CONFIDENTIAL

$550,000,000 % Senior Secured Notes due , 2028
$800,000,000 % Senior Notes due , 2031

Ritchie Bros. Holdings Inc.

guaranteed by

Ritchie Bros. Auctioneers Incorporated

and upon consummation of the Mergers, guaranteed by certain of its subsidiaries

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This offering circular relates to the offering of (i) an aggregate of $550,000,000 aggregate principal amount of % Senior Secured Notes due , 2028 (the "secured notes") and (ii) an aggregate of $800,000,000 aggregate principal amount of % Senior Notes due , 2031 (the "unsecured notes" and, together with the secured notes, the "notes" and each, a "series of notes") to be issued by Ritchie Bros. Holdings Inc. (the "Issuer"), a Washington corporation and wholly-owned subsidiary of Ritchie Bros. Auctioneers Incorporated ("we," "us," "our," "Ritchie Bros." or the "Company"), a Canadian corporation, in connection with the financing for our previously announced proposed acquisition of IAA, Inc. ("IAA"), a Delaware corporation, and the redemption of our 2016 Notes (as defined herein) concurrently with the closing of the acquisition.

Interest on the secured notes will be payable in cash semi-annually in arrears on and of each year, beginning on , 2023. The secured notes will mature on , 2028. Interest on the unsecured notes will be payable in cash semi-annually in arrears on and of each year, beginning on , 2023. The unsecured notes will mature on , 2031.

If this offering is consummated prior to the consummation of the Mergers (as defined below), then upon the closing of this offering, the Issuer will deposit the gross proceeds from the sale of each series of notes in this offering, together with certain additional amounts, into a separate escrow account for each series of notes. If the Mergers are not consummated on or before September 30, 2023, or the Merger Agreement (as defined below) is terminated prior to such date, the Issuer will be required to redeem all of the outstanding notes of each series at a redemption price equal to 100% of the original offering price of each series of the notes, plus accrued and unpaid interest to, but excluding, the date of such mandatory redemption of such series. Until the release of the proceeds in an escrow account, the applicable series of notes will be secured by a first-priority security interest in such escrow account and funds held therein. If this offering is consummated at or following the time of the consummation of the Mergers, we will forego the escrow procedures described in this offering circular. See "Description of Secured Notes—Escrow Related Provisions" and "Description of Unsecured Notes—Escrow Related Provisions." This offering is not conditioned upon the completion of the Mergers. The Mergers are, however, subject to certain closing conditions, including required shareholder approvals and other customary closing conditions, and neither the Company nor the Issuer can guarantee that the Mergers will be completed on a timely basis or at all. For further details regarding the Mergers and the other Transactions (as defined below), see "The Transactions."

If this offering is consummated prior to the consummation of the Mergers, at the time of issuance, each series of notes will initially be the senior secured obligations of the Issuer, secured only by the amounts deposited in the applicable escrow account (as described above). If this offering is consummated prior to the consummation of the Mergers, each series of notes will initially be guaranteed by the Company and will not be guaranteed by any of the Company's subsidiaries, IAA Holding (as defined below) or any of IAA Holding's subsidiaries. Upon consummation of the Mergers, each series of notes will be, jointly and severally, fully and unconditionally guaranteed, on a senior unsecured basis, in the case of the unsecured notes, and on a senior secured basis, in the case of the secured notes, by the Company and each of the Company's other subsidiaries (other than the Issuer) that is a borrower, or guarantees indebtedness, under the Credit Agreement (as defined below) or certain capital markets indebtedness, including the other series of notes offered hereby. IAA Holding and its subsidiaries that will become a borrower or guarantor under the Credit Agreement are expected to become guarantors of the notes following the consummation of the Mergers. The secured notes and related guarantees thereto will be secured, subject to permitted liens and certain other exceptions, by first priority liens on substantially the same collateral that secures the obligations under the Credit Agreement as described herein. The unsecured notes and related guarantees thereto will not be secured by any collateral. Each series of notes and the related guarantees, respectively, will be equal in right of payment with all of the Issuer's and the guarantors' senior

debt (including borrowings under the Credit Agreement) and senior in right of payment to all of the Issuer's and the guarantors' future subordinated debt, if any, in each case, without giving effect to collateral arrangements. The secured notes and related guarantees, respectively, will be *pari passu* with the Issuer's and the guarantors' obligations that are secured by a first priority lien (subject to certain permitted liens) on the Collateral (as defined under "Description of Secured Notes") (including the borrowings under the Credit Agreement) to the extent of the value of the Collateral, and effectively senior to the Issuer's and the guarantors' respective existing and future indebtedness that is unsecured or that is secured by junior liens, including the unsecured notes and the Company's 2016 Notes (as defined herein), in each case to the extent of the value of the Collateral. The unsecured notes and the related guarantees, respectively, will be effectively subordinated to all of the Issuer's and the guarantors' obligations that are secured, including the secured notes and borrowings under the Credit Agreement, to the extent of the value of the assets securing such obligations, in each case, to the extent of the value of the assets securing such indebtedness. Each series of notes and the related guarantees will be structurally subordinated to all of the liabilities of the Company's subsidiaries (other than the Issuer) that do not guarantee the notes. See "Description of Secured Notes" and "Description of Unsecured Notes."

The initial purchasers are offering the notes to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"). In addition, the initial purchasers, through their respective selling agents, are offering the notes to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act.

The notes will be issued only in denominations of $2,000 and integral multiples of $1,000. The Issuer has the option to redeem all or a portion of each series of notes at any time and from time to time on or after , 2025 and , 2026 (with respect to the secured notes and unsecured notes, respectively) at the redemption prices set forth in this offering circular. In addition, the Issuer may redeem up to 40% of each series of notes at any time and from time to time before , 2026, with an amount up to the net proceeds from certain equity offerings at a redemption price of % and % (with respect to the secured notes and unsecured notes, respectively) of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuer may also redeem all or a portion of each series of notes at any time and from time to time before , 2025 and , 2026 (with respect to the secured notes and unsecured notes, respectively) at a redemption price of 100% of the original offering price plus accrued and unpaid interest, if any, to, but excluding, the redemption date, plus a "make-whole" premium. If we experience certain kinds of changes of control following the consummation of the Mergers, the Issuer may be required to repurchase each series of notes at a price equal to 101% of the principal amount of each series of notes, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. If we make certain asset sales and do not use the net proceeds for specified purposes, the Issuer may be required to offer to repurchase each series of notes with such net proceeds at a price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

Each series of notes will be evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company. Except as described herein, beneficial interests in a global note will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants in respect of each series of notes.

No public market currently exists for the notes. Neither we nor the Issuer intend to apply for listing of the notes on any securities exchange or for inclusion of any series of notes in any automated quotation system.

See "Risk Factors" beginning on page 30 to read about important factors you should consider before buying the notes. Before investing in the notes, you should also consider the risks described under "Risk Factors" in our latest Annual Report on Form 10-K, which have been incorporated by reference in this offering circular (as such risk factors may be updated from time to time in our public filings).

Offering Price of secured notes: %

Offering Price of unsecured notes: %

The offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from , 2023. If the notes are delivered after , 2023, accrued interest must be paid by the purchaser until the time of delivery at the time of the first intended payment date.

The notes have not been and will not be registered under the Securities Act and are being offered and sold only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act provided that in the case of such notes offered or sold to or for the benefit of persons located in or resident of Canada, such offers or sales are being made in Canada to accredited investors on a private placement basis in reliance on certain exemptions available pursuant to the securities laws of Canada. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions

of Section 5 of the Securities Act provided by Rule 144A. The notes are not transferable except in accordance with the restrictions described under "Notice to Investors."

The initial purchasers expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on , 2023.

Joint Book-Running Managers

Goldman Sachs & Co. LLC **BofA Securities** **RBC Capital Markets** **Wells Fargo Securities**

Co-Managers

Scotiabank **CIBC Capital Markets** **US Bancorp** **MUFG**

Truist Securities **HSBC** **Citizens Capital Markets**

Offering Circular dated , 2023.

We and the Issuer have not, and the initial purchasers and their affiliates have not, authorized anyone to give you any information or to make any representation not contained in, or incorporated by reference into, this offering circular. We and the Issuer do not, and the initial purchasers and their affiliates do not, take any responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. No offer of these securities is being made in any jurisdiction where any such offer is prohibited. You should not assume that the information provided in this offering circular is accurate as of any date other than the date of the offering circular or that any information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Neither the delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any other date. This offering circular does not constitute an offer, or an invitation on the Issuer's behalf or on behalf of the initial purchasers, to subscribe for and purchase any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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The Issuer is making this offering in reliance on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes may not be offered or sold in the United States or to U.S. persons (other than distributors (as defined in Regulation S under the Securities Act)) unless the securities are registered under the Securities Act and any applicable state securities laws, or an exemption from such registration requirements is available. Laws in certain jurisdictions may restrict the distribution of this offering circular and the offer and sale of the notes. Persons into whose possession this offering circular or any of the notes are delivered must inform themselves about, and observe, those restrictions. You must comply with all applicable laws and regulations

in force in any applicable jurisdiction, and you must obtain any consent, approval or permission required for the purchase, offer or sale by you of the notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we, the Issuer nor the initial purchasers will have any responsibility therefor.

Any distribution of the notes in Canada will be made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in any province or territory where distributions of the notes are made. Any resale of the notes in Canada must be made in compliance with the requirements of applicable Canadian securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority.

By purchasing the notes, you will be deemed to have made acknowledgments, representations, warranties and agreements as set forth under "Notice to Investors" in this offering circular. We and the Issuer are not, and the initial purchasers are not, making an offer to sell the notes in any jurisdiction except where such offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering circular summarizes documents and other information in a manner we and the Issuer believe to be accurate, but we refer you to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents, as indicated under "Where You Can Find Additional Information," for a more complete understanding of the information we discuss in this offering circular. All summaries are qualified in their entirety by this reference. In making an investment decision, you must rely on your own examination of such documents, our business and the terms of the offering and the notes, including the merits and risks involved.

By accepting delivery of this offering circular, you acknowledge that (1) you have been afforded an opportunity to request and to review all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering circular, (2) you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with the investigation of the accuracy of such information or your investment decision, (3) this offering circular relates to an offering that is exempt from registration under the Securities Act and (4) no person has been authorized to give information or to make any representations concerning us, the Issuer, this offering or the notes described in this offering circular, other than as contained in this offering circular.

This offering circular may not be copied or reproduced in whole or in part, and it may only be distributed and disclosed to the prospective investors to whom it is provided.

We and the Issuer make no representation to you that the notes are a legal investment for you. You should not consider any information in this offering circular to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes. Neither the delivery of this offering circular nor any sale made pursuant to this offering circular implies that any information set forth in this offering circular is correct as of any date after the date of this offering circular or that any information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

You should contact the initial purchasers with any questions about this offering or if you require additional information to verify the information contained in this offering circular.

The Issuer reserves the right to withdraw this offering of the notes at any time. The Issuer and the initial purchasers also reserve the right to reject any offer to purchase the notes in whole or in part for any reason and to allot to any prospective investor less than the full amount of notes sought by such investor. In connection with this offering, the initial purchasers may, but are not required to, effect transactions that stabilize or maintain the market price of the notes at a higher level than the notes might otherwise achieve in the open market. Such stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see "Plan of Distribution" in this offering circular.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information set forth in this offering circular, and nothing contained in this offering circular is, nor should you rely upon it as, a promise or representation, whether as to the past or the future.

This offering circular is strictly confidential and has been prepared by us and the Issuer solely for use in connection with the proposed offering of the notes described in this offering circular. This offering circular is personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the notes. Distribution of this offering circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect to this offering circular is unauthorized and any disclosure of any of its contents without our prior written consent is prohibited. By accepting delivery of this offering circular, you agree to the foregoing and not to make any photocopies, in whole or in part, of this offering circular or any documents delivered in connection with this offering circular. If you do not purchase the notes, or this offering of the notes is terminated, you agree to return this offering circular to: Goldman Sachs & Co. LLC, 200 West Street, New York, NY 10282.

Neither the Securities and Exchange Commission (the "SEC"), any state securities commission nor any other regulatory authority has approved or disapproved the securities offered hereby, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this offering circular. Any representation to the contrary is a criminal offense.

We expect that delivery of the notes will be made to investors on or about , 2023, which will be the business day following the date of this offering circular (such settlement being referred to as "T+ "). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the second business day immediately preceding the delivery of the notes by the initial purchasers will be required, by virtue of the fact that the notes initially settle in T+ , to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery by the initial purchasers should consult their advisors.

NON-GAAP FINANCIAL MEASURES

United States generally accepted accounting principles ("GAAP") is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to presenting financial results prepared in accordance with GAAP in this offering circular, we also have included certain non-GAAP financial measures, including Adjusted EBITDA of Ritchie Bros. ("RBA Adjusted EBITDA"), Adjusted EBITDA of IAA ("IAA Adjusted EBITDA") and adjusted pro forma EBITDA, adjusted pro forma net income attributable to common stockholders, operating free cash flow ("OFCF"), pro forma gross leverage, pro forma net leverage, pro forma secured net leverage and ratios utilizing one or more of such measures, which we believe are useful to help investors better understand our financial performance, competitive position and prospects for the future.

Beginning in the third quarter of 2021, we updated the calculation of RBA Adjusted EBITDA to add back share-based payments expense, all acquisition-related costs (including any share based continuing employment costs recognized in acquisition-related costs), and gain or loss on disposition of property, plant and equipment. During the quarter ended September 30, 2022, we updated our calculation of return on invested capital, which is now calculated as reported return divided by average invested capital. Reported return is defined as net income attributable to stockholders excluding the impact of net interest expense, tax effected at the Company's adjusted annualized effective tax rate. We also updated the calculation of average invested capital to include average short term debt. Similarly, adjusted return on invested capital is calculated as adjusted return divided by adjusted average invested capital. Adjusted return is defined as reported return, updated as noted above, and adjusted for items that we do not consider to be part of our normal operating results, tax effected at the applicable tax rate. Adjusted average invested capital is calculated as average invested capital, updated as noted above, but excludes any long-term debt in escrow. Each of these changes have been applied retrospectively to all periods presented, as applicable.

RBA Adjusted EBITDA is calculated by adding back depreciation and amortization expenses, interest expense, income tax expense, and subtracting interest income from net income, as well as adding back share-based payments expense, acquisition-related costs, gain or loss on disposition of property, plant and equipment and excluding the effects of any non-recurring or unusual adjusting items. Adjusted pro forma EBITDA and adjusted net income attributable to common stockholders are each calculated on a pro forma basis as described in Note 7 of the notes to the unaudited pro forma condensed combined financial information under "Unaudited Pro Forma Condensed Combined Financial Information." IAA Adjusted EBITDA is calculated as net income before income taxes, interest expense, and depreciation and amortization and further adjusted for items that IAA's management believes are not representative of ongoing operations including, but not limited to, (a) non-income, tax-related accruals, (b) fair value adjustments related to contingent considerations, (c) severance, restructuring and other retention expenses, (d) for periods prior to the first quarter of 2021, incremental costs and expenses associated with COVID-19, including cleaning services, cleaning supplies and personal protective equipment, (e) the net loss or gain on the sale of assets or expenses associated with certain M&A, financing and other transactions, (f) acquisition costs and (g) certain professional fees, as well as (h) gains and losses related to foreign currency exchange rates. Adjusted net income for IAA is calculated as net income further adjusted for items that IAA's management believes are not representative of ongoing operations including, but not limited to, (a) non-income, tax-related accruals, (b) fair value adjustments related to contingent considerations, (c) severance, restructuring and other retention expenses, (d) for periods prior to the first quarter of 2021, incremental costs and expenses associated with COVID-19, including cleaning services, cleaning supplies and personal protective equipment, (e) the net loss or gain on the sale of assets or expenses associated with certain M&A, financing and other transactions, (f) acquisition costs, and (g) certain professional fees, as well as (h) gains and losses related to foreign currency exchange rates, (i) the amortization of acquired intangible assets and (j) loss on extinguishment of debt, and further adjusted to reflect the tax impact of these items.

We believe RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders provide useful information to investors about us and our financial condition and results of operations for the following reasons: (i) they are among the measures used by the respective management team to evaluate operating performance; (ii) they are among the measures used by the respective management team to make day-to-day operating decisions and (iii) they are frequently used by investors and other interested parties.

RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders have limitations as analytical tools, and you should not consider such measures

either in isolation or as a substitute for net income, cash flow or other methods of analyzing our results as reported under GAAP. Some of these limitations are:

- RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders do not reflect changes in, or cash requirements for, our or IAA's working capital needs;

- RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders do not reflect our or IAA's interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;

- RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders do not reflect our or IAA's tax expense or the cash requirements to pay our or IAA's taxes;

- RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;

- RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders do not reflect the impact on earnings or changes resulting from matters that we or IAA consider not to be indicative of future operations;

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized with the exception of certain intangible assets will often have to be replaced in the future and RBA Adjusted EBITDA, IAA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders do not reflect any cash requirements for such replacements;

- we may use terms similar to "Adjusted EBITDA" in certain debt agreements, including those governing the Credit Agreement and the notes, where the definitions of such terms used in such agreements may not be the same as the definitions used in this offering circular; and

- other companies in our industry may calculate Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders differently, limiting their usefulness as comparative measures.

We provide a reconciliation of RBA Adjusted EBITDA, adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders to our net income, pro forma net income and pro forma net income attributable to common stockholders, respectively, which, in each case, is the most directly comparable GAAP financial measure. See the notes to the tables under the heading "Summary—Summary Historical Consolidated Financial and Other Data of Ritchie Bros." and Note 7 to the unaudited pro forma condensed combined financial information under "Unaudited Pro Forma Condensed Combined Financial Information."

We also use the non-GAAP financial measures: pro forma gross leverage, pro forma net leverage, pro forma secured net leverage and ratios utilizing one or more of such measures. Refer to the footnotes under "Summary—Summary Unaudited Pro Forma Condensed Combined Financial Information and Other Data" for a description of the calculation and usefulness of these non-GAAP financial measures.

We believe that comparing OFCF on a trailing twelve-month basis to different financial periods provides an effective measure of the cash generated by our business and provides useful information regarding cash flows remaining for discretionary return to stockholders, mergers and acquisitions, or debt reduction. We calculate OFCF by subtracting net capital spending from cash provided by operating activities. We calculate net capital spending as property, plant and equipment additions plus intangible asset additions less proceeds on disposition of property, plant and equipment.

These non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, operating income, net income, operating cash flows and other measures of financial performance prepared in accordance with GAAP, and should not be considered as discretionary cash available to us to reinvest in the growth

of our business or as measures of cash that will be available to us to meet our obligations. We provide a reconciliation of these non-GAAP measures in this offering circular under "Summary—Summary Unaudited Pro Forma Condensed Combined Financial Information and Other Data" and "Summary—Summary Historical Consolidated Financial and Other Data of Ritchie Bros."

INDUSTRY AND MARKET DATA

This offering circular includes estimates of industry data and market share and forecasts that we or IAA, as the case may be, obtained from industry research and internal company sources. Such industry research has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. We have not independently verified any of such information or any other data from third-party sources nor have we ascertained the underlying economic assumptions relied upon with respect to such information or data. Statements as to IAA's market position and market size are based on IAA's internal company estimates. Statements as to our market position and market size are based on internal company estimates utilizing historical financial and other operating data from auctions and market surveys currently available to us and that we believe are reasonable although such statements have not been verified by independent sources, and, except as required by law, we undertake no obligation to update such information or data. Our and IAA's estimates involve risks and uncertainties, and are subject to change based on various factors, including those discussed under the headings "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in this offering circular.

TRADEMARKS

We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business. In addition, our name, logo and website name and address are our service marks or trademarks. Additionally, IAA owns or has rights to trademarks or trade names that it uses in conjunction with the operation of its business. Each trademark, trade name or service mark by any other company appearing in this offering circular, including IAA, belongs to its holder. The offering circular may include trademarks, service marks or trade names of other companies. Our use or display of other parties' trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of us or IAA by, the trademark, service mark or trade name owners or licensees. Solely for convenience, the trademarks, service marks and tradenames referred to in this offering circular are without the "®" and "™" symbols, but such references are not intended to indicate, in any way, that the applicable owner will not assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

NO SEC REVIEW

The information included in this offering circular relates to an offering that is exempt from or not subject to registration under the Securities Act. We have filed with the SEC a registration statement on Form S-4 to register the common shares to be issued to IAA securityholders in connection with the Mergers (the "Mergers Form S-4"). The Mergers Form S-4 includes a joint proxy statement/prospectus in connection with our solicitation of the approval of our shareholders of the issuance of such common shares in connection with the Mergers (the "proxy statement/prospectus"). There are no registration rights associated with the notes, and we have no intention to offer notes registered under the Securities Act in exchange for the notes offered in this offering or to file a registration statement with respect to the notes. The indentures governing the notes will not be qualified under the Trust Indenture Act of 1939, as amended (the "TIA"), or subject to the terms of, or incorporate any provision of, the TIA.

We believe that the financial statements and the other financial data included and incorporated by reference in this offering circular have been prepared in a manner that complies, in all material respects, with GAAP and the regulations published by the SEC and are consistent with current practice, except that, among other things, certain financial measures not recognized under GAAP are presented. In lieu of the information that would be required by Rule 3-10 of Regulation S-X under the Securities Act, we have included elsewhere certain quantitative data in respect of our subsidiaries which will not guarantee the notes.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering circular includes statements that are, or may be deemed, "forward-looking information" and "forward looking statements" within the meaning of applicable Canadian and United States securities legislation (collectively herein referred to as "forward-looking statements"). Forward-looking statements are typically identified by such words as "aim," "anticipate," "believe," "could," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "will," "should," "would," "could," "likely," "generally," "future," "long-term," "goal," "opportunity," or the negative of these terms, and similar expressions intended to identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this offering circular and include statements regarding our intentions, beliefs, projections, forecasts, estimates, outlook, analyses or current expectations concerning, among other things, this offering and the terms and timing thereof, the cost savings, synergies and other benefits we expect to achieve (and the timing thereof) from the Mergers and the other Transactions, our results of operations, financial condition, liquidity, prospects and growth strategies and the trends that may affect our industry and IAA's industry.

By their nature, forward-looking statements involve risks and uncertainties and are subject to assumptions because they relate to events, competitive dynamics, customer and industry change and depend on the economic or technological circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we or IAA operate may differ materially from those made in or suggested by the forward-looking statements contained in this offering circular. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we or IAA operate, are consistent with the forward-looking statements contained in this offering circular, such statements may not be predictive of results or developments in future periods.

