePass, L.L.C.	Delaware
Redflex Enforcement Services Pty Ltd	Victoria
Redflex Holdings Pty Ltd	Victoria
Redflex Irish Investments Pty Ltd	Victoria
Redflex Traffic Systems (Canada) Limited	British Columbia
Redflex Traffic Systems India Private Limited	India
Redflex Traffic Systems Limited	England & Wales
Redflex Traffic Systems Malaysia Sdn. Bhd.	Malaysia
Redflex Traffic Systems Pty Ltd	Victoria
Redflex Traffic Systems, Inc.	Delaware
RTS R&D Pty Ltd	Victoria
Sunshine State Tag Agency LLC	Delaware
T2 Holding Corp.	Delaware
T2 Systems Canada Inc.	British Columbia
T2 Systems Parent Corporation	Delaware
T2 Systems, Inc.	Indiana
Verra Mobility B.V.	Netherlands
Verra Mobility Electrical Enterprises, Inc.	New York
Verra Mobility France SAS	France
Verra Mobility Government Solutions, Inc.	Delaware
Verra Mobility Ireland Limited	Ireland
VM Consolidated, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in post-effective amendment No. 3 to Registration Statement No. 333-260822 on Form S-3 and Registration Statement Nos. 333-230378 and 333-272331 on Form S-8 of our reports dated February 27, 2025 relating to the financial statements of Verra Mobility Corporation ("the Company") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2024.

/S/ Deloitte & Touche LLP

Tempe, Arizona
February 27, 2025

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-230378) pertaining to the Verra Mobility Corporation 2018 Equity Incentive Plan,

(2) Registration Statement (Form S-3 No. 333-260822), and

(3) Registration Statement (Form S-8 No. 333-272331) pertaining to the Verra Mobility Corporation Amended and Restated 2018 Equity Incentive Plan;

of our report dated March 1, 2023, with respect to the consolidated financial statements and schedule of Verra Mobility Corporation, included in this Annual Report (Form 10-K) of Verra Mobility Corporation for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Phoenix, Arizona
February 27, 2025

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Roberts, certify that:

1. I have reviewed this Annual Report on Form 10-K of Verra Mobility Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (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: February 27, 2025

By: /s/ David Roberts

David Roberts
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Craig Conti, certify that:

1. I have reviewed this Annual Report on Form 10-K of Verra Mobility Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (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: February 27, 2024

By: /s/ Craig Conti

Craig Conti
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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

In connection with the Annual Report of Verra Mobility Corporation (the "***Company***") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, David Roberts, President and Chief Executive Officer of the Company, 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 Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: February 27, 2025

By: /s/ David Roberts
David Roberts
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

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

In connection with the Annual Report of Verra Mobility Corporation (the "***Company***") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "***Report***"), I, Craig Conti, Chief Financial Officer of Verra Mobility Corporation, 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 Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: February 27, 2025

By: /s/ Craig Conti
Craig Conti
Chief Financial Officer
(Principal Financial Officer)