The following list represents some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

- our ability to consummate this offering and the Mergers and to satisfy the conditions to releasing the proceeds of this offering from escrow;
- our future strategy, objectives, targets, projections performance;
- our ability to drive shareholder value;
- potential growth and market opportunities;
- potential future mergers and acquisitions, including the proposed acquisition of IAA;
- our expected indebtedness in connection with the proposed acquisition of IAA;
- our ability to integrate potential acquisitions, including the Mergers;
- our internet initiatives and the level of participation in our auctions by internet bidders, and the success of our online marketplaces;
- our ability to grow our businesses, acquire new customers, enhance our sector reach, drive geographic depth and scale our operations;
- the impact of our new initiatives, services, investments and acquisitions on us and our customers;
- the severity, magnitude and duration of the COVID-19 pandemic and the direct and indirect impact of such pandemic, as well as responses to the pandemic by the government, business and consumers, on our operations and personnel, commercial activity and demand across our business and our customers' businesses;
- the acquisition or disposition of properties;

- our future capital expenditures and returns on those expenditures;
- financing available to us from our credit facilities or other sources, our ability to refinance borrowings and the sufficiency of our working capital to meet our financial needs;
- our ability to add new business and information solutions, including, among others, our ability to maximize and integrate technology to enhance our existing services and support additional value-added service offerings;
- the supply trend of equipment in the market and the anticipated price environment for late model equipment, as well as the resulting effect on our business and Gross Transaction Value ("GTV");
- fluctuations in our quarterly revenues and operating performance resulting from the seasonality of our business;
- our compliance with all laws, rules, regulations, and requirements that affect our business;
- effects of various economic, financial, industry and market conditions or policies, including rising interest rates, inflation and the supply and demand for property, equipment or natural resources;
- the geopolitical situation in Eastern Europe in light of Russia's invasion of Ukraine;
- the behavior of equipment pricing;
- the relative percentage of GTV represented by straight commission or underwritten (guarantee and inventory) contracts, and its impact on revenues and profitability;
- the effect of any currency exchange and interest rate fluctuations on our results of operations;
- the grant and satisfaction of equity awards pursuant to our compensation plans;
- any future declaration and payment of dividends, including the Ritchie Bros. Special Dividend (as defined below) to be paid to Ritchie Bros. shareholders in connection with the Mergers, and the tax treatment of any such dividends;
- our ability to satisfy our present operating requirements and fund future growth through existing working capital, credit facilities and debt;
- our failure to realize the anticipated benefits of the Transactions in the expected time frame or at all;
- our expectations with respect to the integration and results of operations of IAA and the impact of the Mergers and the other Transactions; and
- the other risk factors described under "Risk Factors" in this offering circular and the risk factors contained in our latest Annual Report on Form 10-K and subsequent SEC filings.

Any forward-looking statements that we make in this offering circular speak only as of the date of such statement, and, except as required by law, we undertake no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

SUMMARY

This summary highlights certain information contained elsewhere in, or incorporated by reference in, this offering circular and is not complete and does not contain all of the information that may be important to you. For a more complete understanding of our business and this offering, you should read this entire offering circular, including the information incorporated by reference herein and the sections entitled "Risk Factors" and "Unaudited Pro Forma Condensed Combined Financial Information," which gives effect to the Mergers, the other Transactions and the other adjustments described therein, as well as Ritchie Bros.' historical consolidated financial statements and related notes thereto, which are incorporated by reference into this offering circular, and IAA's historical consolidated financial statements and related notes thereto, which are incorporated by reference in this offering circular.

In this offering circular, unless otherwise stated or unless the context otherwise requires, we use the terms (i) "Ritchie Bros.," the "Company," "we," "us" and "our" to refer to Ritchie Bros. Auctioneers Incorporated and, where appropriate, its subsidiaries (including the Issuer) prior to the consummation of the Transactions, and, thereafter, also to IAA Holding and, as appropriate, its subsidiaries, and (ii) "IAA" to refer to IAA, Inc. and, where appropriate, its subsidiaries before giving effect to the consummation of the Transactions. With respect to the terms of the notes, "Issuer" refers only to the Issuer and not any of its subsidiaries.

Additionally: (x) all period references are to fiscal periods unless otherwise noted, (y) our fiscal year ends on December 31 of each year and (z) IAA's fiscal year consists of 52 weeks with every fifth year consisting of 53 weeks and ending either the last Sunday in December or the first Sunday in January. As used in this offering circular, references to "pro forma" refer to giving pro forma effect to the Mergers and the other Transactions and the other adjustments described under "—The Transactions" and "Unaudited Pro Forma Condensed Combined Financial Information" and references to "combined" refer to Ritchie Bros. and IAA on an aggregate basis after giving effect to the Transactions. We record GTV for our A&M business (as defined herein), which represents total proceeds from all items sold at our auctions and online marketplaces. GTV for IAA represents total proceeds from all salvage vehicles sold at auction at bid price. GTV is not a measure of financial performance, liquidity or revenue, and is not presented in our or IAA's consolidated financial statements.

In this offering circular, references to "$" and "U.S. $" are to U.S. dollars.

Ritchie Bros.

Company Overview

Ritchie Bros. Auctioneers Incorporated is a world leader in asset management technologies and disposition of commercial assets, and for the year ended December 31, 2022, on a pro forma basis for the acquisition of IAA, generated $3.8 billion in total revenue, earned $283 million in net income, and earned $1.0 billion of adjusted pro forma EBITDA. See "—Summary Unaudited Pro Forma Condensed Combined Financial Information and Other Data" for an explanation of our definition of adjusted pro forma EBITDA. We believe our expertise, global reach, market insights and trusted portfolio of brands provide us with a unique position within the used equipment market. Through our unreserved auctions, online marketplaces, listings and private brokerage services, we sell a broad range of primarily used commercial and industrial assets as well as government surplus. Construction and commercial transportation assets comprise the majority of the equipment sold by GTV, though we sell a wide variety of assets. Customers selling equipment through our sales channels include end users (such as construction companies), equipment dealers, original equipment manufacturers ("OEMs") and other equipment owners (such as rental companies). Our customers participate in a variety of sectors, including construction, commercial transportation, agriculture, energy and natural resources.

We also provide our customers with a wide array of value-added services aligned with our growth strategy to create a global marketplace for used equipment services and solutions. Our other services include access to equipment financing, asset appraisals and inspections, online equipment listings, logistical services and ancillary services such as equipment refurbishment. We offer our customers asset technology solutions to manage the end-to-end disposition process of their assets and provide market data intelligence to make more accurate and reliable business decisions. Additionally, we offer our customers an innovative technology platform that supports equipment lifecycle

management and parts procurement integration with both original equipment manufacturers and dealers, as well as a software-as-a-service platform for end-to-end parts procurement, and access to digital catalogs and diagrams.

We operate globally with locations in 13 countries, including the United States, Canada, the Netherlands, Australia and the United Arab Emirates, and maintain a presence in 42 countries where customers can sell from their own yards. We employ more than 2,800 full-time employees worldwide.

Our operations are comprised of one reportable segment and other business activities that are not reportable as follows:

- **Auctions and Marketplaces** – This is our only reportable segment, which consists of our live on-site auctions, our online auctions and marketplaces and our brokerage service. The table below illustrates the various channels and brand solutions available under our Auctions and Marketplaces ("A&M") segment.

Channels	Brand Solutions	Description of Offering
Live Onsite Auctions	RITCHIE BROS. Auctioneers	Live unreserved onsite auctions, with live online simulcast, where we have care, custody and control of consignors' assets
Online Auctions and Marketplaces	RITCHIE BROS. IRONPLANET	Online marketplace for selling and buying used equipment
	RITCHIE BROS. Marketplace e	Online marketplace offering multiple price and timing options
	RITCHIE BROS. GOVPLANET	Online marketplace for the sale of government and military assets
Brokerage Service	PRIVATE TREATY A Ritchie Bros. Solution	Confidential, negotiated sale of large equipment

- **Other** – This includes the results of Rouse, Ritchie Bros. Financial Services, Mascus online services, SmartEquip and the results from various value-added services and make-ready activities, including our equipment refurbishment services and Ritchie Bros. Logistical Services. The table below illustrates the various channels and brand solutions available under our other services.

Service	Brand Solutions	Description of Offering
Financial Service	RITCHIE BROS. Financial Services	Loan origination service that uses a brokerage model to match loan applicants with appropriate financial lending institutions
Appraisal Service	Appraisal Services A Ritchie Bros. Solution; ROUSE	Unbiased, certified appraisal services
Inspection Service	RITCHIE BROS. Inspection Services	Truck and lease return inspection services
Online Listing Service	RITCHIE BROS. MASCUS; RITCHIE LIST	Online equipment listing service and B2B dealer portal
Ancillary Services		Repair, paint, and other make-ready services
Logistical Service	RITCHIE BROS. Logistics Services	End-to-end transportation and customs clearance solution for sellers and buyers with shipping needs
Software Service	RITCHIE BROS. Asset Solutions	Cloud-based platform to manage end-to-end disposition
Data Service	ROUSE	A leading provider of construction equipment market intelligence
Parts Service	SmartEquip Be Ready.	Digital marketplace connecting equipment owners with parts manufacturers

Revenue Model

Revenues are comprised of:

- Service revenue, including the following:
    - Revenue from A&M activities, including commissions earned at our live and online bidding auctions, online marketplaces and private brokerage services where we act as an agent for consignors of equipment and other assets, and various auction-related fees, including listing and buyer transaction fees; and
    - Other services revenue, including revenue from listing services, refurbishment, logistical services, financing, appraisals, data and software subscriptions and other ancillary and transactional service fees; and
- Inventory sales revenue as part of A&M activities.

Service Revenue Overview

Commissions from sales at our auctions represent the percentage earned by us on the gross proceeds from equipment and other assets sold at auction. The majority of our commissions are earned as a pre-negotiated fixed rate of the gross selling price. Other commissions from sales at our auctions are earned from underwritten commission contracts, when we guarantee a certain level of proceeds to a consignor.

We accept equipment and other assets on consignment and stimulate buyer interest through professional marketing techniques by matching sellers (also known as consignors) to buyers through the auction or private sale process. Prior to offering certain items for sale on our online marketplaces, we also perform inspections to evidence for our buyers that one of our inspectors has personally visited the item, taken pictures and conducted an inspection of key systems and components.

Following the sale of the item, we invoice the buyer for the purchase price of the asset, taxes and, if applicable, the buyer transaction fee, collect payment from the buyer and remit the proceeds to the seller, net of the seller commissions, applicable taxes and applicable fees. Commissions are calculated as a percentage of the winning bid price of the property sold at auction. Fees are also charged to sellers for listing and inspecting equipment. Other revenue earned in the process of conducting our auctions include administrative, documentation and advertising fees.

With the final acceptance of the winning bid, the highest bidder becomes legally obligated to pay the full purchase price, which is the winning bid price of the property purchased and the seller is legally obligated to relinquish the property in exchange for the winning bid price less any seller's commissions. Commission and fee revenue are recognized on the date of the auction sale upon the final acceptance of the winning bid.

Under the standard terms and conditions of our auction sales, we are not obligated to pay a consignor for property that has not been paid for by the buyer, provided the property has not been released to the buyer. If the buyer defaults on its payment obligation, also referred to as a collapsed sale, the sale is cancelled in the period in which the determination is made, and the property is returned to the consignor or placed in a later event-based or online auction. Historically, service revenues on cancelled sales have not been material.

Online marketplace commission revenue is reduced by a provision for disputes, which is an estimate of disputed items that are expected to be settled at a cost to us, related to settlements of discrepancies under our equipment condition certification program. The equipment condition certification refers to a written inspection report provided to potential buyers that reflects the condition of a specific piece of equipment offered for sale, and includes ratings, comments and photographs of the equipment following inspection by one of our equipment inspectors.

The equipment condition certification provides that a buyer may file a written dispute claim during an eligible dispute period for consideration and resolution at our sole determination if the purchased equipment is not substantially in the condition represented in the inspection report. Typically disputes under the equipment condition certification program are settled with minor repairs or additional services, such as washing or detailing the item; the estimated costs of such items or services are included in the provision for disputes.

Commission revenue is recorded net of commissions owed to third parties, which are principally the result of situations when the commission is shared with a consignor in an auction guarantee risk and reward sharing arrangement.

Underwritten commission contracts can also take the form of guarantee contracts. Guarantee contracts typically include a pre-negotiated percentage of the guaranteed gross proceeds plus a percentage of proceeds in excess of the guaranteed amount. If actual auction proceeds are less than the guaranteed amount, commission is reduced; if proceeds are sufficiently lower, we can incur a loss on the sale. Losses, if any, resulting from guarantee contracts are recorded in the period in which the relevant auction is completed. If a loss relating to a guarantee contract held at the period end to be sold after the period end is known or is probable and estimable at the financial statement reporting date, the loss is accrued in the financial statements for that period. Our exposure from these guarantee contracts fluctuates over time.

Other services revenue also includes fees for refurbishment, logistical services, financing, appraisals, data and software subscriptions and other ancillary and transactional service fees. Fees are recognized in the period in which the service is provided or the product is delivered to the customer.

Inventory Sales Revenue Overview

Underwritten commission contracts can take the form of inventory contracts. Revenue related to inventory contracts is recognized in the period in which the sale is completed, title to the property passes to the purchaser and we have fulfilled any other obligations that may be relevant to the transaction. In our role as auctioneer, we auction our inventory to equipment buyers through the auction process. Following the sale of the item, we invoice the buyer for the purchase price of the asset, taxes and, if applicable, the buyer transaction fee, and collect payment from the buyer.

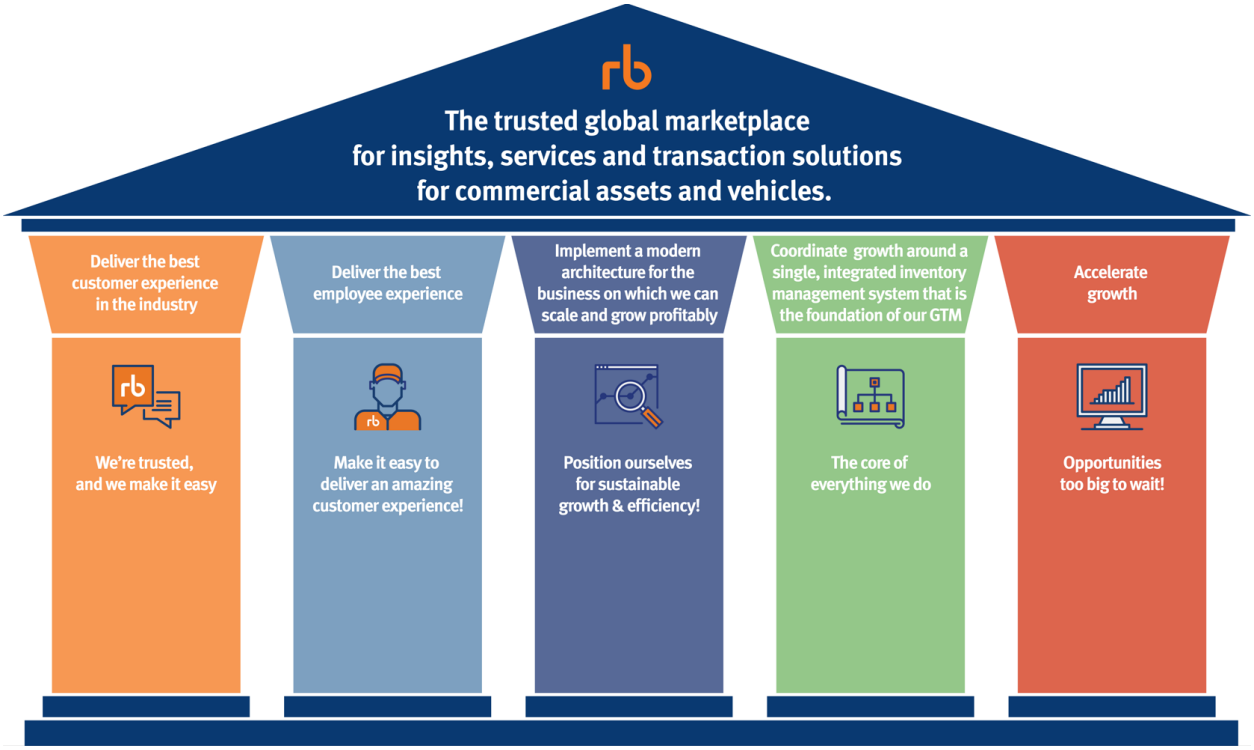
With the final acceptance of the winning bid, the highest bidder becomes legally obligated to pay the full purchase price, which is the winning bid price of the property purchased. Title to the property is transferred in exchange for the winning bid price, and if applicable, the buyer transaction fee plus applicable taxes. In a private treaty transaction where inventory is sold in a private process or inventory contracts are sold on our online marketplaces, commission and fee revenue is recognized on the date the buyer has obtained control of the asset.

Our Business Strategy

Our strategy to become the trusted global marketplace for insights, services and transaction solutions for commercial assets and vehicles will help us address the large and fragmented used equipment marketplace that we operate in today. We believe our strategy will help us unlock significant growth opportunities by building on our core business and expanding into additional services. We are building on our position as a trusted advisor to our customers by evolving from transactional selling to meeting the needs of our customers through solution selling.

We see significant growth opportunities ahead by becoming the trusted global marketplace for insights, services, and transaction solutions for commercial assets and vehicles. This represents not a shift, but an expansion of our transaction solutions for which we are already well known. We value our long-tenured relationships with our customers, and the trust they have in our brand and platform. We are leveraging our sales channels to create a global marketplace for services and solutions that help our customers gain the insights they need to make decisions and run their businesses. We also intend to offer complimentary third-party services on our platform where it will help our customers.

This strategy is supported by five strategic pillars on which we will build our future success:



- **Customer Experience** – At Ritchie Bros., we have a long history, culture and passion for helping our customers. We continue to find ways to enrich our customers' experience by making our processes easier, our offerings more complete and our brands simpler.

- **Employee Experience** – We cannot deliver a great customer experience without great employees. We continue to strive to create the best workplace for all employees and to create a place where they want to build a career. We encourage open and honest dialogue and are committed to robust communications from management to employees and creating channels for them to give feedback, as well as fixing processes and technology to improve the work environment for the benefit of both customers and employees.

- **Modern Architecture** – We are transitioning to a modern architecture based in the cloud and comprised of microservices that allow us to create a single presence for our customers across all of our solutions. A modern architecture will allow flexibility and agility to enable scalable growth for us, our customers and our partners.

- **Inventory Management System** – We see our Inventory Management System, which integrates and tracks inventory data for selected customers, as a gateway for our customers to access our marketplaces and services. With the data, we can offer more timely and proactive advice and solutions to our customers with more ease of use.

- **Accelerate Growth** – We continually seek to identify areas to pilot improved business processes to positively impact the customer experience. We look to accelerate growth by scaling the learnings from these pilots into our global operations.

We believe our strategy of becoming the global trusted marketplace for commercial assets will allow us to better serve our customers and will facilitate better penetration into non-auction markets and associated services. Building an integrated, easy to use marketplace, and becoming the trusted advisor to our customers opens significant potential for our business. We will start, as always, with our customers and our partners, and make sure we are building what they need.

Competitive Strengths

Our key strengths provide distinct competitive advantages and have enabled us to achieve significant and profitable growth over the long term. We believe that we are well-positioned to meet our obligations to customers, grow our business and create shareholder value because of the following factors:

- **Industry Leader in Highly Fragmented Market** – The global used equipment market is highly fragmented with total annual global used equipment transaction volumes estimated at more than $300 billion per year. We estimate the used equipment auction segment currently represents approximately $30 billion of GTV per year. Ritchie Bros. is among the largest auction companies with approximately $6.0 billion in GTV for the year ended December 31, 2022, $5.5 billion in GTV for the year ended December 31, 2021 and $5.4 billion in GTV for the year ended December 31, 2020. We compete based on breadth, brand reputation, security, technology and global reach of our services, as well as in the variety of contracts and methods and channels of selling equipment. In addition to the auction segment, other major segments include brokers, as well as the retail segment, which includes OEMs, OEM dealers, rental companies and large strategic accounts. We also compete with private sales – often securing new business from equipment owners who had previously tried selling their equipment privately. Given the fragmentation in the auction market, as well as upstream opportunities in private sales and retail, we believe there is significant opportunity for growth.

- **Global Platform** – We pride ourselves on our ability to connect buyers and sellers through our digital channels as well as a global network of over 40 auction sites in 13 countries, including the United States, Canada, Australia, the United Arab Emirates, and the Netherlands. Our online bidding technology and Ritchie Bros. website are currently available in 10 and 22 languages, respectively. Our global presence allows us to generate deep pools of liquidity for transactions enabling global market pricing for our equipment sellers, helping to deliver strong and efficient price realization for assets.

- **Customer Relationships** – Relationships are the core of Ritchie Bros. – delighting customers and treating them like friends while meeting their business needs. By offering a broad choice of solutions that best suit our customers' needs, making their lives easier in the process, we develop relationships that can last across generations. We take a long-term approach with our customers and as such we position our sales force to act as trusted advisors to our customers.

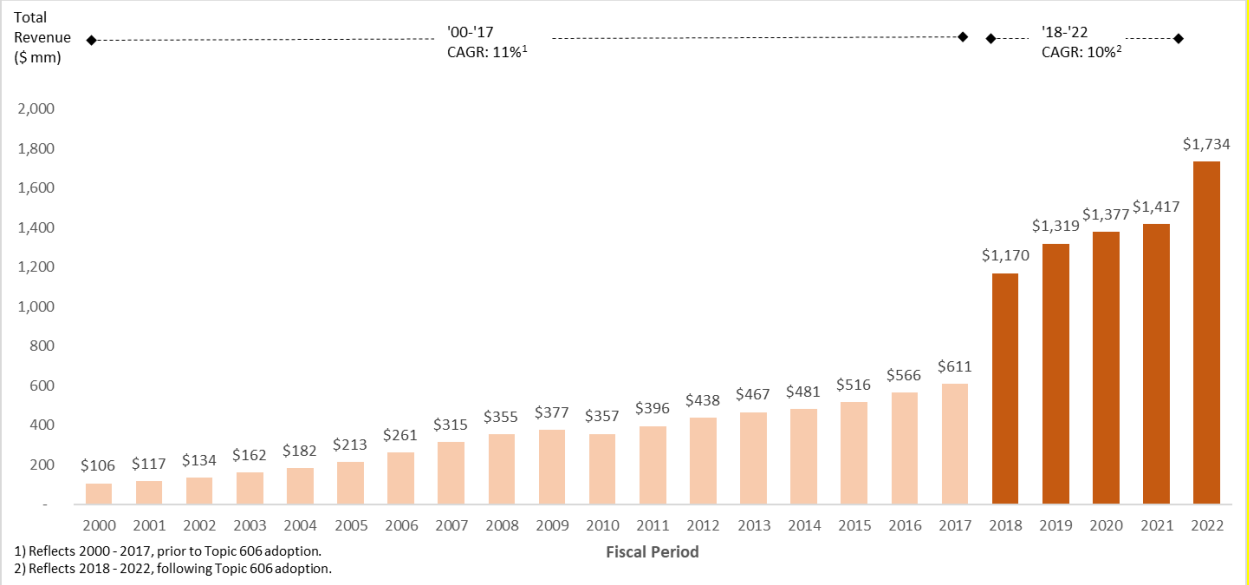
- **Breadth of Solutions** – Our platform provides us with the ability to meet our buyers' and sellers' unique needs in a one-stop-shop manner. By delivering choice through our disposition channels, we can work with customers as a trusted advisor to provide them each with a tailored suite of equipment disposition solutions and asset management capabilities to best meet their needs. In addition to transaction solutions, Ritchie Bros. offers a variety of value-added services to our customers including financial services, market data, valuation insights, inspections, appraisals, commercial transportations, refurbishment and digital parts procurement.

- **Delivering Insights and Services Through Data & Analytics** – A core part of our strategy is delivering insights and services through rich data and analytics. Based on the world's largest used equipment transaction dataset, we provide data products that allow customers to analyze market dynamics and value assets. Additionally, Rouse Services is the leading provider of rental metrics benchmarks and equipment valuations to lenders, rental companies, contractors and dealers. Rouse's business model is built upon an extensive data ecosystem, proprietary analytics and data science techniques and trusted customer relationships rooted in service and confidentiality. We continue to invest in data science to deliver asset value predictions, generate user leads, prioritize marketing investments, interpret price trends and more. Proprietary algorithmic asset pricing is used internally to set target values and optimize marketplace operations and externally to provide users of Ritchie Bros. Asset Solutions with instant asset values on inventory. The monthly Ritchie Bros. Used Equipment Market Trends Summary report features our proprietary use of Machine Learning to provide Mix-Adjusted Price Indexes for core asset groups around the globe. Correlated with other leading economic indicators, these price indexes have been quickly adopted by customers, analysts, and manufacturers as a key insight into pricing trends. Machine Learning also supports important strategic and operational decisions such as site expansion, testing marketplace performance, and experimentation with improved formats.

- **Track Record of Revenue Growth** – We have a demonstrated ability to grow our business through economic cycles as evidenced by our revenue compound annual growth rate ("CAGR") of between

approximately 10% and 11% over the last 20 years. During times of economic distress, equipment owners are forced to dispose of assets to generate incremental liquidity. This increased supply is met by increased demand from buyers who are searching for cost-effective solutions to their equipment needs and typically lower inventory stocks of new equipment as OEMs reduce production volumes. During strong economic conditions we benefit from our customers upgrading or changing the composition of their equipment fleets, supported by a strong equipment pricing environment.

Ritchie Brothers Total Revenue (2000 – 2022)



- **Strong Free Cash Flow Characteristics** – We have historically generated significant OFCF, which we define as cash provided by operating activities less net capital spending. Over the last three fiscal years, we have generated approximately $1,063.8 million of OFCF (without giving effect to the Mergers). Furthermore, we have relatively low capital spending requirements. For a reconciliation of OFCF to the most comparable GAAP measure, please see "—Summary Historical Consolidated Financial and Other Data of Ritchie Bros."

- **Highly Experienced Management Team** – Our executive management team has extensive operational experience and deep industry knowledge, as well as significant prior experience executing and successfully integrating strategic acquisitions. Likewise, the management team of IAA, which will continue to manage and operate their business following the Mergers, has many decades of industry and operating expertise.

The Transactions

On November 7, 2022, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Original Merger Agreement") with the Issuer, Impala Merger Sub I, LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of the Issuer ("Merger Sub 1"), Impala Merger Sub II, LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of the Issuer ("Merger Sub 2"), and IAA, pursuant to which the Company agreed to acquire IAA for approximately 70,334,262 of our common shares (as defined below) and estimated cash consideration of approximately $1.7 billion. Upon the terms and subject to the conditions set forth in the Merger Agreement, (i) Merger Sub 1 will be merged with and into IAA (the "First Merger"), with IAA surviving as an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of the Issuer (the "Surviving Corporation") and (ii) immediately following the consummation of the First Merger, the Surviving Corporation will be merged with and into Merger Sub 2 (together with the First Merger, the "Mergers"), with Merger Sub 2 surviving as a direct wholly-owned subsidiary of the Issuer ("IAA Holding").

On January 22, 2023, the Company, IAA and the other parties to the Merger Agreement entered into the Amendment to the Agreement and Plan of Merger and Reorganization (the "Amendment" and the Original Merger Agreement, as amended by the Amendment, and as it may be further amended or modified, the "Merger Agreement"), pursuant to

which the parties agreed to amend the merger consideration among other things, as further described under "—The Mergers."

IAA

The information below about IAA has been derived from the periodic reports that IAA has filed with the SEC.

Founded in 1982, IAA is headquartered in Westchester, Illinois, with approximately 210 facilities throughout the United States, Canada and the United Kingdom (the "UK"). IAA serves a global buyer base and a full spectrum of sellers, including insurance companies, dealerships, fleet lease and rental car companies and charitable organizations. IAA's principal executive offices are located at Two Westbrook Corporate Center, 10th Floor Suite 500, Westchester, IL 60154 and its telephone number is (708) 492-7000.

IAA Common Stock (as defined below) trades on The New York Stock Exchange (the "NYSE") under the symbol "IAA."

Company Overview

IAA is a leading global digital marketplace connecting vehicle buyers and sellers. Leveraging leading-edge technology and focusing on innovation, IAA's platform facilitates the marketing and sale of total loss, damaged and low-value vehicles and vehicle parts for a full spectrum of sellers.

IAA's primary business comprises the auctioning of consigned vehicles. IAA also offers a comprehensive suite of auction, logistics and vehicle-processing services as part of its ability to increasingly function as a "one-stop shop" for vehicle sellers and buyers within IAA's global digital marketplace. IAA's integrated products and services aim to maximize the value of vehicles while lowering administrative costs and creating a frictionless customer experience throughout vehicle assignment, transport, inventory management, merchandising and sale.

IAA markets vehicles to prospective buyers through its many marketplaces, 24 hours per day, 7 days per week. Auctions are typically held weekly for most locations and allow bidders to participate virtually at the auction. Certain vehicles are also offered for sale online via IAA Timed Auctions, where bidders may bid on those vehicles for a fixed duration of time, and via IAA Buy Now, where vehicles are offered for sale at a fixed price. All vehicles which are ready for sale are listed and available online on IAA Auction Center, allowing prospective bidders to preview and bid on vehicles prior to the digital auction event. IAA Auction Center includes a "Fast Search" function that allows for filtering to quickly locate specific vehicles and offers logged-in buyers additional services such as "Enhanced Vehicle Details" that includes VIN details and Hollander Interchange parts data to help buyers make informed purchasing decisions. IAA Auction Center provides online buyers with an open, competitive digital bidding environment. IAA's mobile and online capabilities provide buyers the greatest flexibility in their purchasing options, exposing vehicles to bidders from around the globe and allowing bidders to participate in a greater number of auctions. Online inventory browsing, digital alerts (via email or through buyer app) and multiple vehicle payment methods reduce the time required to acquire vehicles, and the broader market exposure and increased competitive bidding generally drive higher selling prices. IAA believes the capabilities of its auction models maximize auction proceeds and returns for vehicle sellers.

IAA has developed proprietary web-based information systems, such as Automated Salvage Auction Processing system for the United States segment and VISion for the International segment, to streamline all aspects of operations and centralize operational data collection. These systems provide sellers with 24-hour online access to powerful tools to manage the salvage disposition process, including inventory management, sales price analysis and electronic data interchange of titling information. IAA's digital marketplace, combined with IAA's merchandising platform (IAA Interact), provides buyers detailed information and optionality in how they bid and buy, which are key differentiators of IAA's service offering, and helps sellers achieve the highest selling price on a given vehicle. IAA processed approximately 2.3 million total loss, damaged and low-value vehicles in fiscal 2022.

In addition, IAA also offers products and services to:

- expedite the process of vehicle pick-up, towing and assignment;
- transport vehicles inbound to or outbound from its facilities;

- optimize the organization and management of inventory;
- merchandize vehicles to engage buyers with detailed vehicle information; and
- facilitate the digital sale of vehicles to a global audience.

Selected Products and Services

Catastrophe ("CAT") Services	Strategic catastrophe response service focused on real estate capacity, operational execution, transportation logistics and vehicle merchandising and selling.
CSAToday	Online reporting and analysis tool that gives seller customers the ability to manage their vehicle assets and monitor salvage performance.
IAA AuctionNow	IAA's digital auction bidding and buying solution, which features inventory located at physical branches and offsite to a global buyer audience.
IAA Buy Now	Provides a unit for sale for a specific price using analytical data between scheduled auctions.
IAA Inspection Services	Provides a technology-based system for remote vehicle inspections and appraisals.
IAA Interact	Merchandising platform combining imagery, information, personalization and efficiency.
IAA Loan Payoff	Mitigates the time-consuming process of managing a total loss claim requiring loan payoff and title release.
IAA Market Value	A solution for seller customers looking to estimate the values of their vehicles based on user-provided information and historical auction data.
IAA Timed Auctions	Offers a unit for sale for a specified period of time, allowing for competitive bidding and sale prior to a scheduled auction.
IAA Title Services	Full suite of title solutions services that facilitates title documentation, settlement and the title retrieval process.
IAA Tow App	Mobile dispatch solution that assists the tow network.
IAA Transport	An integrated shipping solution allowing buyers to schedule shipment of vehicles during the checkout process.

Revenue Model

Service Revenues

Service revenues include auction and auction related fees for all vehicles sold by IAA. IAA does not take title to vehicles that are consigned to it by the seller and records auction fees on those vehicles on a net basis because IAA has no influence on the vehicle auction selling price agreed to by the seller and the buyer at the auction. The buyer fees are typically based on a tiered structure with fees increasing with the sale price of the vehicle, while the seller fees are typically fixed. IAA generally enforces its rights to payment for seller transactions through net settlement provisions following the sale of a vehicle. Greater than 90% of IAA's revenue is generated at the time of auction as a result of the satisfaction of the seller and buyer performance obligations as described below.

IAA's contracts with sellers are short-term in nature. The performance obligation contained within IAA's auction contracts for sellers is to facilitate the remarketing of salvage vehicles, including the inbound tow, processing, storage, titling, enhancing and sale at auction. These services are related to facilitating the sale of vehicles and are not distinct within the context of the contract. Accordingly, revenue for these services is recognized when the single performance obligation is satisfied at the point in time when the vehicle is sold through the auction process. Related costs are deferred and recognized at the time of sale.

IAA's contracts with buyers are short-term in nature and are generally established via purchase at auction, subject to standard terms and conditions. These contracts contain a single performance obligation, which is satisfied at a point

in time when the vehicle is purchased through the auction process. Buyers also pay a fixed registration fee to access the auctions for a one-year term in addition to the fees paid upon purchase of a vehicle. The performance obligation to provide access to the auctions, associated with the registration, is satisfied ratably over the one-year contractual term of the buyer agreement. Accordingly, registration fee revenue is recognized ratably over the one-year contract term. IAA also offers other services to buyers such as transportation, storage, vehicle condition reporting and other ancillary services. Revenue from such services is recognized in the period in which such services are provided.

Vehicle Sales

Vehicle sales represent the selling price of the vehicles that are purchased by IAA and then resold. Buyer fees associated with vehicle sales are recorded in Service revenue. IAA's performance obligation for these purchased vehicles is the completion of the online auction process and is satisfied at the point in time when the vehicle is sold through the auction process. As IAA acts as a principal, the vehicle sales price is recorded as revenue on a gross basis when the vehicle is sold.

IAA's Competitive Strengths

- **Relationships & Market Share –** On the seller side of IAA's marketplace, IAA maintains strong relationships with virtually all of the major automobile insurance companies in the markets it serves and is increasing penetration of non-insurance sellers. In the year ended January 1, 2023, for example, IAA secured a new exclusive top 15 national insurance company, won several markets from another national top ten insurance company, and signed a multi-year renewal of another top ten IAA customer. IAA's marketplace serves as an alternative venue for damaged and lower-value vehicles and, as a result, non-insurance sellers have contributed to growth. IAA has also established relationships with the buy-side of its marketplace, which includes automotive body shops, rebuilders, used car dealers, automotive wholesalers, exporters, dismantlers, recyclers, brokers and, where allowed, non-licensed (public) buyers, among others.

- **Robust Technology & Service Offerings, Strengthening Customer Engagement and IAA Operations** – IAA's products deliver enhanced economic benefits to customers by increasing transparency and reducing cycle time and friction. IAA continues to broaden its product portfolio by investing in the development of innovative solutions. Total Loss Solutions provides insurance companies with end-to-end outsourced solutions for the portion of the claims process prior to total loss determination and assignment to a salvage vehicle auction, which allows the insurance companies to reduce cycle time and cost, while improving employee engagement and customer service and ultimately increasing policyholder retention. IAA Loan Payoff mitigates the time-consuming process of managing a total loss claim requiring loan payoff and title release. IAA's integration with Fastlane's LossExpress solution expands lender coverage for total loss claims through IAA's Loan Payoff portal. IAA's integration with Dealertrack's Dealertrack Accelerated Title solution expedites the total loss settlement and lien payoff process digitally and expands access to vehicle titles for all parties. Additionally, IAA is focused on reducing costs and driving efficiencies while maintaining its level of customer service. As a part of its buyer digital transformation initiative, IAA has shifted to a fully online, digital auction model which is generating cost savings by eliminating live physical auctions. IAA's ongoing initiatives in other areas such as towing, pricing and branch process improvement will further enable it to execute on its strategy.

- **Significant and Expanding Real Estate Footprint and Available Capacity** - Since its spin-off from KAR Auction Services, Inc. ("KAR"), IAA has added over 1,100 useable acres to its footprint and increased geographic coverage to approximately 210 locations. In addition, IAA has also worked to optimize the layout of locations, resulting in 45% excess capacity, leaving ample room for growth. IAA has long-standing expertise spanning over 40 years in developing real estate for the business, including securing appropriate zoning and other regulatory requirements. For the year ended January 1, 2023, approximately 19% of IAA's revenues were generated outside of the United States, and IAA is in the process of establishing or continuing to build operations in key geographic markets. IAA intends to strategically enter new markets by pursuing strategic acquisitions, partnerships or greenfield opportunities in high priority markets globally.

- **Effective and Flexible Catastrophic Event Servicing –** Since its spin-off from KAR, IAA has significantly increased its capabilities to service customers during catastrophic events, including the formation of a dedicated CAT Response Team and securing access to approximately 3,500 overflow acres in CAT event-

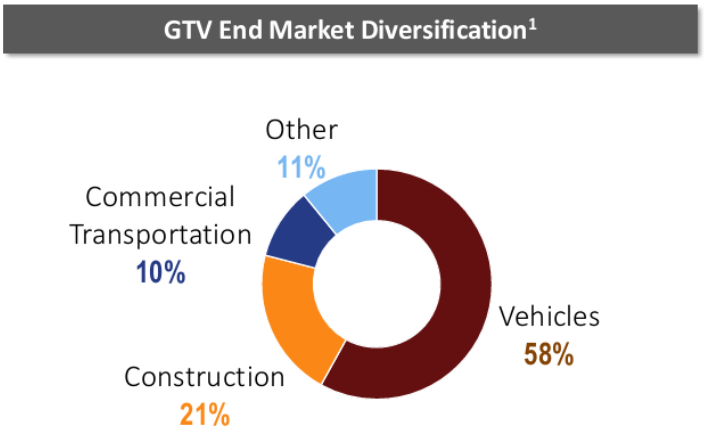
prone regions. In two recent CAT events, Hurricane Ida and Hurricane Ian, IAA serviced three of the top five insurers and received positive customer feedback. IAA's operational performance metrics across both Hurricane Ian and Hurricane Ida were strong as measured by release-to-pick-up and ready-for-sale cycle times. The timing of offering CAT event vehicles in IAA's auction is driven by DMV processing times, which can vary by state, and the sales strategy of each individual insurer.

Strategic Rationale

We believe that the Mergers could strengthen and accelerate our financial profile, capabilities, footprint and customer base in the following ways:

- **IAA Has a Complementary Business Model and Capabilities –** The salvage vehicle resale process, either through auction or purchase and sale, closely resembles Ritchie Bros.' used equipment resale process. IAA's sophisticated technology assets and service capabilities—across areas such as titling and inspection—allow IAA to process a significant transaction volume. We believe these core functionalities can be applied to Ritchie Bros. to further streamline its operations. Similarly, Ritchie Bros. marketplace strategy can facilitate incremental services to enable a stronger customer value proposition. Together, we believe the combined business will have greater scale, customer proximity and capabilities.

- **Enhances Scale and Services Mix, While Diversifying GTV Mix –** For the year ended December 31, 2022, Ritchie Bros. generated approximately $6.0 billion of GTV. For the year ended January 1, 2023, IAA generated approximately $8.3 billion of GTV. On a combined basis for the year ended December 31, 2022 and January 1, 2023, the combined company generated approximately $14.3 billion of GTV, which would represent a 138% increase to Ritchie Bros.' GTV on a standalone basis for the same period. The combined business is expected to derive 92% of its GTV from services and 8% from inventory, reducing the capital intensity and risk associated with the sales process. Further, IAA provides Ritchie Bros. with exposure to vehicles, further diversifying Ritchie Bros.' GTV mix away from construction.



(1) Represents the combined company GTV end market diversification for the years ended December 31, 2022 and January 1, 2023 for Ritchie Bros. and IAA, respectively.

- **IAA Has an Established Market Position, With Long-Standing Customer Relationships –** IAA benefits from a number of competitive advantages, including its robust yard footprint, technology and settlement systems that manage several hundred thousand bids per week and established customer relationships. IAA has established relationships with major insurance carriers to ensure a consistent supply of vehicles to its platform. On the buyer side of its marketplace, IAA maintains relationships with a wide array of participants in the salvage vehicle ecosystem including recyclers, dealers, dismantlers, exporters and rebuilders.

- **Salvage Vehicle Market Driven by Robust Secular Tailwinds That Are Expected to Fuel Through-The-Cycle Performance –** The salvage vehicle marketplace has historically benefited from a growing number of

vehicles on the road ("Car Parc") and an increasing average age of vehicles. Growth in the number of vehicles in operation contributes to a rising number of automotive accidents, which we expect will support increased volumes through the combined company's marketplaces. Meanwhile, vehicle owners have continued to drive the same vehicle for longer periods of time. As vehicles become older and their residual values decline, we expect it will become more likely that these vehicles will surpass the total loss threshold when involved in an accident and be sold on behalf of insurers through the combined company's marketplaces. Furthermore, vehicle design has become increasingly more complex in recent years, as automotive manufacturers seek to differentiate themselves from competitors by incorporating new complex technologies and other enhancements into their designs in order to reduce weight and improve fuel efficiency. These technological advancements have resulted in higher repair and part replacement costs following an accident, making insurance companies more likely to declare a damaged vehicle a total loss.

- **Combined Yard Footprint Expected to Accelerate the Combined Company's Growth Strategies –** Access to IAA's approximately 210 total yards provides an opportunity to accelerate Ritchie Bros.' existing local yard strategy to drive incremental GTV growth and defer associated startup costs. Approximately 75% of IAA yards have more than 5 acres of capacity as of January 1, 2023, the minimum amount required for a Ritchie Bros. local yard. Having more total yards may also increase customer proximity to those yards, which we believe can meaningfully accelerate GTV growth. Additionally, access to Ritchie Bros.' "auction" yards in strategic locations, such as Florida and Texas, are expected to allow the combined company to bolster its catastrophic event capacity, which we believe will strengthen its customer value proposition. Also, Ritchie Bros.' international presence in countries such as Germany, Australia, France, Italy and Spain will further potentially drive the combined company's growth in new markets.

- **Potential Significant Cost Synergy and Incremental Revenue Opportunities Expected to Facilitate Margin Improvement and Deleveraging** – The Mergers present a potential cost synergy opportunity of approximately $100 million, which is derived from the elimination of duplicative roles, processes and systems across the combined organization. The realization of these cost synergies are expected to enhance the margins and cash flow profile of the combined business. Additionally, there are numerous revenue opportunities for the combined company to pursue, including incremental GTV growth through utilization of IAA's expansive yard footprint, enhancing catastrophic event response capabilities and international growth through utilization of Ritchie Bros.' yards and incremental services cross-selling. The Company has already begun integration planning and has engaged a leading third-party consultant to help execute its integration playbook and drive both cost and revenue synergy realization.

The Mergers

Subject to the terms and conditions of the Merger Agreement, each share of IAA common stock, par value $0.01 per share (the "IAA Common Stock"), issued and outstanding immediately prior to the effective time of the First Merger (the "Effective Time") (excluding any shares of IAA Common Stock held by IAA as treasury stock, owned by the Company, the Issuer, Merger Sub 1 and Merger Sub 2 immediately prior to the Effective Time, or owned by stockholders of IAA who have validly demanded and not withdrawn appraisal rights in accordance with Section 262 of the Delaware General Corporation Law) will be converted automatically into the right to receive: (i) 0.5252 of a common share, without par value, of the Company (our "common shares") and (ii) $12.80 in cash, without interest and less any applicable withholding taxes (together, the "Merger Consideration"). In addition, subject to the terms and conditions of the Merger Agreement, at the Effective Time, all outstanding IAA equity awards (other than those that vest in accordance with their terms upon the First Merger) will be assumed by the Company. Based upon the estimated number of outstanding Ritchie Bros. common shares, outstanding shares of IAA Common Stock and outstanding equity awards and other convertible securities of the parties, in each case as of immediately prior to the consummation of the Mergers, Ritchie Bros. and IAA estimate that, upon completion of the Mergers, the existing Ritchie Bros. shareholders are expected to own approximately 62.8% of the outstanding common shares (of which approximately 3.7% will be owned by the Starboard purchasers on a fully diluted basis) and former IAA stockholders are expected to own approximately 37.2% of the outstanding common shares on a fully diluted basis.

Each party has agreed to call a meeting of its stockholders to consider and vote on (i) in the case of the Company, a proposal to approve the issuance of our common shares to IAA securityholders in connection with the Mergers (the "Ritchie Bros. Share Issuance Proposal"), and (ii) in the case of IAA, among other things, a proposal to adopt the Merger Agreement and thereby approve the transactions contemplated by the Merger Agreement (the "IAA Merger

Proposal"). The closing of the Mergers is subject to the satisfaction or waiver of certain conditions including, among other things, (a) the approval of the Ritchie Bros. Share Issuance Proposal by the affirmative vote of a majority of the votes cast by holders of our outstanding common shares (the "Ritchie Bros. Shareholder Approval"), (b) the approval of the IAA Merger Proposal by the holders of a majority of the outstanding shares of IAA common stock entitled to vote thereon (the "IAA Stockholder Approval"), (c) the approval for listing by the NYSE and the Toronto Stock Exchange (the "TSX") of our common shares to be issued in the First Merger, (d) subject to certain materiality exceptions, the accuracy of the representations and warranties of each of us and IAA contained in the Merger Agreement and the compliance by each party with the covenants contained in the Merger Agreement, (e) the absence of a material adverse effect with respect to each of the Company (with respect to IAA's obligations) and IAA (with respect to our obligations) and (f) other customary closing conditions. Ritchie Bros. currently expects the Mergers to close in the first half of 2023, subject to the satisfaction or waiver of these conditions. There is no guarantee that the Mergers will close within the anticipated timeframe or at all.

The Merger Agreement contains customary representations, warranties and covenants made by each of the Company, the Issuer, Merger Sub 1, Merger Sub 2 and IAA, including, among others, covenants by each of the Company and IAA to use its reasonable efforts to conduct their respective businesses in the ordinary course in all material respects between the date of signing of the Merger Agreement and the closing of the Mergers and prohibiting the parties from engaging in certain kinds of activities during such period without the consent of the other party.

Each of the Company and IAA has agreed to customary non-solicitation covenants that prohibit them from soliciting competing proposals or entering into discussions or negotiations or providing confidential information in connection with certain proposals for an alternative transaction. These non-solicitation provisions allow the Company and IAA, under certain circumstances and in compliance with certain obligations under the Merger Agreement, to provide non-public information to, and enter into discussions or negotiations with, third parties in response to an unsolicited competing proposal. Under the terms of the Merger Agreement, each of the boards of directors of the Company and IAA may change its recommendation to stockholders regarding the Mergers in response to an unsolicited competing proposal that such board determines is more favorable to the Company shareholders or IAA stockholders, respectively, than the Mergers, or another intervening event as specified in the Merger Agreement, if such board of directors determines that the failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law.

The Merger Agreement contains customary termination rights for the Company and IAA, including if (i) the Ritchie Bros. Shareholder Approval or the IAA Stockholder Approval is not obtained, (ii) the Mergers are not consummated by August 7, 2023, as such date may be extended under the terms of the Merger Agreement (the "Outside Date"), or (iii) any law, order, decree, ruling or judgment permanently prohibits completion of the Mergers. The Merger Agreement also provides certain termination rights for the benefit of each party, including (A) if the other party's board of directors changes its recommendation to stockholders in relation to the Mergers, (B) for a breach of any representation, warranty, covenant or agreement made by the other party under the Merger Agreement (subject to certain procedures and materiality exceptions) and (C) to enter into a definitive agreement with respect to a superior proposal under certain circumstances and in compliance with certain obligations under the Merger Agreement. If the Merger Agreement is terminated under certain circumstances, the Company or IAA, as applicable, would be required to pay the other a termination fee of $189 million. In addition, the Amendment provides that, in the event that either the Company or IAA elects to terminate the Merger Agreement as a result of the Company's failure to obtain the Ritchie Bros. Shareholder Approval, the Company would be required to reimburse IAA for out-of-pocket expenses incurred by IAA in connection with the Merger Agreement and the Mergers up to a maximum amount of $5.0 million.

The Merger Agreement provides that, as of immediately following the Effective Time, the board of directors of the Company will consist of twelve members, of whom (i) eight directors will be designated by the Company, which designees will consist of: Erik Olsson, who will continue as Chair of the board of directors; Ann Fandozzi, who will continue as the Chief Executive Officer of the Company; and six existing directors of the Company who are independent under the rules and regulations of the NYSE and applicable Canadian securities laws as designated by the Company; and (ii) four directors of IAA, three of whom are independent under the rules and regulations of the NYSE and applicable Canadian securities laws, as designated by IAA.

The Amendment also permits the Company to pay a one-time, special cash dividend to the Company's shareholders not to exceed $1.08 per share (the "Ritchie Bros. Special Dividend"), with a record date prior to the Effective Time to

be determined by the board of directors of the Company with the consent of the TSX and payment conditioned upon the closing of the First Merger.

This offering is not conditioned on the consummation of the Mergers, but in certain circumstances we may be required to redeem each series of notes. See "Description of Secured Notes—Redemption—Special Mandatory Redemption" and "Description of Unsecured Notes—Redemption—Special Mandatory Redemption."

Financing of the Mergers

In addition to this offering, we have obtained, expect to obtain or otherwise incur additional financing for the Mergers as described below.

Bridge Facility Commitment Letter; Credit Agreement Amendment and New Credit Facilities

In connection with entry into the Original Merger Agreement, on November 7, 2022, we entered into a debt commitment letter (as amended and restated on December 9, 2022, the "Debt Commitment Letter"), with the initial lenders, including Goldman Sachs Bank USA ("GS Bank"), Bank of America, N.A. ("BANA"), BofA Securities, Inc. ("BofA"), Royal Bank of Canada ("Royal Bank") and RBC Capital Markets, LLC ("RBCCM"), pursuant to which the initial lenders committed to provide (i) a backstop senior secured revolving credit facility in an aggregate principal amount of up to $750 million (the "Backstop Revolving Facility"), which revolving commitments were subsequently terminated in connection with the Sixth Amendment (as defined below) and (ii) a senior secured 364-day bridge loan facility in an aggregate principal amount of up to $2.8 billion (the "Bridge Loan Facility"), which commitments were subsequently reduced to $886.1 million in connection with the Sixth Amendment (and the proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility), to finance up to $2.8 billion of the (i) cash consideration in connection with the Mergers, (ii) repayment of certain existing indebtedness of IAA and refinancing of our existing term loan (which occurred in connection with the Sixth Amendment) and (iii) fees and expenses in connection with the foregoing. The proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility.

On December 9, 2022, we entered into a sixth amendment (the "Sixth Amendment") to our existing credit agreement dated October 27, 2016 (as amended, amended and restated, supplemented and otherwise modified prior to December 9, 2022, the "Existing Credit Agreement"; the Existing Credit Agreement as amended by the Sixth Amendment, the "Credit Agreement") with BANA, as the administrative agent, the existing lenders and the new term loan A lenders (the "new TLA lenders") pursuant to which, among other things, we obtained (i) the consents from the existing lenders required to consummate the Mergers, (ii) commitments for a term loan A facility in an aggregate principal amount of $1.825 billion (the "New Term Loan A Facility") to be used to finance the Mergers and (iii) the ability to borrow up to $200 million of the revolving facility on a limited conditionality basis to finance the Mergers (collectively with the Bridge Loan Facility and any replacement thereof, the "Debt Financing"). The procurement of the consents and the New Term Loan A Facility under the Sixth Amendment allowed us to (i) terminate the commitments for the Backstop Revolving Facility; and (ii) reduce the commitments under the Bridge Loan Facility by an amount equal to the amount of the New Term Loan A Facility and the amount of existing term loans under our Existing Credit Agreement. At our option, borrowings under the revolving facility, the New Term Loan A Facility and the existing term loans under our Existing Credit Agreement (together with the New Term Loan A Facility, the "Term Loan A Facility") will, commencing on the closing date of the Mergers (the "Mergers Closing Date") and the borrowing of the loans under the New Term Loan A Facility, bear interest at a rate per annum equal to, (A) for U.S. dollar borrowings, either a base rate, a daily fluctuating rate based on term SOFR, or an adjusted term SOFR rate, plus, in each case, an applicable margin, (B) for Canadian dollar borrowings, a Canadian prime rate or an adjusted CDOR rate, in each case, plus an applicable margin and (C) for borrowings in alternative currencies, based on benchmark rates, plus an applicable margin, in each case, substantially consistent with our Existing Credit Agreement. Commencing on the Mergers Closing Date, the applicable margin for loans under the revolving facility and Term Loan A Facility will range from (x) 1.75-3.00% for alternative currency borrowings and for U.S. dollar borrowings with an adjusted term SOFR rate and (y) 0.75-2.00% for borrowings in Canadian dollars with a prime rate and for U.S. dollar borrowings with a base rate. Upon consummation of the Mergers, the applicable margin for the revolving facility and the Term Loan A Facility will increase by 0.25% if we do not receive at least $800 million of net cash proceeds from this offering of unsecured notes. The new TLA lenders' obligation to fund the New Term Loan A Facility (and our ability to draw up to $200 million on the revolver) on the Mergers Closing Date is subject to limited conditions as set forth in the Sixth Amendment and consistent with those in the Debt Commitment Letter, as applicable, including, among others,

completion of the Mergers, the non-occurrence of a company material adverse effect (as defined in the Sixth Amendment) on IAA, the accuracy in all material respects of certain representations and warranties related to Ritchie Bros. and IAA, the delivery of certain financial statements of Ritchie Bros. and IAA and other customary limited conditions to completion. The commitments of the new TLA lenders will terminate on the commitment termination date.

The Merger Agreement provides that we are obligated to use our reasonable best efforts to obtain the Debt Financing on the terms and conditions contemplated by the Debt Commitment Letter and the fee letter executed in connection therewith.

Additionally, we will not, without the prior written consent of IAA (which consent will not be unreasonably withheld, delayed or conditioned), take any action or enter into any transaction that would or would be reasonably expected to materially delay or prevent consummation of the transactions contemplated by the Debt Commitment Letter or the funding of all or any portion of the cash amount of the Debt Financing necessary to fund all cash amounts required to be paid by us on the Mergers Closing Date, including the Merger Consideration, any cash fees under the Debt Commitment Letter and all related expenses owed, each due and payable at closing, and upon reasonable written request IAA, we will keep IAA informed, in all reasonable detail on a reasonably prompt basis, of the status of our efforts to arrange and consummate the Debt Financing.

We are obligated to reimburse IAA for certain reasonable out-of-pocket fees, and indemnify IAA for all losses it incurs, in connection with its cooperation in arranging the Debt Financing, whether or not the transactions are consummated or the Merger Agreement is terminated in accordance with the terms therein. IAA is obligated to use its reasonable best efforts to provide, and to cause its subsidiaries and representatives to provide, all cooperation reasonably requested by us in connection with the Debt Financing, subject to certain limitations.

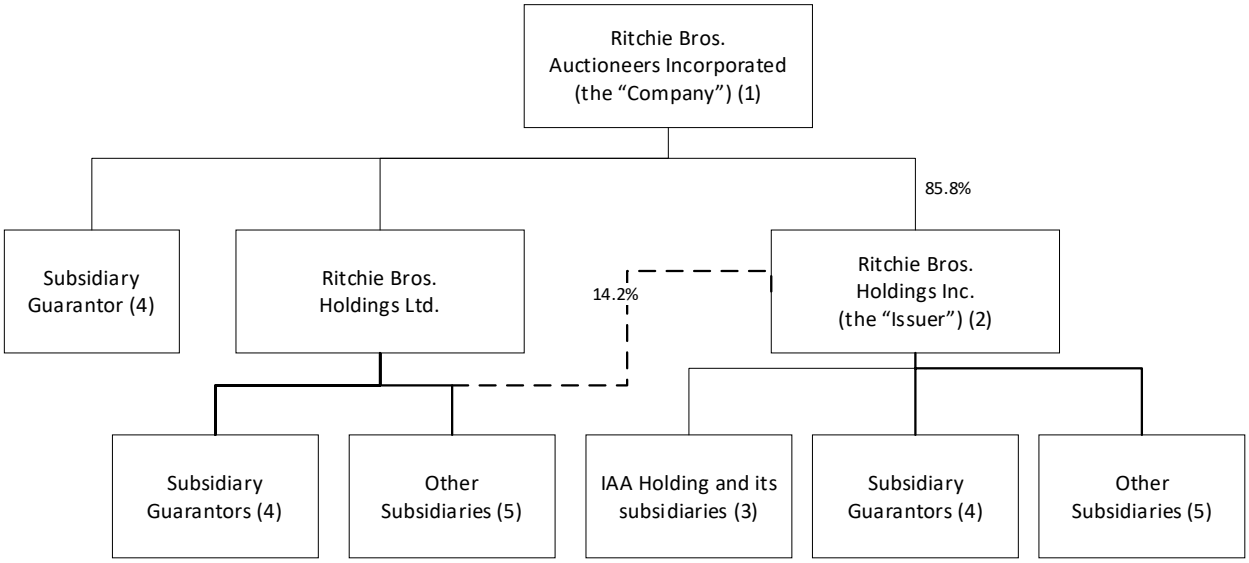
We refer to (i) the Mergers, (ii) this offering of the notes, (iii) the entrance into the Sixth Amendment and (iv) entering into, and borrowing under, the New Term Loan A Facility, collectively, as the "Transactions."

The Issuer

The Issuer, Ritchie Bros. Holdings Inc., is a holding company for our American operations and substantially all of its operations are carried on through its subsidiaries. No separate information has been provided in this offering circular for the Issuer because it does not conduct any operations and, after consummation of the Mergers, the notes will be guaranteed by its parent, the Company, as well as the other guarantors.

Corporate Structure following the Transactions

The following chart sets forth our corporate structure and principal indebtedness immediately following the Transactions and the use of proceeds therefrom.



(1) The Company is (i) a borrower under the Credit Facilities and (ii) a guarantor of the notes.

(2) The Issuer is (i) a borrower under the Credit Facilities and (ii) the issuer of the notes offered hereby. The Issuer is a wholly-owned subsidiary of the Company.

(3) IAA Holding and its subsidiaries that become a borrower or guarantor under the Credit Agreement are expected to be guarantors of the notes following the consummation of the Mergers.

(4) Certain of our subsidiaries that are a borrower or guarantor under the Credit Agreement are expected to be guarantors of the notes following the consummation of the Mergers.

(5) Certain of our subsidiaries that are not a borrower or guarantor under the Credit Agreement will not guarantee the notes.

Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the Transactions, assuming they occurred on December 31, 2022. The actual sources and uses of funds may vary from the estimated sources and uses of funds in the table and accompanying footnotes set forth below.

Sources		**Uses**	
(in millions)			
Senior Secured Notes[(1)]	$ 550	Equity purchase price for IAA[(3)]	$ 6,116
Senior Unsecured Notes[(1)]	800	Repayment of IAA gross indebtedness[(4)]	1,149
Term Loan A Facility	1,910	Repayment of Ritchie Bros. gross indebtedness[(5)]	627
Common equity issuance[(2)]	4,402	Ritchie Bros. Special Dividend	120
Cash sourced from balance sheet	551	Transaction fees and expenses[(6)]	201
Total Sources	**$ 8,213**	**Total Uses**	**$8,213**

(1) Represents estimated gross proceeds from this offering of $550 million of the secured notes and $800 million of the unsecured notes, in each case, without deduction for initial purchasers' discounts and other estimated fees and expenses.

(2) Represents the value of our common shares being issued in the Transactions, based on the closing price per common share as of February 17, 2023.

(3) Consists of (i) $1,714 million preliminary cash consideration to be paid to IAA stockholders pursuant to the Merger Agreement and (ii) $4,402 million preliminary fair value of our common shares issued in connection with the Transactions, based on the closing price per common share as of February 17, 2023, payable to IAA common stockholders and IAA phantom stock award holders pursuant to the Merger Agreement.

(4) Represents the repayment of outstanding principal of IAA indebtedness as of January 1, 2023, in addition to the associated accrued interest and prepayment costs.

(5) We expect to use a portion of the net proceeds from this offering, together with proceeds from the Term Loan A Facility and cash from our balance sheet, to repay or refinance all of our outstanding indebtedness, including our existing 2016 Notes. For additional information about the 2016 Notes, see "Description of Certain Other Indebtedness."

(6) Represents fees and expenses related to this offering, the Mergers and the other Transactions, including an estimated $81.0 million of Ritchie Bros. transaction expenses yet to be incurred as of December 31, 2022.

Other Recent Developments

Investment Transaction

On January 22, 2023, the Company entered into a securities purchase agreement (the "SPA") with certain affiliated funds of Starboard Value LP (the "Starboard purchasers") and, for certain purposes, Starboard Value LP and Jeffrey C. Smith, pursuant to which the Company agreed to issue and sell to the Starboard purchasers in a private placement (the "Investment Transaction") exempt from the registration requirements of the Securities Act and the prospectus requirements of British Columbia securities law, (i) an aggregate of 485,000,000 senior preferred shares of the Company designated as Series A senior preferred shares (the "Preferred Shares"), which Preferred Shares are convertible into the Company's common shares for an aggregate purchase price of $485.0 million, or $1.00 per Preferred Share, and (ii) an aggregate of 251,163 common shares of the Company for an aggregate purchase price of approximately $15.0 million, or $59.722 per common share of the Company. The closing of the Investment Transaction occurred on February 1, 2023.

Pursuant to the terms of the SPA, upon obtaining the Ritchie Bros. Shareholder Approval and the IAA Stockholder Approval, the Company will increase the size of its board of directors from nine to ten directors and appoint Jeffrey C. Smith, who serves as Managing Member, Chief Executive Officer and Chief Investment Officer of Starboard Value LP, as a member of the board of directors of the Company.

Ritchie Bros. Special Dividend

On January 23, 2023, the Company announced that the board of directors of the Company expects to approve the payment of the Ritchie Bros. Special Dividend to the Company's shareholders in the amount of $1.08 per share, contingent upon the closing of the First Merger. The Ritchie Bros. Special Dividend will be payable to holders of record of the Company's common shares as of a record date prior to the Effective Time to be determined with the consent of the TSX and only if the First Merger is completed. The Company's shareholders will only be eligible to receive the Ritchie Bros. Special Dividend if they own their common shares through the record date determined for the Ritchie Bros. Special Dividend, which will be publicly announced by the Company following determination. IAA stockholders will not be entitled to receive the Ritchie Bros. Special Dividend with respect to any common shares received as consideration in the First Merger. The Company will not pay the Ritchie Bros. Special Dividend if the Merger Agreement is terminated or the First Merger is otherwise not completed for any reason.

Corporate Information

We were founded in 1958 in Kelowna, British Columbia, Canada. Our corporate headquarters are located at 9500 Glenlyon Parkway, Burnaby, British Columbia, Canada V5J 0C6, and our telephone number is (778) 331-5500. Our website addresses include rbauction.com and investor.ritchiebros.com. The information contained on or that can be accessed through any of our websites is not incorporated by reference in, and is not part of, this offering circular, and you should not rely on any such information in connection with your investment decision to purchase notes.

The Issuer is our wholly-owned subsidiary that was incorporated in the State of Washington on April 24, 1987. Its corporate headquarters are located at 4000 Pine Lake Rd, Lincoln NE 68516 USA.

THE OFFERING

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of Secured Notes" and "Description of Unsecured Notes" sections of this offering circular contains a more detailed description of the terms and conditions of each series of notes.

Issuer	Ritchie Bros. Holdings Inc.
Notes Offered	The secured notes: $550,000,000 aggregate principal amount of % senior secured notes due 2028.
	The unsecured notes: $800,000,000 aggregate principal amount of % senior notes due 2031.
Maturity Dates	The secured notes: , 2028.
	The unsecured notes: , 2031.
Interest	The secured notes: Interest on the secured notes will accrue at a rate of % per annum, payable in cash semi-annually in arrears on and of each year, commencing , 2023.
	The unsecured notes: Interest on the unsecured notes will accrue at a rate of % per annum, payable in cash semi-annually in arrears on and of each year, commencing , 2023.
Guarantees	If this offering is consummated prior to the consummation of the Mergers, each series of notes will initially be guaranteed by the Company, but not by any of the Company's other subsidiaries and will not be guaranteed by IAA Holding or any of its respective subsidiaries.
	Upon consummation of the Mergers, each series of notes will be, jointly and severally, fully and unconditionally guaranteed, on a senior unsecured basis, in the case of the unsecured notes, and on a senior secured basis, in the case of the secured notes, by the Company and each of the Company's other subsidiaries (other than the Issuer) that is a borrower, or guarantees indebtedness, under the Credit Agreement or certain capital markets indebtedness, including the other series of notes offered hereby. IAA Holding and its subsidiaries that become a borrower or guarantor under the Credit Agreement are expected to become guarantors following the consummation of the Mergers. See "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees." While we expect each of these entities to become guarantors of the notes upon or shortly after the consummation of the Mergers, if any such entity is (a) a CFC, (b) a U.S. subsidiary all or substantially all of the assets of which consist of the equity interests of one or more CFCs or (c) a U.S. subsidiary that is a subsidiary of a CFC then, subject to certain exceptions, that entity will not provide a guarantee. For this purpose, a "CFC" means any controlled foreign corporation for U.S. federal income tax purposes that is owned (within the meaning of Section 958(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) by the Issuer, or any affiliate of the Issuer that is a U.S. Person within the meaning of Section 7701(a)(30) of the Code and a corporation for U.S. federal income tax purposes. We do not expect such entities to constitute a material portion of the combined company's assets, revenues or pro forma RBA Adjusted EBITDA. See "Risk Factors—Risks Related to the Notes and Our Indebtedness—The notes will be structurally subordinated to the existing and future liabilities of certain of our subsidiaries which are not guaranteeing the notes."

	We expect that, following consummation of the Mergers, IAA Holding and its subsidiaries that become a borrower or guarantor under the Credit Agreement will also become a guarantor of each series of notes. As of December 31, 2022, on a historical basis (without giving effect to the Mergers), (a) our existing subsidiaries that will not be guarantors of the notes following the consummation of the Mergers had $72.7 million of liabilities (to which the notes would have been structurally subordinated) and $256.2 million of assets, excluding intercompany balances and (b) IAA Holding's existing subsidiaries that will not be guarantors of the notes following the consummation of the Mergers had $942.7 million of liabilities (to which the notes would have been structurally subordinated) and $1,721.9 million of assets, excluding intercompany balances.
Collateral	At the time of issuance, each series of notes will initially be the Issuer's senior secured obligations, secured only by the amounts deposited in the applicable escrow account. Upon consummation of the Mergers, the secured notes and related guarantees, respectively, will be secured, subject to permitted liens and certain other exceptions, by first priority liens on substantially the same collateral that secures the obligations under the Credit Agreement as described herein. The unsecured notes and related guarantees thereto will not be secured by any collateral.
Intercreditor Agreement.....	In connection with the issuance of the secured notes, upon consummation of the Mergers, we will enter into an intercreditor agreement (the "Intercreditor Agreement") with the Notes Collateral Agent (as defined below) and the administrative agent under Credit Agreement (the "Bank Collateral Agent"). The Intercreditor Agreement will set forth the rights of, and relationship among, the Notes Collateral Agent, the holders of the secured notes, the Bank Collateral Agent, the lenders and other secured parties under the Credit Agreement and the holders of any other future *pari passu* first-priority lien debt (and their representative) in respect of the exercise of rights and remedies against the Issuer and the guarantors.
Priority.....	Upon consummation of the Mergers, each series of notes and the related guarantees, respectively, will be: • equal in right of payment with all of the Issuer's and the guarantors' senior debt (including borrowings under the Credit Agreement), without giving effect to collateral arrangements; • senior in right of payment to all of the Issuer's and the guarantors' future subordinated debt, if any, without giving effect to the collateral arrangements; and • structurally subordinated in right of payment to all liabilities (including trade payables) of the Issuer's and the guarantors' subsidiaries that do not guarantee the notes. In addition, the secured notes and related guarantees, respectively, will be *pari passu* with our and the guarantors' obligations that are secured by a first priority lien (subject to certain permitted liens) on the Collateral (including the borrowings under the Credit Agreement) to the extent of the value of the Collateral, and effectively senior to our and the guarantors' respective existing and future indebtedness that is unsecured or that is secured by junior liens, including the unsecured notes and our 2016 Notes, in each case to the extent of the value of the Collateral. The unsecured notes and related guarantees, respectively, will be effectively subordinated to all of the Company's, the Issuer's or the guarantors' obligations that are secured, including the secured notes and the Credit Agreement, in each case, to the extent of the value of the assets securing such indebtedness.

	As of December 31, 2022, as adjusted for the Transactions, we would have had approximately $3,260.0 million of total debt (excluding debt issuance costs and capital lease obligations), including $2,460.0 million of secured indebtedness, consisting of the secured notes offered hereby and $1,910.0 million under the Credit Agreement, and $800.0 million of unsecured indebtedness consisting of the unsecured notes offered hereby, and we would have had $738.9 million of availability under the Credit Agreement after giving effect to the $11.1 million of letters of credit outstanding.
Optional Redemption	On or after , 2025 and , 2026 (with respect to the secured notes and the unsecured notes, respectively), the Issuer may redeem either series of notes, in whole or in part, at any time and from time to time at the redemption prices described in the section "Description of Secured Notes—Redemption—Optional Redemption" and "Description of Unsecured Notes—Redemption—Optional Redemption," plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuer may also redeem either series of notes, in whole or in part, at any time and from time to time before , 2025 and , 2026 (with respect to the secured notes and the unsecured notes, respectively), at a redemption price of 100% of the principal amount plus accrued and unpaid interest, if any, to, but excluding, the redemption date, plus a "make-whole" premium. In addition, the Issuer may redeem up to 40% of the aggregate principal amount of either series of notes at any time and from time to time before , 2026, with an amount up to the net proceeds of certain equity offerings at a redemption price of % and % (with respect to the secured notes and the unsecured notes, respectively) of the principal amount plus accrued and unpaid interest, if any, to, but excluding, the redemption date.
Change of Control	If we experience certain kinds of changes of control following the consummation of the Mergers, the Issuer may be required to repurchase each series of notes at a price equal to 101% of the principal amount of each series of notes, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. For more details, see "Description of Secured Notes—Change of Control" and "Description of Unsecured Notes—Change of Control."
Additional Amounts; Tax Redemption	All payments in respect of the secured notes, the unsecured notes and the related guarantees will be made without withholding or deduction for any taxes except to the extent required by law. If withholding or deduction is required by law in a relevant tax jurisdiction, subject to certain exceptions, an additional amount will be paid so that the net amount received by a holder or a beneficial holder is no less than the amount that such holder or beneficial holder would have received in the absence of such withholding or deduction, *provided* that no additional amount will be paid for U.S. withholding taxes imposed, withheld or deducted on any payment on or with respect to the notes. See "Description of Secured Notes—Additional Amounts" and "Description of Unsecured Notes—Additional Amounts." If certain changes in tax law or treaties (or any regulations or rulings promulgated thereunder) in a relevant tax jurisdiction become effective that would require an additional amount to be paid or certain tax indemnification payments be made with respect to a series of notes or the guarantees with respect thereto, we may redeem such series of notes in whole, but not in part, at any time, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, and all additional amounts, if any. See "Description of Secured Notes—Redemption—Optional Redemption for Changes in Withholding

	Tax" and "Description of Unsecured Notes—Redemption—Optional Redemption for Changes in Withholding Tax."
Escrow of Proceeds; Special Mandatory Redemption.....	This offering may be consummated prior to the consummation of the Mergers. The completion of this offering is not conditioned upon the consummation of the Mergers. If this offering is consummated prior to the consummation of the Mergers, upon the closing of this offering, the Issuer will deposit the gross proceeds from the sale of each series of notes in this offering, together with certain additional amounts, into a separate escrow account for each series of notes. If the Mergers are not consummated on or before September 30, 2023 or the Merger Agreement is terminated prior to such date, the Issuer will be required to redeem all of the outstanding notes of each series at a redemption price equal to 100% of the original offering price of each series of the notes, plus accrued and unpaid interest to, but excluding, the date of such mandatory redemption. In such event, the escrowed proceeds will be applied to fund a portion of such redemption price. If this offering is consummated at or following the time of the consummation of the Mergers, we will forego the escrow procedures described in this offering circular. See "Use of Proceeds," "Description of Secured Notes—Redemption—Special Mandatory Redemption" and "Description of Unsecured Notes—Redemption—Special Mandatory Redemption."
Mandatory Offer to Repurchase Following Certain Assets Sales.....	If we make certain asset sales and do not use the net proceeds for specified purposes, the Issuer may in certain circumstances be required to offer to repurchase each series of notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. For more details, see "Description of Secured Notes—Certain Covenants—Limitation on Asset Sales" and "Description of Unsecured Notes—Certain Covenants—Limitation on Asset Sales."
Certain Covenants	The indentures governing the notes will contain covenants that will, after consummation of the Mergers, limit, among other things, the Company's and its restricted subsidiaries' (including the Issuer) ability to: • incur additional indebtedness (including guarantees thereof); • incur or create liens on their assets securing indebtedness; • make certain restricted payments; • make certain investments; • dispose of certain assets; • allow to exist certain restrictions on the ability of the Company's restricted subsidiaries to pay dividends or make other payments to the Company or the Issuer; • engage in certain transactions with affiliates; and • consolidate, amalgamate or merge with or into other companies. These covenants are subject to a number of important limitations and exceptions. See "Description of Secured Notes—Certain Covenants" and "Description of Unsecured Notes—Certain Covenants." If on any date after consummation of the Mergers, the notes have an investment grade rating from both of Standard & Poor's Ratings Services ("S&P") and Moody's

	Investors Service, Inc. ("Moody's"), subject to certain conditions, the Company and its restricted subsidiaries (including the Issuer) will no longer be subject to certain of these covenants until such date, if any, that the notes lose their investment grade rating from either or both of S&P or Moody's, after which the suspended covenants will be reinstated. See "Description of Secured Notes—Certain Covenants—Changes in Covenants When Notes Rated Investment Grade" and "Description of Unsecured Notes—Certain Covenants—Changes in Covenants When Notes Rated Investment Grade."
Form and Denomination.....	The notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes will be issued in book-entry form and will be represented by global certificates deposited with, or on behalf of DTC (as defined below), and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee; and these interests may not be exchanged for certificated notes, except in limited circumstances.
Transfer Restrictions	The notes have not been registered under the Securities Act or the securities law of any other jurisdiction and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with other applicable securities law. Neither we nor the Issuer intend to list any series of notes on any securities exchange.
No Registration Rights	Neither we nor the Issuer are required to exchange any series of notes for a new issue of substantially identical notes registered under the Securities Act.
Use of Proceeds	We intend to use the net proceeds from this offering, together with proceeds from the Term Loan A Facility and cash from our balance sheet, to fund the cash portion of the Merger Consideration, refinance IAA's existing indebtedness, repay or refinance all of our indebtedness, including our existing 2016 Notes, pay the Ritchie Bros. Special Dividend and pay related fees and expenses. Nothing in this offering circular shall constitute a notice of redemption for our existing 2016 Notes. This offering is not conditioned on the consummation of the Mergers. However, upon the closing of this offering, the Issuer will deposit the gross proceeds from the sale of each series of notes in this offering, together with certain additional amounts, into a separate escrow account for each series of notes. If the Mergers are not consummated on or before September 30, 2023 or the Merger Agreement is terminated prior to such date, the Issuer will be required to redeem all of the outstanding notes of each series at a redemption price equal to 100% of the original offering price of each series of the notes, plus accrued and unpaid interest to, but excluding, the date of such mandatory redemption. See "Description of Secured Notes—Redemption—Special Mandatory Redemption," "Description of Unsecured Notes—Redemption—Special Mandatory Redemption" and "Use of Proceeds." There can be no assurance that the Mergers will be consummated on the terms described herein or at all.
Absence of Established Market for the Notes.....	Each series of notes will be a new class of securities for which there is currently no market. Although certain of the initial purchasers have informed us that they intend to make a market in the notes, such initial purchasers are not obligated to do so, and may discontinue market-making activities at any time without notice. Accordingly, we and the Issuer cannot assure you that a liquid market for any series of notes will develop or be maintained.
Trustee.....	U.S. Bank Trust Company, National Association.

Escrow Agent.....	U.S. Bank Trust Company, National Association.
Risk Factors	Investing in the notes involves substantial risks. See "Risk Factors" and the other information in this offering circular and the documents incorporated by reference herein for a discussion of some factors you should carefully consider before deciding to invest in the notes.
Listing and Trading	No public market currently exists for the notes. Neither we nor the Issuer intend to apply for listing of any series of notes on any securities exchange or for inclusion of any series of notes in any automated quotation system.

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION AND OTHER DATA

The summary unaudited pro forma condensed combined financial information and other data set forth below give effect to the Mergers and the other related events contemplated by the Merger Agreement, as described in the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" included in this offering circular. The unaudited pro forma condensed combined financial information of Ritchie Bros. also gives effect to other financing events contemplated by Ritchie Bros. or that have already occurred but are not yet reflected in the historical financial information of Ritchie Bros. and are considered material transactions separate from the Mergers. The Mergers will be treated as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification 805, "Business Combinations" ("ASC 805").

The summary unaudited pro forma condensed combined income statement data for the year ended December 31, 2022 and the summary unaudited pro forma condensed combined balance sheet data as of December 31, 2022 have been derived from the unaudited pro forma condensed combined financial statements included in the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" in this offering circular. The unaudited pro forma condensed combined balance sheet as of December 31, 2022 is prepared on a combined basis using the historical audited consolidated balance sheet of Ritchie Bros. and IAA as of December 31, 2022, and January 1, 2023, respectively, giving pro forma effect to the Mergers and the other events contemplated as if each had been consummated on December 31, 2022 based on the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements included elsewhere in this offering circular.

The unaudited pro forma condensed combined income statement for the year ended December 31, 2022 gives pro forma effect to the Mergers and the other events contemplated as if each had been consummated on January 1, 2022, the beginning of the earliest period presented, based on the assumptions and adjustments described in the accompanying notes. As the difference between Ritchie Bros.' and IAA's fiscal year-end dates is less than one fiscal quarter, the unaudited pro forma condensed combined income statement for the year ended December 31, 2022 combines the historical audited consolidated income statement of Ritchie Bros. and IAA for the fiscal year ended December 31, 2022 and for the fiscal year ended January 1, 2023, respectively.

The summary unaudited pro forma condensed combined financial information may not be indicative of the combined company's future performance as a consolidated company. The summary unaudited pro forma condensed combined financial information does not give effect to any estimated synergies, cost savings and other benefits that may be related to the Mergers and other related Transactions. The summary unaudited pro forma condensed combined financial information and other data set forth below should be read in conjunction with the information included under the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" and the historical consolidated financial statements of Ritchie Bros. and IAA, respectively, together with related notes, and the information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Ritchie Bros.' and IAA's respective annual reports incorporated by reference in this offering circular.

Unaudited Pro forma Condensed Combined Statement of Operations Information:	**Year Ended December 31, 2022**
	(in millions)
Total revenue	$ 3,833
Cost of services	1,164
Cost of inventory sold	977
Selling, general and administrative expenses	737
Acquisition-related costs	127
Depreciation and amortization expenses	393
Foreign exchange loss (gain)	4
Gain on disposition of property, plant and equipment	173
Operating income	604
Interest expense	(277)
Interest income	8

Change in fair value of derivatives, net		1
Other income (expense), net		(1)
Income before income taxes		335
Income tax expense (benefit)		52
Net income	$	283

Unaudited Pro Forma Condensed Combined Balance Sheet Information:		**Pro Forma As of December 31, 2022**
		(in millions)
Cash and cash equivalents	$	659
Total assets	$	12,392
Long-term debt, net:		
Secured debt	$	2,432
Unsecured debt	$	785
Series A Senior Preferred Shares	$	485
Total stockholders' equity	$	5,517

Other Financial and Operating Data:		**Year Ended December 31, 2022**
		(in millions)
Pro forma net income[(1)]	$	283
Adjusted pro forma EBITDA [(1)]	$	1,012
Pro forma net income attributable to common stockholders[(2)]	$	247
Adjusted pro forma net income attributable to common stockholders[(2)]	$	463
Pro forma gross leverage[(3)]		3.2 x
Pro forma net leverage[(3)]		2.6 x
Pro forma net secured leverage[(3)]		1.8 x

(1) Adjusted pro forma EBITDA is derived from financial information contained elsewhere in this offering circular. See "Summary Historical Consolidated Financial and Other Data of Ritchie Bros." and "Unaudited Pro Forma Condensed Combined Financial Information." Pro forma EBITDA is calculated by adding back depreciation and amortization expenses, interest expense and income tax expense, and subtracting interest income from pro forma net income. Adjusted pro forma EBITDA represents pro forma EBITDA adjusted to add back share-based payments expense, acquisition-related costs, loss (gain) on disposition of property, plant and equipment and related costs, certain non-recurring advisory, legal and restructuring costs, change in fair value of derivatives and the fair value adjustments related to contingent consideration. Certain historical adjustments which are included in IAA Adjusted EBITDA and meet Ritchie Bros.' definition have been included and adjusted for in the adjusted pro forma EBITDA. See "Non-GAAP Financial Measures" for a discussion of the reasons why management believes adjusted pro forma EBITDA is useful in evaluating our business, also for a discussion of the analytical limitations of these measures.

(2) Adjusted pro forma net income attributable to common stockholders is derived from financial information contained elsewhere in this offering circular. See "Summary Historical Consolidated Financial and Other Data of Ritchie Bros." and "Unaudited Pro Forma Condensed Combined Financial Information." Adjusted pro forma net income attributable to common stockholders is calculated from pro forma net income attributable to common stockholders adding back adjusting items that we do not consider to be part of our normal operating results, such as share-based payments expense, acquisition-related costs, amortization of acquired intangible assets and loss (gain) on disposition of property, plant and equipment and related costs. Also adjusted were certain non-recurring advisory, legal and restructuring costs, the change in fair value of derivatives, loss on redemption and extinguishment of indebtedness and related interest expense, and the fair value adjustments related to contingent consideration. Certain historical adjustments which are included in IAA's adjusted net income and meet Ritchie

Bros. definition have been included and adjusted for in the adjusted pro forma net income attributable to common stockholders.

(3) Pro forma gross leverage is calculated by dividing pro forma total debt (excluding debt issuance costs and capital lease obligations) by adjusted pro forma EBITDA. Pro forma net leverage is calculated by dividing pro forma net debt by adjusted pro forma EBITDA. Pro forma net secured leverage is calculated by dividing pro forma net secured debt by adjusted pro forma EBITDA. We believe that these measures provide useful information about the performance of our operations as an indication of the amount of time it would take us to settle both our short and long-term debt.

The following table provides a reconciliation of pro forma gross leverage, pro forma net leverage and pro forma net secured leverage as of December 31, 2022 and a reconciliation of adjusted pro forma EBITDA to pro forma net income for the year ended December 31, 2022:

	Pro Forma As of and For the Year Ended December 31, 2022
	(in millions)
Pro forma total debt	$ 3,260
Less: Cash and cash equivalents	(659)
Pro forma net debt	$ 2,601
Less: gross unsecured debt	(800)
Pro forma secured net debt	$ 1,801
Pro forma net income	283
Add: depreciation and amortization expenses	393
Add: interest expense	277
Less: interest income	(8)
Add: income tax expense	52
Pro forma EBITDA	$ 997
Share-based payment expense	44
Acquisition-related costs	127
Non-recurring advisory, legal and restructuring costs	8
Loss (gain) on disposition of property, plant and equipment and related costs	(168)
Change in fair value of derivatives	(1)
Fair value adjustments related to contingent consideration	5
Adjusted pro forma EBITDA	$ 1,012
Pro forma gross leverage	3.2 x
Pro forma net leverage	2.6 x
Pro forma net secured leverage	1.8 x

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA OF RITCHIE BROS.

The following table sets forth the summary historical consolidated financial and other data of Ritchie Bros. as of December 31, 2020, 2021 and 2022 and for the years ended December 31, 2020, 2021 and 2022. Certain of the summary historical consolidated financial data as of December 31, 2021 and 2022 and for the years ended December 31, 2020, 2021 and 2022 have been derived from Ritchie Bros.' audited historical consolidated financial statements and related notes as of such dates and for such periods, which are incorporated by reference into this offering circular. Certain of the summary historical consolidated financial data as of December 31, 2020 have been derived from Ritchie Bros.' audited historical consolidated financial statements and related notes as of and for the year ended December 31, 2020, which are not incorporated by reference into this offering circular.

The summary historical consolidated financial and other data set forth below are not necessarily indicative of results of future operations and should be read in conjunction with the discussion under the headings "Use of Proceeds," "Capitalization" and Ritchie Bros.' financial statements and related notes incorporated by reference into this offering circular.

	Year Ended December 31,		
	2020	2021	2022
Consolidated Income Statements Data			
Total revenue	$ 1,377,260	$ 1,416,971	$ 1,733,808
Costs of services(1)	164,528	155,258	168,127
Cost of inventory sold	458,293	447,921	608,574
Selling, general and administrative expenses(1)	410,291	456,203	539,933
Acquisition-related costs	6,014	30,197	37,261
Depreciation and amortization expenses	74,921	87,889	97,155
Gain on disposition of property, plant and equipment	1,559	1,436	170,833
Foreign exchange (gain) loss	1,612	792	(954)
Operating income	263,160	240,147	454,545
Interest expense	(35,568)	(36,993)	(57,880)
Interest income	2,337	1,402	6,971
Change in fair value of derivatives, net	—	(1,248)	1,263
Other income, net	5,959	1,924	1,089
Income before income taxes	235,888	205,232	405,988
Income tax expense	65,530	53,378	86,230
Net income	$ 170,358	$ 151,854	$ 319,758
Balance Sheet Data			
Cash and cash equivalents	$ 278,766	$ 326,113	$ 494,324
Total assets	2,351,529	3,592,914	2,863,727
Total debt	665,793	1,743,585	610,615
Finance lease obligations	26,302	22,885	24,652
Total debt and finance lease obligations	692,095	1,766,470	635,267
Stockholders' equity	1,007,245	1,070,675	1,289,609
Cash Flow Data			
Net cash provided by operating activities	$ 257,872	$ 317,586	$ 463,055
Net cash provided by (used in) investing activities	(276,722)	(214,066)	77,332
Net cash used in financing activities	(111,461)	960,908	(1,258,122)
Effect of changes in foreign currency rates on cash, cash equivalents and restricted cash	16,950	(8,871)	(18,771)
Net increase (decrease) in cash and cash equivalents	$ (113,361)	$ 1,055,557	$ (736,506)
Other Financial and Operating Data			
Net capital spending (2)	$ 26,751	$ 41,576	$ (93,605)
EBITDA (3)	$ 344,039	$ 328,712	$ 554,052
RBA Adjusted EBITDA (3)	$ 374,295	$ 385,324	$ 465,215
OFCF (4)	$ 231,121	$ 276,010	$ 556,660
Combined Adjusted EBITDA (5)	$ 875,295	$ 1,038,024	$ 1,112,815

	Year Ended December 31,		
	2020	2021	2022
Combined Adjusted Secured Net Leverage (6)			1.6x
Combined Adjusted Total Net Leverage (7)			2.3x

(1) Certain expenses for the prior years ended December 31, 2021 and 2020 have been reclassified from selling, general and administrative expenses to cost of services for certain employee costs related to equipment inspections to conform with current year presentation.

(2) We calculate net capital spending by adding property, plant and equipment additions to intangible asset additions, and subtracting proceeds on disposition of property, plant and equipment.

(3) EBITDA is calculated by adding back depreciation and amortization expenses, interest expense, and income tax expense, and subtracting interest income from net income. RBA Adjusted EBITDA represents EBITDA adjusted to add back share-based payments expense, acquisition-related costs, gain or loss on disposition of property, plant and equipment and excluding the effects of any non-recurring or unusual adjusting items. See "Non-GAAP Financial Measures" for a discussion of the reasons why management believes RBA Adjusted EBITDA is useful in evaluating our business and also for a discussion of the analytical limitations of these measures.

Beginning in the third quarter of 2021, we updated the calculation of RBA Adjusted EBITDA to add back share-based payments expense and all acquisition-related costs (including any share based continuing employment costs recognized in acquisition-related costs), and gain or loss on disposition of property, plant and equipment. These adjustments have been applied retrospectively to all periods presented. The following table provides a reconciliation of EBITDA and RBA Adjusted EBITDA to net income:

	Year Ended December 31,		
	2020	2021	2022
		(in thousands)	
Net Income	$ 170,358	$ 151,854	$ 319,758
Depreciation and amortization	74,921	87,889	97,155
Interest income	(2,338)	(1,402)	(6,971)
Interest expense	35,568	36,993	57,880
Total income tax expense (including deferred income tax)	65,530	53,378	86,230
EBITDA	$ 344,039	$ 328,712	$ 554,052
Share-based payments expense	21,882	23,106	36,961
Acquisition-related costs	6,014	30,197	37,261
Gain on disposition of property, plant and equipment and related costs	(1,559)	(1,436)	(166,857)
Change in fair value of derivatives	—	1,248	(1,263)
Non-recurring advisory, legal and restructuring costs	3,919	3,497	5,061
RBA Adjusted EBITDA	$ 374,295	$385,324	$ 465,215

(4) OFCF is calculated on a trailing twelve-month basis by subtracting net capital spending from cash provided by operating activities. See "Non-GAAP Financial Measures" for a discussion of the reasons why management believes OFCF is useful in evaluating our business.

The following table provides a reconciliation of OFCF to net cash provided by operating activities:

	Year Ended December 31,		
	2020	2021	2022
		(in thousands)	
Net cash provided by operating activities	$ 257,872	$ 317,586	$ 463,055
Property, plant and equipment additions	14,263	9,816	31,972
Intangible asset additions	28,873	33,671	39,965
Proceeds on disposition of property plant and equipment	(16,385)	(1,911)	(165,542)
Net capital spending	26,751	41,576	(93,605)
OFCF	$ 231,121	$ 276,010	$ 556,660

(5) Combined Adjusted EBITDA consists of the sum of RBA Adjusted EBITDA, IAA Adjusted EBITDA and assumed anticipated synergies of $100.0 million annually, which may be added back to Adjusted EBITDA to measure our compliance with the covenants of the notes. For more information, see "Description of Secured Notes" and "Description of Unsecured Notes." Combined Adjusted EBITDA has also been further adjusted to include IAA's historical stock-based compensation expense of $13.0 million, $11.4 million and $8.5 million, for the years ended December 31, 2022, 2021, and 2020, respectively, offset by $6.0 million annual synergies for stock-based compensation, for comparability with RBA Adjusted EBITDA definition. This measure is not a pro forma measure. For more information on adjusted pro forma EBITDA, see "Unaudited Pro Forma Condensed Combined Financial Information."

(6) Represents the ratio of (a) pro forma net secured debt to (b) the Combined Adjusted EBITDA. For more information on pro forma net secured debt, see "Summary Unaudited Pro Forma Condensed Combined Financial Information and Other Data."

(7) Represents the ratio of (a) pro forma net debt to (b) the Combined Adjusted EBITDA. For more information on pro forma net debt, see "Summary Unaudited Pro Forma Condensed Combined Financial Information and Other Data."

RISK FACTORS

You should carefully consider each of the risks described below, together with all of the other information contained in this offering circular, including Ritchie Bros.' consolidated financial statements and related notes, IAA's consolidated financial statements and related notes and the unaudited pro forma financial statements and related notes, each of which is included elsewhere in, or incorporated by reference into, this offering circular, before deciding to invest in the notes. The risks described below are not the only risks facing us or that may materially adversely affect our business. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business. If any of the following risks develop into actual events, our business, financial condition or operating results could be adversely affected and you may lose all or part of your investment.

Risks Related to the Notes and Our Indebtedness

If the Mergers are not completed, the Issuer will be required to redeem each series of notes. If this occurs, you may realize a lower return on your investment than if the notes had been held through maturity.

The Issuer will be required to redeem each series of notes at a redemption price equal to 100% of the original offering price of each series of the notes, plus accrued and unpaid interest to, but excluding, the special mandatory redemption date of such series, if this offering is consummated prior to the consummation of the Mergers and if (x) by September 30, 2023, the escrow agent and trustee for the notes have not received an officer's certificate from the Issuer requesting the release of the proceeds in each escrow account (the "Escrow Release") and certifying that the conditions to the Escrow Release will be satisfied substantially concurrently with the Escrow Release or (y) at any time prior to the Escrow Release, the Issuer notifies the escrow agent and trustee in writing that we will not pursue the Mergers or that the Merger Agreement has been terminated in accordance with its terms. Upon such redemption, you may not be able to reinvest the proceeds from the redemption in an investment that yields comparable returns. In addition, if you purchase the notes at a price greater than the price at which the notes are redeemed, you may suffer a loss on your investment. If this offering is consummated at or following the time of the consummation of the Mergers, we will forego the escrow procedures described in this offering circular. See "Description of Secured Notes—Redemption—Special Mandatory Redemption" and "Description of Unsecured Notes—Redemption—Special Mandatory Redemption."

We are incurring substantial indebtedness in connection with the Transactions, and the degree to which we will be leveraged following the completion of the Transactions may materially and adversely affect our business, financial condition and results of operations.

We are incurring substantial indebtedness in connection with the Transactions. As of December 31, 2022, as adjusted for the Transactions, we would have had approximately $3,260.0 million of total debt (excluding debt issuance costs and capital lease obligations), including $2,460.0 million of secured indebtedness consisting of the secured notes offered hereby and $1,910.0 million under the Credit Agreement and $800.0 million of unsecured indebtedness consisting of the unsecured notes offered hereby, and we would have had $738.9 million of availability under the Credit Agreement after giving effect to the $11.1 million of letters of credit outstanding.

Our ability to make payments on and to refinance our indebtedness, including the debt incurred pursuant to the Transactions, as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings or asset sales. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We may not generate sufficient funds to service our debt and meet our business needs, such as funding working capital or the expansion of our operations. If we are not able to repay or refinance our debt as it becomes due, we may be forced to take certain actions, including reducing spending on marketing, advertising and new product innovation, reducing future financing for working capital, capital expenditures and general corporate purposes, selling assets or dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. In addition, our ability to withstand competitive pressures and to react to changes in our industry, including both the live and online auction industry, could be impaired.

The lenders who hold our debt could also accelerate amounts due in the event that we default, which could potentially trigger a default or acceleration of the maturity of our other debt.

In addition, our leverage could put us at a competitive disadvantage compared to our competitors that are less leveraged. These competitors could have greater financial flexibility to pursue strategic acquisitions and secure additional financing for their operations. Our leverage could also impede our ability to withstand downturns in our industry or the economy in general.

Despite our expected level of indebtedness, we may still incur substantially more indebtedness. This could exacerbate the risks associated with our substantial indebtedness.

We may incur substantial additional indebtedness in the future. The terms of the Credit Agreement limit, and following consummation of the Transactions, the indentures governing the notes will limit, but not prohibit, us from incurring additional indebtedness. If we incur any additional indebtedness that has the same priority as the notes and the guarantees thereof, the holders of that indebtedness will be entitled to share ratably with the holders of the notes and the guarantees thereof in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. Subject to restrictions in the Credit Agreement, and following consummation of the Transactions, the indentures governing the notes, we also will have the ability to incur additional secured indebtedness that would be effectively senior to the unsecured notes offered hereby, to the extent of the value of the assets securing such obligations. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

Our debt instruments will have restrictive covenants that could limit our financial flexibility.

The terms of the Credit Agreement contain, and following the consummation of the Transactions, the indentures governing the notes will contain, financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our ability to borrow under our Credit Agreement is subject to compliance with a consolidated leverage ratio covenant and a consolidated interest coverage ratio covenant.

The Credit Agreement includes other restrictions that limit our ability and the ability of our restricted subsidiaries (including the Issuer) in certain circumstances to: incur indebtedness; grant liens; engage in mergers, consolidations and liquidations; make asset dispositions, restricted payments and investments; enter into transactions with affiliates; and amend, modify or prepay certain indebtedness. Following the consummation of the Transactions, the indentures governing the notes will also contain covenants that limit our ability and the ability of our restricted subsidiaries (including the Issuer) in certain circumstances to:

- incur additional indebtedness (including guarantees thereof);
- incur or create liens on their assets securing indebtedness;
- make certain restricted payments;
- make certain investments;
- dispose of certain assets;
- allow to exist certain restrictions on the ability of our restricted subsidiaries to pay dividends or make other payments to us;
- engage in certain transactions with affiliates; and
- consolidate, amalgamate or merge with or into other companies.

See "Description of Secured Notes—Certain Covenants" and "Description of Unsecured Notes—Certain Covenants." Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of substantially all of our funded debt. We do not have sufficient working capital to satisfy our debt obligations in the event of an acceleration of all or a significant portion of our outstanding indebtedness.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the Credit Agreement are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flow, including cash available for servicing our indebtedness, will correspondingly decrease. We may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to any or all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk, or may create additional risks.

In addition, borrowings under the Credit Agreement will bear interest at a rate based on the term secured overnight financing rate ("SOFR"). SOFR is a relatively new reference rate. The publication of SOFR began in April 2019, and, therefore, it has a very limited history. The future performance of SOFR cannot be predicted based on the limited historical performance. Since the initial publication of SOFR, changes in SOFR have, on occasion, been more volatile than changes in other benchmark or market rates, such as United States dollar LIBOR. Additionally, any successor rate to SOFR under the Credit Agreement may not have the same characteristic as SOFR or LIBOR. As a result, the amount of interest we may pay on the Credit Agreement is difficult to predict.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including the Credit Agreement, that is not waived by the required lenders or holders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes. In addition, if we are unable to generate sufficient cash flow or are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants in the instruments governing our indebtedness (including covenants in the Credit Agreement and, following the consummation of the Transactions, the indentures governing the notes), we could be in default under the terms of the agreements governing this indebtedness. In this event, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest; the lenders under the Credit Agreement could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may need to obtain waivers from the required lenders under the Credit Agreement and, following the consummation of the Transactions, the indentures governing the notes, to avoid being in default. If we breach these covenants and seek a waiver from the required lenders, we may not be able to obtain it. If this occurs, we would be in default under each debt agreement, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Most of the restrictive covenants that will be contained in the indentures governing the notes will be suspended if and for so long as the notes are rated investment grade by Moody's and S&P and no default has occurred and is continuing.

Most of the covenants in the indentures governing the notes will be suspended if and for so long as the notes are rated investment grade (as defined in the indentures governing the notes) by Moody's and S&P, provided that at such time no default with respect to the notes has occurred and is continuing. There can be no assurance that the notes will ever be rated investment grade or that if they are rated investment grade, that the notes will maintain such ratings. Suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force and these transactions will not result in an event of default if the covenants are subsequently reinstated. See "Description of Secured Notes—Certain Covenants—Changes in Covenants When Notes Rated Investment Grade" and "Description of Unsecured Notes—Certain Covenants—Changes in Covenants When Notes Rated Investment Grade."

After the Escrow Release, the unsecured notes offered hereby and the related guarantees will be unsecured and effectively subordinated to ours and the guarantors' existing and future secured indebtedness.

After consummation of the Transactions, the unsecured notes will not be secured by any of our or the guarantors' assets, but our and the guarantors' obligations under the secured notes and the Credit Agreement are secured by

security interests in the Collateral, which includes substantially all of our and the guarantors' tangible and intangible personal property in the United States and Canada, subject to certain exceptions. As a result, the unsecured notes offered hereby and the related guarantees will be general unsecured obligations, which are effectively junior to all of our existing and future secured indebtedness and that of each guarantor, including the secured notes and indebtedness under the Credit Agreement, in each case, to the extent of the value of the assets securing such obligations thereunder. Additionally, the indentures governing the notes will permit us to incur additional secured indebtedness in the future. In the event that, after the Escrow Release, the Issuer or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any indebtedness that is effectively senior to the applicable series of notes and the related guarantees will be entitled to be paid in full from the Issuer's assets or the assets of the guarantor, as applicable, securing such indebtedness before any payment may be made with respect to the unsecured notes or the affected related guarantees. Holders of unsecured notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the unsecured notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. As of December 31, 2022, on a pro forma basis giving effect to the Transactions and assuming the consummation of the Escrow Release, the unsecured notes would have been effectively subordinated to $2,460.0 million of our secured indebtedness, including the secured notes, and we would have had approximately $738.9 million of borrowing capacity available under our Credit Agreement (after taking into letters of credit then outstanding).

The notes will be structurally subordinated to the existing and future liabilities of certain of our subsidiaries which are not guaranteeing the notes.

Following the consummation of the Transactions, the notes offered hereby will not be guaranteed by certain of our current and future subsidiaries. As a result, the notes will be structurally subordinated to all existing and future liabilities of such non-guarantor subsidiaries. Our rights and the rights of our creditors to participate in the assets of any non-guarantor subsidiary in the event that such a subsidiary is liquidated or reorganized will be subject to the prior claims of such subsidiary's creditors. As a result, all indebtedness and other liabilities, including trade payables, of our non-guarantor subsidiaries, whether secured or unsecured, must be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us in order for us to meet our obligations with respect to the notes. To the extent that we may be a creditor with recognized claims against any non-guarantor subsidiary, our claims would still be subject to the prior claims of such subsidiary's creditors to the extent that they are secured or senior to those held by us. Subject to restrictions contained in financing arrangements, including the Credit Agreement and the notes, our non-guarantor subsidiaries may incur additional indebtedness and other liabilities, all of which would be structurally senior to the notes.

Each series of notes will initially be guaranteed by the Company. Following the consummation of the Mergers, the notes offered hereby will be, jointly and severally, fully and unconditionally guaranteed, on a senior unsecured basis, in the case of the unsecured notes, and on a senior secured basis, in the case of the secured notes, by the Company and each of the Company's other subsidiaries (other than the Issuer) that is a borrower, or guarantees indebtedness, under the Credit Agreement or certain capital markets indebtedness, including the other series of notes offered hereby. IAA Holding and its subsidiaries that will become a borrower or guarantor under the Credit Agreement are expected to be guarantors following the consummation of the Mergers. See "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees." While we expect each of these entities to become guarantors of the notes upon or shortly after the consummation of the Mergers, if any such entity is (a) a CFC, (b) a U.S. subsidiary all or substantially all of the assets of which consist of the equity interests of one or more CFCs or (c) a U.S. subsidiary that is a subsidiary of a CFC then, subject to certain exceptions, that entity will not provide a guarantee. For this purpose, a "CFC" means any controlled foreign corporation for U.S. federal income tax purposes that is owned (within the meaning of Section 958(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) by the Issuer, or any affiliate of the Issuer that is a U.S. Person within the meaning of Section 7701(a)(30) of the Code and a corporation for U.S. federal income tax purposes. We do not expect such entities to constitute a material portion of the combined company's assets, revenues or pro forma RBA Adjusted EBITDA.

We expect that, following consummation of the Mergers, IAA Holding and its subsidiaries that become a borrower or guarantor under the Credit Agreement will also become a guarantor of the notes. As of December 31, 2022, on a historical basis (without giving effect to the Mergers), (a) our existing subsidiaries that will not be guarantors of the notes following the consummation of the Mergers had $72.7 million of liabilities (to which the notes would have been structurally subordinated) and $256.2 million of assets, excluding intercompany balances and (b) IAA Holding's

existing subsidiaries that will not be guarantors of the notes following the consummation of the Mergers had $942.7 million of liabilities (to which the notes would have been structurally subordinated) and $1,721.9 million of assets, excluding intercompany balances.

The lenders under the Credit Agreement will have the discretion to release the guarantors under the Credit Agreement in a variety of circumstances, or such guarantors may be automatically released, which will cause those guarantors to be released from their guarantees of the notes.

While any obligations under the Credit Agreement remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indentures governing the notes, if the related guarantor is no longer a guarantor of obligations under the Credit Agreement. See "Description of Secured Notes" and "Description of Unsecured Notes." The lenders under the Credit Agreement will have the discretion to release the guarantees under the Credit Agreement in a variety of circumstances and, in some circumstances, such guarantors will be automatically released. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders. See "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees."

Our ability to repurchase the notes upon a change of control may be limited.

Following the consummation of the Mergers, upon a change of control, subject to certain conditions, the Issuer will be required to make an offer in cash to repurchase all or any part of each holder's notes at a repurchase price equal to 101% of the principal thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the date of purchase. In addition, the Preferred Shares have redemption rights upon consummation of a change of control of Ritchie Bros. pursuant to which we would be required to repurchase the Preferred Shares at an amount in cash equal to the applicable conversion price plus accrued and unpaid dividends thereon, plus a make whole premium. The source of funds for any such repurchase would be our available cash or cash generated from operations or other sources, including borrowings, sales of equity or funds provided by a new controlling person or entity. Sufficient funds may not be available to us, however, at the time of any change of control event to repurchase all or a portion of the tendered notes or all or a portion of the Preferred Shares pursuant to the applicable requirement. The Issuer's failure to offer to repurchase notes, or to repurchase notes tendered, following a change of control will result in a default under the indentures governing the notes, which could lead to a cross-default under the Credit Agreement and under the terms of our other indebtedness. See "Description of Secured Notes—Change of Control" and "Description of Unsecured Notes—Change of Control."

Certain corporate events may not trigger a change of control, in which case we will not be required to redeem the notes.

The indentures governing the notes will permit us to engage in certain important corporate events that would increase indebtedness or alter our business but would not constitute a "change of control" as defined in the indentures governing the notes. As a result of the definition of "change of control," certain extraordinary corporate events could take place without having the "change of control" provision of the notes apply. Accordingly, you should not rely on the "change of control" provision contained in the indentures governing the notes to protect you from us engaging in such a transaction.

In addition, if we effected a leveraged recapitalization or other transactions excluded from the definition of "change of control" that resulted in an increase in indebtedness, adversely affected our credit rating or fundamentally changed our business, our ability to make payments on the notes would be adversely affected. However, the Issuer would not be required to offer to repurchase the notes, despite its decreased ability to meet its obligations under the notes. See "Description of Secured Notes—Change of Control" and "Description of Unsecured Notes—Change of Control."

Holders of the notes may not be able to determine when a "change of control" giving rise to their right to have the notes repurchased has occurred following a sale of "substantially all" of our assets.

The definition of "change of control" in the indentures governing the notes will include a phrase relating to the sale of "all or substantially all" of our assets. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain

circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "substantially all" of our assets. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the notes.

Fraudulent transfer and conveyance laws, and similar laws in applicable foreign jurisdictions, permit a court, under certain circumstances, to void the notes and the related guarantees, and, if that occurs, you may not receive any payments on the notes.

The issuance of the notes and the related guarantees may be subject to review under federal and state fraudulent transfer and conveyance statutes if a bankruptcy, insolvency, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future date by the Issuer, by the guarantors or on behalf of the Issuer's unpaid creditors or the unpaid creditors of a guarantor. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes the generally applicable terms and principles, which may be defined differently under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other insolvency laws, a court could subordinate or void any guarantee provided by a guarantor and, if payment has already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if the court found that:

- the guarantee was granted with actual intent to hinder, delay or defraud creditors or shareholders of the guarantor or other person or, in certain jurisdictions, even when the recipient was simply aware that the guarantor was insolvent when it granted the guarantee;

- the guarantee was entered into without a legal obligation to do so, is prejudicial to the interests of the other creditors and both the guarantor and the beneficiary of the guarantee were aware of or should have been aware of the fact that it was prejudicial to the other creditors;

- the guarantor did not receive fair consideration or reasonably equivalent value for the guarantee and/or the guarantor: (i) became insolvent before the granting of the guarantee or was insolvent or rendered insolvent because of the issuance of the guarantee; (ii) was undercapitalized or became undercapitalized because of the issuance of the guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the guarantee was held to exceed the objects of the guarantor or not to be in the best interests or for the corporate benefit of the guarantor;

- the guarantee was entered into within a certain time period prior to the opening date of insolvency proceedings of the guarantor; or

- the amount paid or payable was in excess of the maximum amount permitted under applicable law.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance or was voidable for another reason, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of the Issuer or such guarantor or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance or other voidable transaction occurred, you may not receive any repayment on the notes. In addition, the liability of a guarantor under its guarantee of the notes will be limited to the amount of such guarantee that does not constitute a fraudulent conveyance or improper corporate distribution or otherwise result in such guarantee being set aside or otherwise voided. The amount recoverable from a guarantor may also be limited and there can be no assurance as to what methodology a court would apply in determining the liability of each guarantor. Also, there is a possibility that the entire guarantee may be set aside, in which case, the guarantor's entire liability may be extinguished. Further, the voidance of the notes could result in an event of default with respect to our other debt and that of the guarantors that could result in acceleration of such debt.

The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the law of the jurisdiction that is being applied, such that we cannot be certain as to: the standards a court would use to determine

whether or not the Issuer or the guarantors were solvent at the relevant time, or, regardless of the standard that a court uses, that it would not determine that the Issuer or a guarantor were indeed insolvent on that date; that any payments to the holders of the notes (including under the guarantees) did not constitute preferences, fraudulent transfers or conveyances on other grounds; or that the issuance of the notes and the related guarantees would not be subordinated to the Issuer's or any guarantor's other debt.

Generally, however, an entity would be considered insolvent by a U.S. court if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court would likely find that the Issuer or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or such guarantee if the Issuer or such guarantor did not substantially benefit directly or indirectly from the issuance of the notes or the applicable guarantee. Thus, if the guarantees were legally challenged, any guarantee could be subject to the claim that, since the guarantee was incurred for the Issuer's benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than reasonably equivalent value or fair consideration. Therefore, a court could void the obligations under the guarantees, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of the notes.

To the extent a court avoids any of the guarantees as fraudulent transfers or holds any of the guarantees unenforceable for any other reason, the holders of notes would cease to have any direct claim against the applicable guarantor. If a court were to take this action, the applicable guarantor's assets would be applied first to satisfy the applicable guarantor's other liabilities, if any, and might not be applied to the payment of the guarantee. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the applicable guarantor.

Although each guarantee entered into in connection with the notes will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect those guarantees from being voided under fraudulent transfer law or otherwise, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless.

In addition, as noted above, any payment by the Issuer pursuant to the notes or by a guarantor under a guarantee made at a time the Issuer or such guarantor were found to be insolvent could be voided and required to be returned to the Issuer or such guarantor or to a fund for the benefit of the Issuer's or such guarantor's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give such insider or outsider party more than such creditors would have received in a distribution under the U.S. Bankruptcy Code in a hypothetical Chapter 7 case (i.e., liquidation). Similar rules exist under the applicable laws of certain foreign jurisdictions. See "Limitations on Validity and Enforceability of the Guarantees."

Finally, as a court of equity, the bankruptcy court may otherwise subordinate the claims in respect of the notes or the guarantees to other claims against the Issuer or the guarantors under the principle of equitable subordination, if the court determines that: (i) the holder of the notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of the notes; and (iii) equitable subordination is not inconsistent with the provisions of the U.S. Bankruptcy Code.

Any future guarantee may be avoidable in bankruptcy.

Guarantees issued after the issue date of the notes may be treated under bankruptcy law as if they were delivered to guarantee previously existing indebtedness. Any future issuance of a guarantee, including pursuant to guarantees delivered in connection therewith after the date the notes are issued, may be avoidable by the guarantor (as a debtor

in possession), by its trustee in bankruptcy, or potentially by other creditors if certain events or circumstances exist or occur, including, among others, if (i) the guarantor is insolvent at the time of the issuance of the guarantee, (ii) the issuance of the guarantee permits the holders of the notes to receive a greater recovery in a hypothetical Chapter 7 case than if the guarantee had not been given and (iii) a bankruptcy proceeding in respect of the guarantor is commenced within 90 days following the issuance of the guarantee, or, in certain circumstances, a longer period. Accordingly, if the Issuer or any guarantor were to file for bankruptcy protection after the issue date of the notes and any guarantees not issued on the issue date of the notes had been issued, including with respect to IAA Holding and its subsidiaries, less than 90 days before commencement of such bankruptcy proceeding, such guarantees are materially more likely to be avoided as a preference by the bankruptcy court than if delivered on the issue date of the notes (even if the other guarantees issued on the issue date of the notes would no longer be subject to such risk). To the extent that the grant of any such guarantee is avoided as a preference or otherwise, you would lose the benefit of the guarantee. See "—Insolvency laws of various jurisdictions differ and may preclude holders of the notes offered hereby from recovering payments due under the notes offered hereby."

Insolvency laws of various jurisdictions differ and may preclude holders of the notes offered hereby from recovering payments due under the notes offered hereby.

Ritchie Bros., the Issuer and certain of the guarantors of the notes offered hereby are incorporated or organized in more than 12 countries, including Canada, Australia, England and Wales, Japan, Mexico, Ireland, the United States and the Netherlands, and future guarantors may be incorporated or organized in other foreign jurisdictions, which may affect your rights as holders of the notes offered hereby and your ability to recover under the notes offered hereby. The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and the duration of the proceeding. There are a number of factors that are taken into account to ascertain the center of main interests, which should correspond to the place where the relevant debtor conducts the administration of its interests on a regular basis and which is therefore ascertainable by third parties. The point at which this issue will be determined is at the time when the relevant insolvency proceedings are opened. In European Union ("EU") Member States and certain other jurisdictions, the determination of where Ritchie Bros., the Issuer or any of the guarantors has its "center of main interests" would be a question of fact on which the courts of the different EU Member States and other jurisdictions may have and had in the past differing and even conflicting views. Furthermore, "center of main interests" is not a static concept and may change from time to time.

See "Limitations on Validity and Enforceability of the Guarantees" for a description of the insolvency laws in Canada, Australia, England and Wales, Japan, Mexico, Ireland, the Netherlands and the United States, which could limit the enforceability of the guarantees.

In the event that any one or more of Ritchie Bros., the Issuer, the guarantors, any future guarantors, if any, or any other of our subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Guarantees and security provided by entities organized in jurisdictions not discussed in this offering circular are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the guarantees or security after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect the ability of holders of the notes offered hereby to enforce their rights under the guarantees or the security in these jurisdictions and limit any amounts that holders of the notes may receive.

Enforcing your rights as a holder of the notes offered hereby or under the guarantees across multiple jurisdictions may be difficult.

The notes offered hereby will be issued by a U.S. entity and will be guaranteed by Ritchie Bros., which is a Canadian entity, and following the consummation of the Mergers, each series of notes will be guaranteed by certain of our subsidiaries that are incorporated or organized under the laws of Australia, Canada, England and Wales, the

Netherlands, Japan, Mexico, Ireland and the United States. Future guarantors may be incorporated or organized in other foreign jurisdictions. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions or in the jurisdiction of incorporation or organization of a future guarantor. Your rights under the notes offered hereby and the guarantees will therefore be subject to the laws of multiple jurisdictions, and you may not be able to enforce effectively your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, foreign exchange, administration and other laws of the various jurisdictions may be materially different from or in conflict with one another and those of the United States, including in respect of creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The consequences of the multiple jurisdictions involved could trigger disputes over which jurisdiction's law should apply, which could adversely affect your ability to enforce your rights and to collect payment in full under the notes offered hereby and the guarantees. See also "—Insolvency laws of various jurisdictions differ and may preclude holders of the notes offered hereby from recovering payments due under the notes offered hereby."

If Ritchie Bros.' subsidiaries do not make sufficient distributions to the Issuer, the Issuer will not be able to make payments on its debt, including the notes.

The Issuer will be dependent to a significant extent on the generation of cash flow by our subsidiaries and their ability to make such cash available to the Issuer, by dividend, debt repayment or otherwise. These subsidiaries may not be able to, or be permitted to, make distributions to enable the Issuer to make payments in respect of the notes. Moreover, to the extent any of these subsidiaries are not wholly-owned, we and/or the Issuer will receive only a portion of any distributions made by such subsidiaries. Each of these subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions, as well as the financial condition, operating requirements and other considerations, including local law, of these subsidiaries, may limit the Issuer's ability to obtain cash from our subsidiaries. In the event that the Issuer does not receive distributions or other cash payments from our subsidiaries, the Issuer may be unable to make required payments of principal, premium, if any, and interest on its indebtedness, including the notes.

If a bankruptcy or reorganization case is commenced, bankruptcy laws may prevent the release of funds in the escrow account.

If we commence a bankruptcy or reorganization case, or one is commenced against us, while amounts remain in the escrow accounts described under "Description of Secured Notes—Escrow Related Provisions" and "Description of Unsecured Notes—Escrow Related Provisions," applicable bankruptcy laws may prevent the escrow agent from releasing the funds in the escrow accounts or applying those funds to effect the special mandatory redemption, as applicable, of the notes or otherwise applying those funds for the benefit of the holders of the notes. The court adjudicating that case might find that such escrow accounts are the property of the bankruptcy estate. Although the amounts in the escrow accounts will be pledged as collateral for payment, if required, of the special mandatory redemption price, the automatic stay provisions of the federal bankruptcy laws generally prohibit secured creditors from foreclosing upon or disposing of a debtor's property without bankruptcy court approval. As a result, holders of the notes may not be able to have the escrow funds applied at the time or in the manner contemplated by indentures governing the notes and could suffer a loss as a result.

There are significant restrictions on your ability to transfer or resell your notes.

The notes are being offered and sold pursuant to an exemption from, or in transactions not subject to, registration under U.S. federal and applicable state and other securities laws. Therefore, you may transfer or resell the notes in the U.S. only in a transaction registered under or exempt from, or not subject to, the registration requirements of the U.S. federal and applicable state and other securities laws. In addition, neither we nor the Issuer will be obligated to file a registration statement with the SEC covering the resale of the notes or to offer to exchange the notes for notes registered under the Securities Act or file a prospectus in Canada in respect of the resale of the notes. Accordingly, you may be required to bear the risk of your investment for an indefinite period of time. See "Notice to Investors." You will also be required to pay all taxes due on any such transfer or sale.

There is no established public trading market for the notes.

Each series of notes will constitute a new issue of securities with no established trading market. Accordingly, there can be no assurance as to the development or liquidity of any market for any series of notes. Certain of the initial purchasers have advised us that they currently intend to make a market in the notes, but they are not obligated to do so and any market making with respect to the notes may be discontinued at any time without notice. Accordingly, there can be no assurance regarding any future development of a trading market for any series of notes, the ability of holders of notes to sell their notes or the price at which such holders may be able to sell their notes. The ability of such initial purchasers to make a market in the notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the notes. If Ritchie Bros. were to cease being a reporting company under the SEC's rules and regulations, the amendments to Exchange Act Rule 15c2-11 and regulatory interpretations thereof by the SEC could restrict the ability of brokers and dealers to publish quotations on the notes being offered hereby on any interdealer quotation system or other quotation medium after January 4, 2025. If a trading market were to develop, the notes may trade at prices that are higher or lower than their initial offering price, depending on many factors, including prevailing interest rates, our combined company's operating results and financial condition and the market for similar securities.

There are circumstances other than repayment or discharge of the notes under which the guarantees will be released automatically, without your consent or the consent of the trustee.

Under various circumstances, the guarantees of the notes will be released automatically. The guarantee of a subsidiary guarantor will be automatically released to the extent it is released in connection with a sale or other disposition of the equity interests of such subsidiary guarantor in a transaction not prohibited by the indentures that will govern the notes. The indentures that will govern the notes also will permit us to designate one or more of our restricted subsidiaries that is a subsidiary guarantor of the notes as an unrestricted subsidiary, which will result in the guarantee of such subsidiary guarantor being automatically released. If a subsidiary guarantor ceases to be a subsidiary as a result of any foreclosure of any pledge or security interest securing secured indebtedness, such subsidiary's guarantee of the notes will be automatically released as well if such subsidiary does not guarantee any other indebtedness. If the guarantee of any subsidiary guarantor is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be structurally senior to the claim of any holders of the notes. For a description of all circumstances in which a subsidiary guarantor's guarantee will be automatically released, see "Description of Secured Notes—Guarantees" and "Description of Unsecured Notes—Guarantees."

Risks Related to the Collateral for the Secured Notes

The Credit Agreement will be secured on a ratable basis by the Collateral securing the secured notes and the related guarantees.

The secured notes and related guarantees will be secured by first-priority liens on the Collateral, which also secures on a first-priority basis obligations under the Credit Agreement, in each case, subject to certain permitted liens, exceptions and encumbrances described in the indenture that will govern the secured notes and the security documents relating to the secured notes, and there may not be sufficient Collateral to pay all of the secured notes. In the event of our or any guarantor's bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding, the Collateral must be used to pay the obligations under the Credit Agreement and the secured notes ratably, pursuant to a first lien intercreditor agreement among the holders of the secured notes and the lenders under the Credit Agreement. In addition, the indenture that will govern the secured notes will permit us and the guarantors to create additional liens under specified circumstances, including liens senior in priority to the liens on the Collateral securing the secured notes. Any obligations secured by such liens may further limit the recovery from the realization of the Collateral available to satisfy holders of the secured notes.

Even though the holders of the secured notes will benefit from a first-priority lien on the Collateral that secures the Credit Agreement, the representative of the lenders under the Credit Agreement will initially control actions with respect to the Collateral.

The rights of the holders of the secured notes with respect to the Collateral that will secure the secured notes on a first priority basis will be subject to an intercreditor agreement among the holders of obligations secured by the Collateral on a first-priority basis, including the holders of the secured notes and the lenders under the Credit Agreement. Under the intercreditor agreement, any actions that may be taken with respect to such Collateral, including the ability to cause the commencement of enforcement proceedings against such collateral and to control such proceedings will be at the direction of the authorized representative of the lenders under the Credit Agreement until (i) our obligations under the Credit Agreement are discharged (which discharge does not include certain refinancings of the Credit Agreement) or (ii) 180 days after the occurrence of an event of default under any agreement governing debt secured by a first-priority lien on the Collateral other than the Credit Agreement (including the indenture that will govern the secured notes) that is continuing, if the holders of such debt represent the largest outstanding principal amount of indebtedness secured by a first-priority lien on the Collateral (excluding the Credit Agreement), the authorized representative of such holders has complied with the applicable notice provisions and the collateral agent under the Credit Agreement has not commenced the exercise of remedies with respect to the Collateral.

However, even if the authorized representative of the secured notes gains the right to direct the collateral agent in the circumstances described in clause (ii) above, the authorized representative must stop doing so (and those powers with respect to the Collateral would revert to the authorized representative of the lenders under the Credit Agreement) if the authorized representative of the lenders under the Credit Agreement has commenced and is diligently pursuing enforcement action with respect to the Collateral or the grantor of the security interest in that Collateral (whether our company or the applicable guarantor) is then a debtor under or with respect to (or otherwise subject to) an insolvency or liquidation proceeding.

In addition, the Credit Agreement and the indentures governing the notes will permit us, subject to certain limits, to issue additional series of notes or other debt that also have a first-priority lien on the same Collateral. At any time that the collateral agent under the Credit Agreement does not have the right to direct the actions with respect to the Collateral pursuant to the intercreditor agreement, the right to direct such actions will pass to the authorized representative of holders of the then largest outstanding principal amount of indebtedness secured by a first-priority lien on the Collateral. If we have, at such time, outstanding indebtedness that is secured by the Collateral on a *pari passu* basis with the secured notes and has a greater outstanding principal amount than the outstanding aggregate principal amount of the notes, then the authorized representative for such indebtedness would be next in line to exercise rights under the intercreditor agreement, rather than the Notes Collateral Agent. Accordingly, the Notes Collateral Agent may never have the right to control remedies and take other actions with respect to the Collateral.

Also, under the intercreditor agreement, in the event that the holders of the notes obtain possession of any Collateral or realize any proceeds or payment in respect of any Collateral at any time prior to the discharge of each of the other first-priority obligations, then such holders will be obligated to hold such Collateral, proceeds or payment in trust for the other holders of first-priority obligations and promptly transfer such Collateral, proceeds or payment, as the case may be, to the controlling collateral agent, to be distributed in accordance with the provisions of the intercreditor agreement among all the holders of first-priority obligations. Thus, the holders of the notes may be obligated to turn over to the other holders of the first-priority obligations any Collateral, proceeds or payments they may receive.

Under the intercreditor agreement, the authorized representative of the holders of the secured notes may not object following the filing of a bankruptcy petition to any debtor-in-possession financing or to the use of the shared Collateral to secure that financing, subject to conditions and limited exceptions. After such a filing, the value of this Collateral could materially deteriorate, and holders of the secured notes would be unable to raise an objection.

If the guarantees of the secured notes and the liens that secure the notes are held to be invalid or unenforceable or are limited by fraudulent conveyance or other laws, the secured notes will be unsecured and structurally subordinated to the debt of our subsidiaries.

If the guarantees of the secured notes and the liens that secure these guarantees are held to be invalid or unenforceable or are limited by fraudulent conveyance or other laws, the secured notes would be structurally subordinated to the debt of those subsidiaries.

Our creditors or the creditors of the guarantors could challenge the guarantees of the secured notes and the liens securing the guarantees of the secured notes as fraudulent conveyances or on other grounds. The delivery of these guarantees or the grant of these liens could be found to be a fraudulent conveyance and declared void if a court determined that: a guarantor delivered a guarantee or granted a lien with the intent to hinder, delay or defraud its existing or future creditors; a guarantor did not receive fair consideration for the delivery of a guarantee or grant of a lien; or a guarantor was insolvent at the time it delivered a guarantee or granted a lien. We cannot assure you that a court would not reach one of these conclusions. In the event that a court declares the guarantees of the secured notes or liens that secure the guarantees of the secured notes to be void, or in the event that such guarantees or liens must be limited or voided in accordance with their terms, any claim you may make against us for amounts payable on the secured notes would be effectively subordinated to the other obligations of our subsidiaries, including trade payables and other liabilities that constitute indebtedness.

The value of the Collateral securing the secured notes and the related guarantees may not be sufficient to satisfy our obligations under the secured notes.

No appraisal of the value of the Collateral has been made in connection with this offering, and the fair market value of the Collateral is subject to fluctuations based on factors that include, among others, general economic conditions and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the Collateral may not be sold in a timely or orderly manner, and the proceeds from any sale or liquidation of the Collateral may not be sufficient to pay our obligations under the secured notes.

It may be difficult to realize the value of the Collateral securing the secured notes.

The Collateral that will secure the secured notes and guarantees thereof will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be permitted under the indenture governing the secured notes and the collateral documents relating to the secured notes. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the secured notes, as well as the ability of the administrative agent under the Credit Agreement or the Notes Collateral Agent, as applicable, to realize or foreclose on such Collateral. We have not analyzed the effect of such exceptions, defects, encumbrances, liens and imperfections, and the existence thereof could adversely affect the value of the Collateral that will secure the secured notes, as well as the ability of the administrative agent under the Credit Agreement or the Notes Collateral Agent, as applicable, to realize or foreclose on such Collateral.

The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. We cannot assure you that the fair market value of the collateral as of the date of this offering circular exceeds the principal amount of the debt secured thereby. The value of the assets pledged as collateral for the secured notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition, unforeseen liabilities and other future events. Accordingly, there may not be sufficient collateral to pay all or any of the amounts due on the notes. Any claim for the difference between the amount, if any, realized by holders of the secured notes from the sale of the collateral securing the secured notes and the obligations under the notes will rank equally in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations, including trade payables. Additionally, in the event that a bankruptcy case is commenced by or against us, if the value of the collateral is less than the amount of principal and accrued and unpaid interest on the secured notes and all other senior secured obligations, interest may cease to accrue on the secured notes from and after the date the bankruptcy petition is filed.

The security interest of the Notes Collateral Agent will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Notes Collateral Agent may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. We cannot assure you that the Notes Collateral Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Notes Collateral Agent may not have the ability to foreclose upon those assets and the value of the collateral may significantly decrease.

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in certain collateral in the future.

Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. The trustee for the secured notes and the administrative agent for the Credit Agreement are not required to monitor, or we may not inform them of, the future acquisition of property and rights that constitute Collateral, and necessary action may not be taken to properly perfect the security interest in such after acquired collateral. Such failure may result in the loss of such security interest therein or the priority of the security interest in favor of the secured notes against third parties.

The Collateral is subject to casualty risks.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the Collateral, the insurance proceeds may not be sufficient to satisfy all of our obligations under the notes.

If we were to file for bankruptcy protection, the ability of holders of the secured notes to realize upon the Collateral will be subject to certain bankruptcy law limitations.

The ability of holders of the secured notes to realize upon the Collateral will be subject to certain bankruptcy law limitations if we were to file for bankruptcy protection. Under applicable U.S. federal bankruptcy laws, secured creditors are prohibited from repossessing their collateral from a debtor in a bankruptcy case without bankruptcy court approval and may be prohibited from disposing of collateral repossessed from such a debtor without bankruptcy court approval. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to retain collateral, including cash collateral, even though the debtor is in default under the applicable debt instruments; provided that the secured creditor is given "adequate protection."

The meaning of the term "adequate protection" may vary according to the circumstances, but is intended generally to protect the value of the secured creditor's interest in the collateral at the commencement of the bankruptcy case and may include cash payments or the granting of additional security if and at such times as the court, in its discretion, determines that a diminution in the value of the collateral occurs as a result of the stay of repossession or the disposition of the collateral during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, we cannot predict whether or when the Notes Collateral Agent for the secured notes could foreclose upon or sell the collateral or whether or to what extent holders of secured notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection."

If a bankruptcy petition were filed by or against us, holders of the secured notes may receive a lesser amount for their claim than they would have been entitled to receive under the indenture governing the secured notes.

If a bankruptcy petition were filed by or against us under the U.S. Bankruptcy Code after the issuance of the secured notes, the claim by any holder of the secured notes for the principal amount of the notes may be limited to an amount equal to the sum of the original issue price for the secured notes and that portion of the original issue discount that does not constitute "unmatured interest" for purposes of the U.S. Bankruptcy Code.

Any original issue discount that was not amortized as of the date of the bankruptcy filing may be held to constitute unmatured interest. Accordingly, holders of the secured notes under these circumstances may receive a lesser amount than they would be entitled to receive under the terms of the indenture governing the secured notes, even if sufficient funds are available.

Sales of assets by the Company, the Issuer and the guarantors could reduce the Collateral and the related guarantees.

The security documents that will relate to the secured notes will generally allow the Company, the Issuer and the guarantors to remain in possession of, retain exclusive control over, freely operate and collect, invest and dispose of

any income from, the Collateral. Therefore, the pool of assets constituting the Collateral will change from time to time, and its fair market value may decrease from its value on the date the secured notes are originally issued.

In the event of a bankruptcy of the Company, the Issuer or any of the guarantors, the holders of the secured notes may be deemed to have an unsecured claim to the extent that the Issuer's obligations in respect of the secured notes exceed the fair market value of the Collateral securing the secured notes and the related guarantees.

In any bankruptcy proceeding with respect to the Company, the Issuer or any of the guarantors that have guaranteed the secured notes, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the Collateral on the date of the bankruptcy filing was less than the then-current principal amount of the secured notes and all of our other outstanding obligations secured by a first-priority lien on the Collateral. Upon a finding by the bankruptcy court that the secured notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the secured notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the Collateral. In such event, the secured claims of the holders of the secured notes would be limited to the value of the Collateral.

The consequences of a finding of under-collateralization would include, among other things, a lack of entitlement on the part of the holders of the secured notes to receive post-petition interest, fees, and expenses and a lack of entitlement on the part of the unsecured portion of the secured notes to receive "adequate protection" under federal bankruptcy laws, as discussed above. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be re-characterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the secured notes.

Any future pledge of Collateral or guarantee may be avoidable in bankruptcy.

Collateral pledged, or guarantees issued, after the Mergers Closing Date may be treated under bankruptcy law as if they were pledged to secure, or delivered to guarantee, as applicable, previously existing indebtedness. Any future pledge of Collateral or issuance of a guarantee in favor of the holders of the secured notes (including any pledge or guarantees provided after the Mergers Closing Date) may be avoidable by the pledgor (as a debtor in possession), guarantor (as a debtor in possession), by its trustee in bankruptcy, or potentially by other creditors if certain events or circumstances exist or occur, including, among others, if (i) the pledgor or guarantor is insolvent at the time of the pledge and/or issuance of the guarantee, (ii) the pledge and/or issuance of the guarantee (as applicable) permits the holders of the secured notes to receive a greater recovery in a hypothetical Chapter 7 bankruptcy case than if such pledge and/or guarantee (as applicable) had not been given and (iii) a bankruptcy proceeding in respect of the pledgor or guarantor is commenced within 90 days following the pledge or the perfection thereof and/or the issuance of the guarantee (as applicable), or, in certain circumstances, a longer period. Accordingly, if the Company, the Issuer or any guarantor were to file for bankruptcy protection after the Mergers Closing Date and any pledge of Collateral not pledged, or any guarantees not issued, on the Mergers Closing Date had been pledged or perfected or issued (as applicable) less than 90 days before commencement of such bankruptcy proceeding, such pledges or guarantees are materially more likely to be avoided as a preference by the bankruptcy court than if delivered on the Mergers Closing Date (even if the other guarantees or liens (as applicable) issued on the Mergers Closing Date would no longer be subject to such risk). To the extent that the grant of any such security interest and/or guarantee is avoided as a preference or otherwise, you would lose the benefit of the security interest and/or guarantee (as applicable).

Risks Related to Our Business

Damage to our reputation could harm our business.

One of our founding principles is that we operate a fair and transparent business, and consistently act with integrity. Maintaining a positive reputation is key to our ability to attract and maintain customers, investors and employees. Damage to our reputation could cause significant harm to our business. Harm to our reputation could arise in a number of ways, including, but not limited to, employee conduct which is not aligned with our Code of Business Conduct and Ethics (and associated Company policies around behavioural expectations) or our Company's core values, safety incidents, failure to maintain customer service standards, loss of trust in the fairness of our sales processes and other technology or compliance failures.

In addition, following the Mergers, we will rely on independent subhaulers and trucking fleet operations to pick up and deliver vehicles to and from auction facilities. Consistent with the economy generally, there has recently been a shortage of towers and subhaulers, which has resulted in an increase in costs charged by towers and subhaulers for these services, and we cannot provide assurances that towers and subhaulers will be available in a timely manner to pick up and deliver vehicles. Failure to pick up and deliver vehicles in a timely manner could harm our brand and reputation, and adversely impact our overall business and results of operations. Further, an increase in fuel cost may lead to increased prices charged by independent subhaulers and trucking fleet operators, which may significantly increase our cost. We may not be able to pass these costs on to our suppliers or buyers. We will also be exposed to risks associated with inclement weather, disruptions in the transportation infrastructure and increase in the price of fuel, any of which could increase our operating costs. If we experience problems or are unable to negotiate or obtain favorable terms with towers and subhaulers, our results of operations and our reputation could be materially and adversely affected.

We may incur losses as a result of our guarantee and inventory contracts and advances to consignors.

Our most common type of auction contract is a straight commission contract, under which we earn a pre-negotiated, fixed commission rate on the gross sales price of the consigned equipment at auction. We use straight commission contracts when we act as agent for consignors. In recent years, a majority of our annual business has been conducted on a straight commission basis. In certain other situations, we will enter into underwritten transactions and either offer to:

- guarantee a minimum level of sale proceeds to the consignor, regardless of the ultimate selling price of the consignment; or
- purchase the equipment outright from the seller for sale through one of our sales channels.

We determine the level of guaranteed proceeds or inventory purchase price based on appraisals performed on equipment by our internal personnel. Inaccurate appraisals could result in guarantees or inventory values that exceed the realizable auction proceeds. In addition, a change in market values could also result in guarantee or inventory values exceeding the realizable auction proceeds. If auction proceeds are less than the guaranteed amount, our commission will be reduced, and we could potentially incur a loss, and, if auction proceeds are less than the purchase price we paid for equipment that we take into inventory temporarily, we will incur a loss. Because a majority of our auctions are unreserved, there is no way for us to protect against these types of losses by bidding on or acquiring any of the items at such auctions. In addition, we do not hold inventory indefinitely waiting for market conditions to improve. If our exposure to underwritten contracts increases, this risk would be compounded.

Occasionally, we advance to consignors a portion of the estimated auction proceeds prior to the auction. We generally make these advances only after taking possession of the assets to be auctioned and upon receipt of a security interest in the assets to secure the obligation. If we were unable to auction the assets or if auction proceeds were less than amounts advanced, we could incur a loss. Additionally, we have two vendor contracts with the U.S. Government's Defense Logistics Agency ("DLA") pursuant to which we acquire, manage and resell certain assets of the DLA. Each of the DLA contracts obliges the Company to purchase rolling and non-rolling stock assets in an amount and of a type over which we have limited ability to control. In many cases, the type of assets purchased are not what we typically sell through any of our other channels. Although the prices we pay for the non-rolling stock inventory are a fraction of the original acquisition value, we may not have the ability to attract buyers for those assets and we may be unable to sell those assets on a timely basis or at all. This would have an adverse effect on our financial results.

Following the Mergers, our business and operating results could be adversely affected due to the supply and price of damaged, total loss and low-value vehicles.

Generally, institutional and dealer suppliers make non-binding long-term commitments to online marketplaces, such as us, regarding consignment volumes. Following the Mergers, changes in the consignment patterns of key suppliers could have a material adverse effect on our business and operations. There are many factors that can adversely affect volume of damaged, total loss and low-value vehicles from suppliers, many of which are beyond our control. These factors include, but are not limited to, the following: a decrease in the number of vehicles in operation or miles driven; mild weather conditions that cause fewer traffic accidents; reduction of policy writing by insurance providers that would affect the number of claims over a period of time; increases in fuel prices that could lead to a reduction in the

miles driven per vehicle, which may reduce the accident rate; changes in vehicle technology, an increase in autonomous vehicles and vehicles equipped with advanced driver-assistance systems; a decrease in the percentage of claims resulting in a total loss or elimination of automotive collision coverage by consumers; delays or changes in state title processing; government regulations on the standards for producing vehicles; and changes in direct repair procedures that would reduce the number of newer, less damaged total loss vehicles, which tend to have higher salvage values. In periods when the supply of vehicles from the insurance sector declines, salvage operators have acquired and in the future may acquire vehicles on their own. Also, when used vehicle prices are high, used-vehicle dealers may retail more of their trade-in vehicles on their own rather than selling them at auction. If the supply or value of damaged, total loss and low-value vehicles coming to auction declines significantly, our revenues and profitability may be adversely affected.

Furthermore, an increase in the number of damaged, total loss and low value vehicles we purchase could adversely affect our profitability. Operating on a principal basis, in which a vehicle is purchased and then resold, rather than on an agent basis, in which the auction acts as a sales agent for the owner of the vehicle, exposes us to inventory risks, including losses from theft, damage and obsolescence. If we purchase vehicles, the increased costs associated with acquiring the vehicles could have a material adverse effect on our gross profit margin and operating results. In addition, when vehicles are purchased, we are subject to changes in vehicle values, such as those caused by changes in commodity prices. Decreases in commodity prices, such as steel and platinum, may negatively affect vehicle values and demand at auctions.

The availability and performance of our technology infrastructure, including our websites, is critical to our business and continued growth.

The satisfactory performance, reliability and availability of our websites, online bidding service, auction management systems, enterprise resource planning system, transaction processing systems, network infrastructure and customer relationship management system are important to our reputation, our business and our continued growth. We currently rely on both our own proprietary technology and licensed on-premise systems, as well as third-party cloud computing platform providers located in the United States and other countries. The technology and systems we rely on may experience damage, service interruptions or degradation because of hardware or software defects or malfunctions, denial of service or ransomware attacks and other cybersecurity events, human error, physical break-ins, power loss, telecommunications failures and natural events beyond our control. Some of our systems are not fully redundant, and our recovery planning may not be sufficient for all possible disruptions.

Further, licensed hardware, software and cloud computing platforms may not continue to be available at reasonable prices, on commercially reasonable terms or at all. Any loss of the right to use any of these hardware, software or cloud computing platforms or the loss of the functionality of our internet systems could significantly increase our expenses, damage our reputation and otherwise result in delays in provisioning of our services. Our business and results of operations would be particularly harmed if we were to lose access to or the functionality of our internet systems for any reason, especially if such loss of service prevented internet bidders from effectively participating in one of our auctions.

Consumer behavior is rapidly changing, and if we are unable to successfully adapt to consumer preferences and develop and maintain a relevant and reliable inventory management and multichannel disposition experience for our customers, our financial performance and brand image could be adversely affected.

Our business continues to evolve into a one-stop inventory management and multichannel disposition company where customers can buy, sell or list equipment, when, how and where they choose – both onsite and online – and manage their existing fleets and/or inventory using our online inventory management tools. As a result of this evolution, increasingly we interact with our customers across a variety of different channels, including live auction, online, through mobile technologies, including the Ritchie Bros. mobile app, social media and inventory management systems. Our customers are increasingly using tablets and mobile phones to make purchases online and to get detailed equipment information for assets that they own or are interested in purchasing. Our customers also engage with us online, including through social media, by providing feedback and public commentary about all aspects of our business. Consumer shopping patterns are rapidly changing and our success depends on our ability to anticipate and implement innovations in customer experience and logistics in order to appeal to customers who increasingly rely on multiple channels to meet their equipment management and disposition needs. Our ability to provide a high quality and efficient customer experience is also dependent on external factors over which we may have little or no control, including,

without limitation, the reliability and performance of the equipment sold in our marketplaces and the performance of third-party carriers who transport purchased equipment on behalf of buyers. If for any reason we are unable to implement our inventory management, data solutions, bidding tools and other multichannel initiatives, provide a convenient and consistent experience for our customers across all channels or provide our customers the services they want, when and where they want them at a compelling value proposition, then our financial performance and brand image could be adversely affected.

We rely on data provided by third parties, the loss of which could limit the functionality of certain of our platforms and disrupt our business. Such risk could be exacerbated after the consummation of the Mergers.

Our analytics teams rely on asset, pricing and other data including personal data provided to us by our customers and other third parties. Some of this data is provided to us pursuant to third-party data sharing policies and terms of use, under data sharing agreements by third-party providers or by customers with consent. If in the future any of these parties could change their data sharing policies and terms of use, including by making them more restrictive, terminating or not renewing agreements, or, if customers revoke their consent, any of which could result in the loss of, or significant impairment to, our ability to collect and provide useful data or related services to our customers.

These third parties could also interpret our data collection and use policies or practices as being inconsistent with their policies or business objectives, or lose confidence in our data protection and privacy practices, which could result in the loss of our ability to collect this data. Any such changes could impair our ability to deliver our analytics service to our customers in the manner currently anticipated, or at all, impairing the return on investment that our customers derive from using our analytics platform and related products, as well as adversely affecting our business and our ability to generate revenue. Such risk could be exacerbated after the consummation of the Mergers.

A deterioration of general macroeconomic conditions could materially and adversely affect our business.

Our performance is subject to macroeconomic conditions and their impact on customer spending, including rising interest rates and inflation. Adverse macroeconomic conditions typically result in a general tightening in credit markets, lower levels of liquidity, increased default and bankruptcy rates and depressed levels of activity and investment.

Challenging macroeconomic conditions may have a negative impact on the operations, financial condition and liquidity of many customers and, as a result, may negatively impact the prices of equipment sold in our marketplace, thereby having a negative impact on our revenue and ability to grow our business. If sellers choose not to sell their assets as a result of adverse economic conditions, buyers are unable to purchase equipment based on their inability to obtain sufficient financing or are unwilling to do so given the market climate, or if customers are in general financial distress, our operations may be negatively affected and revenue from our marketplace may decrease.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes in this or other regulations could substantially harm our business and results of operations. Such risk could be exacerbated after the consummation of the Mergers.

We are subject to federal, provincial, state and local laws, rules and regulations governing the internet and e-commerce. Existing and future laws and regulations may impede the growth of the internet, e-commerce or other services and increase the cost of doing business, including providing online auction services. These regulations and laws may cover taxation, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, broadband residential internet access and the characteristics and quality of services. It is not always clear how existing laws governing issues such as property ownership, digital, sales and similar taxes, libel and personal privacy apply to the Internet and e-commerce. Changes to laws, rules and regulations and unfavorable resolution of these issues may harm our business and results of operations. Such risk could be exacerbated after the consummation of the Mergers.

If our ability, or the ability of our third party service partners, cloud computing platform providers or third party data center hosting facilities, to safeguard the reliability, integrity and confidentiality of our and their information technology systems is compromised, if unauthorized access is obtained to our systems or customers', suppliers', counterparties' and employees' confidential information, or if authorized access is blocked or disabled, we may incur significant harm, legal exposure or a negative financial impact. Such risks could be exacerbated after the consummation of the Mergers.

We rely on information technology ("IT") resources to manage and operate our business, including maintaining proprietary databases containing sensitive and confidential information about our customers, suppliers, counterparties and employees (which may include personal information and credit information) and utilizing approved third-party technology providers to support the management and operation of IT systems and infrastructure. As the malicious tools and techniques used to breach, obtain unauthorized access to, impair or sabotage IT systems and devices and the data processed or stored thereby, and infrastructure become more sophisticated and change frequently, the risk of a cybersecurity event increases, given that we may not be able to anticipate these malicious tools and techniques or to implement adequate preventative and protective measures. Unauthorized parties have in the past, and may also in the future, attempt to gain access to our and our providers' primary and backup systems or facilities through various means, including hacking into IT systems or facilities, fraud, trickery or other means of deceiving our and their employees or contractors. Although we have policies restricting the access to the personal and confidential information we store, there is a risk that these policies may not be effective in all cases. Ransomware attacks are becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations, loss of data and income, reputational loss and diversion of funds. Further, breaches experienced by other companies may also be leveraged against us. For example, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. There can be no assurance that impacts from these incidents will not be material or significant in the future.

In addition, our limited control over our customers may affect the security and integrity of our IT systems and create financial or legal exposure. For example, our customers may accidentally disclose their passwords, use insecure passwords or store them on a device that is lost or stolen, providing bad actors with access to a customer's account and the possible means to redirect customer payments. Further, users on our platforms could have vulnerabilities on their own devices that are entirely unrelated to our systems and platforms but could mistakenly attribute their own vulnerabilities to us. Under credit card payment rules and our contracts with credit card processors, if there is a breach of payment card information used to process transactions, we could be liable to the payment card issuing banks for certain fraudulent credit card transactions and other payment disputes with customers, including the cost of issuing new cards and related expenses. If we were liable for a significant number of fraudulent transactions or unable to accept payment cards, our results of operations would be materially and adversely affected.

Although we implement, maintain and adjust information security measures to mitigate our risks with respect to IT-related cybersecurity incidents, there can be no assurance that these measures will ensure that our operations are not disrupted, that we will prevent an attack from occurring in the future or that our internal controls relating to user access management will perform as intended to prevent unauthorized access to our systems and data. Any breach of our IT systems may have a material adverse impact on our business, the assessment of the performance of our internal control environment, results of operations, reputation, stock price and our ability to access capital markets, and may also be deemed to contribute to a material weakness in internal controls over financial reporting.

Security events, hacking or other malicious or surreptitious activity (or the perception that such activities have occurred), could damage our reputation, cause a loss of confidence in the security of our services and thereby a loss of customers, and expose us to a risk of loss, governmental investigations and enforcement actions or litigation and possible liability for damages. We may be required to make significant expenditures and divert management attention to monitor, detect and prevent security events, to remediate known or potential security vulnerabilities or to alleviate problems caused by any security events. In addition, circumvention of our security measures may result in the loss or misappropriation of valuable business data, intellectual property or trade secret information, misappropriation of our customers' or employees' personal information, damage to our computing infrastructure, networks and stored data, service delays, key personnel being unable to perform duties or communicate throughout the organization, loss of sales, significant costs for data restoration and other adverse impacts on our business. Further, such a breach may require us to incur significant expenses to notify governmental agencies, individuals or other third parties pursuant to various privacy and security laws.

The costs of mitigating cybersecurity risks are significant and are likely to increase in the future. Our third-party service providers may be vulnerable to interruption or loss of valuable business data and information of our customers and employees (among others). Data stored by our third party providers might be improperly accessed or unavailable due to a variety of events beyond our control, including, but not limited to, employee error or negligence, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Additionally, if any of our third-party technology providers violate applicable laws or our contracts or policies, such violations may also put our customers' information at risk and could in turn have a material and adverse effect on our business. These issues are likely to become costlier as we grow. Our insurance policies may not be adequate to reimburse us for losses caused by security breaches, and we may not be able to fully collect, if at all, under these insurance policies. Such risks could be exacerbated after the consummation of the Mergers. There can be no assurance that future cyberattacks will not be material or significant.

We believe that the laws and regulations being proposed and adopted in the United States, Canada, the UK, Australia, the EU and in other jurisdictions will be increasingly restrictive in the field of data privacy and protection which will in turn result in an increase in regulatory burdens for us to address to continue meeting our customers' expectations, in particular in relation to the sharing of personal information with third parties, commercial electronic messages (such as email, SMS or other mobile chat applications) and the tracking of online activities for advertising. As our capacity to process large volumes of data increases, customer sentiment towards increased transparency and control and further interpretive guidance from regulatory agencies may require us to change our operations and practices in a manner adverse to our business. In this uncertain and shifting regulatory and trust climate, even the perception that the privacy and security of personal information are not satisfactorily addressed or do not meet regulatory requirements could result in adverse publicity and reputation loss. Such risks could be exacerbated after the consummation of the Mergers.

Privacy concerns and our compliance with current and evolving domestic or foreign laws and regulations regarding the processing of personal information and other data, such as collection, use, disclosure, storage, transfer and deletion may increase our costs, impact our marketing efforts and decrease adoption and use of our products and services, and our failure to comply with those laws and regulations may expose us to liability and reputational harm. Such risk could be exacerbated after the consummation of the Mergers.

Federal, provincial, state and foreign governments continue to propose and adopt new, or modify existing, laws and regulations addressing data privacy, data protection, data sovereignty and the collection, use, disclosure, storage, transfer and deletion of data generally. Although we monitor the regulatory environment and have invested in addressing these developments, such as through our cybersecurity and privacy readiness programs, these laws may require us to incur further compliance costs to make changes to our practices, products and services to enable us or our customers to meet the new legal requirements. In addition, if we are found to have breached any such laws or regulations, we may be subject to enforcement actions that require us to change our practices, products and services, which may negatively impact our revenue, as well as expose us to liability through new or higher potential penalties and fines for non-compliance, civil and criminal penalties, litigation and lawsuits for alleged violations, as well as adverse publicity that could cause our customers to lose trust in us, negatively impacting our reputation and business in a manner that harms our financial position. These new or proposed laws and regulations are subject to differing interpretations that may change over time resulting in further compliance costs as well as diversion of resources to monitor and address developments. New and proposed laws and regulations may also be inconsistent among jurisdictions or conflict with other laws and regulations. As a result, these requirements and other potential self-regulatory standards and industry codes of conduct could require us to take on more onerous obligations in our contracts, restrict our ability to store, transfer and otherwise process data or, in some cases, impact our ability to offer certain services in certain locations, to deploy our software or data solutions, to market to current and prospective customers or to derive insights from customers' online activity and data globally.

We believe that laws and regulations in the United States, Canada, the UK, Australia, the EU and in other jurisdictions will be increasingly restrictive in the field of data privacy and protection and will in turn result in an increase in regulatory burdens for us to address to continue meeting our customers' expectations, in particular in relation to the sharing of personal information with third parties, commercial electronic messages (such as email, SMS or other mobile chat applications), the use of machine learning and big data and the tracking of online activities for advertising. As our capacity to process large volumes of data increases, customer sentiment towards increased transparency and control and further interpretive guidance from regulatory agencies may require us to change our operations and practices in a manner adverse to our business. In this uncertain and shifting regulatory and trust climate, even the

perception that the privacy and security of personal information are not satisfactorily addressed or do not meet regulatory requirements could result in adverse publicity and reputation loss. Such risks could be exacerbated after the consummation of the Mergers.

Our future expenses may increase significantly and our operations and ability to expand may be limited as a result of licenses, laws and regulations governing auction sites, environmental protection, international trade and other matters. Such risk could be exacerbated after the consummation of the Mergers.

A variety of federal, provincial, state and local laws, rules and regulations throughout the world apply to our business, relating to, among other things, tax and accounting rules, the auction business, imports and exports of equipment, property ownership laws, licensing, worker safety, privacy and security of customer information, land use and the use, storage, discharge and disposal of environmentally sensitive materials. Complying with revisions to laws, rules and regulations could result in an increase in expenses and a deterioration of our financial performance. Failure to comply with applicable laws, rules and regulations could result in substantial liability to us, suspension or cessation of some or all of our operations, restrictions on our ability to expand at present locations or into new locations, requirements for the acquisition of additional equipment or other significant expenses or restrictions.

The development or expansion of auction sites depends upon receipt of required licenses, permits and other governmental authorizations. Our inability to obtain these required items could harm our business. Additionally, changes or concessions required by regulatory authorities could result in significant delays in, or prevent completion of, such development or expansion. International bidders and consignors could be deterred from participating in our auctions if governmental bodies impose additional export or import regulations or additional duties, taxes or other charges on exports or imports. Reduced participation by international bidders and consignors could reduce GTV and harm our business, financial condition and results of operations. Such risks could be exacerbated after the consummation of the Mergers.

Under some environmental laws, an owner, operator or lessee of, or other person involved in, real estate may be liable for the costs of removal or remediation of hazardous or toxic substances located on or in, or emanating from, the real estate, and related costs of investigation and property damage. These laws often impose liability without regard to whether the owner, operator, lessee or other person knew of, or was responsible for, the presence of the hazardous or toxic substances.

Environmental contamination may exist at our owned or leased auction sites, or at other sites on which we may conduct auctions, or properties that we may be selling by auction, from prior activities at these locations or from neighboring properties. Some of the facilities that we will acquire upon consummation of the Mergers are impacted by significant recognized environmental concerns and pollution conditions. IAA has incurred and we may in the future incur expenditures relating to compliance and risk mitigation efforts, releases of hazardous materials, investigative, remedial or corrective actions, claims by third parties and other environmental issues, and such expenditures, individually or in the aggregate, could be significant. IAA is currently conducting an investigation and the remediation of per- and polyfluoroalkyl substances contamination at a formerly leased site in Carteret, NJ, the costs of which are expected to be covered by insurance. In addition, federal and state environmental authorities are currently investigating IAA's role in contributing to contamination at the Lower Duwamish Waterway Superfund Site in Seattle, Washington and its subsidiary's role in contributing to the Pyrite Canyon Plume in Jurupa Valley, California. The potential liability at these sites cannot be estimated at this time.

In addition, auction sites that we acquire or lease in the future may be contaminated, and future use of or conditions on any of our properties or sites could result in contamination. The costs related to claims arising from environmental contamination of any of these properties could harm our financial condition and results of operations.

There are restrictions in the United States, Canada, Europe and other jurisdictions in which we do business that may affect the ability of equipment owners to transport certain equipment between specified jurisdictions or the salability of older equipment. One example of these restrictions is environmental certification requirements in the United States, which prevent non-certified equipment from entering into commerce in the United States. In addition, engine emission standards in some jurisdictions limit the operation of certain trucks and equipment in those markets.

These restrictions, or the adoption of more stringent environmental laws, including laws enacted in response to climate change, could inhibit materially the ability of customers to ship equipment to or from our auction sites, reducing our GTV and harming our business, financial condition and results of operations.

Losing the services of one or more key personnel or the failure to attract, train and retain personnel could materially affect our business. Such risk could be exacerbated after the consummation of the Mergers.

Our future success largely depends on our ability to attract, develop and retain skilled employees in all areas of our business, as well as to design an appropriate organization structure and plan effectively for succession. Although we actively manage our human resource risks, there can be no assurance that we will be successful in our efforts. If we fail to attract, develop and retain skilled employees in all areas of our business, our financial condition and results of operations may be adversely affected, and we may not achieve our growth or performance objectives.

The growth and performance of our business depends to a significant extent on the efforts and abilities of our employees. Many of our key employees have extensive experience with our business. These employees have knowledge and an understanding of our company and industry that cannot be readily duplicated. The loss of any key personnel, or the inability to replace any lost personnel with equally trained personnel, could impair our ability to execute our business plan and growth strategy, cause us to lose customers and reduce our revenues. In addition, the success of our strategic initiatives to expand our business to complimentary service offerings will require new competencies in many positions, and our management and employees will have to adapt and learn new skills and capabilities. To the extent they are unable or unwilling to make these transformational changes or we are unable to attract new employees who are able to do so, we may be unable to realize the full benefits of our strategic initiatives. We do not maintain key person insurance on the lives of any of our executive officers or other key personnel. As a result, we would have no way to cover the financial loss if we were to lose the services of such employees. This uncertainty may adversely affect our ability to attract and retain key employees.

If any of our key personnel were to join a competitor or form a competing company, existing and potential customers could choose to form business relationships with that competitor instead of us. There can be no assurance that confidentiality, non-solicitation, non-competition or similar agreements signed by our former directors, officers or employees will be effective in preventing a loss of business. Such risk could be exacerbated after the consummation of the Mergers.

Failure to maintain safe sites could materially affect our business and reputation. Such risk could be exacerbated after the consummation of the Mergers.

Our employees and customers are often in close proximity with mechanized equipment, moving vehicles and chemical and other industrial substances. Our auction sites and warehouses are, therefore, potentially dangerous places and involve the risk of accidents, environmental incidents and other incidents which may expose us to investigations and litigation or could negatively affect the perception of customer and employee safety, health and security. Even in the absence of any incidents, unsafe site conditions could lead to employee turnover or harm our reputation generally, each of which would affect our financial performance. While safety is a primary focus of our business and is critical to our reputation and performance, our failure to implement safety procedures, or implementation of ineffective safety procedures, would increase this risk and our operations and results from operations may be adversely impacted. Such risk could be exacerbated after the consummation of the Mergers.

Income and commodity tax amounts, including tax expense, may be materially different than expected and there is a trend by global tax collection authorities towards the adoption of more aggressive laws, regulations, interpretations and audit practices.

Our global operations are subject to tax interpretations, regulations and legislation in the numerous jurisdictions in which we operate, all of which are subject to continual change.

We accrue and pay income taxes and have significant income tax assets, liabilities and expense that are estimates based primarily on the application of those interpretations, regulations and legislation, and the amount and timing of future taxable income as well as our use of applicable accounting principles. Accordingly, we cannot be certain that our estimates and reserves are sufficient. The timing concerning the monetization of deferred income tax amounts is

uncertain, as they are dependent on our future earnings and other events. Our deferred income tax amounts are valued based upon enacted income tax rates in effect at the time, which can be changed by governments in the future.

The audit and review activities of tax authorities affect the ultimate determination of the actual amounts of commodity taxes payable or receivable, income taxes payable or receivable, deferred income tax assets and liabilities and income tax expense.

There is no assurance that taxes will be payable as anticipated or that the amount or timing of receipt or use of the tax-related assets will be as currently expected. Our experience indicates that taxation authorities are increasing the frequency and depth of audits and reviews. The Canada Revenue Agency ("CRA") has been conducting audits for our 2014, 2015, 2017, 2018 and 2019 taxation years. On February 13, 2023, the CRA issued a proposal letter to Ritchie Bros. Auctioneers (International) Ltd., asserting that one of its Luxembourg subsidiaries was resident in Canada from 2010 to 2015 and that its worldwide income should be subject to Canadian income taxation. In the event that the CRA issues a notice of assessment or reassessment, and a court of competent jurisdiction makes a final determination that the income of the Luxembourg subsidiary for 2010 through 2015 was subject to Canadian income tax laws, the Company may ultimately be liable for additional total Canadian federal and provincial income tax, interest and penalties for such period which could have a material negative effect on our operations. The CRA may also challenge the manner in which the Company has filed its tax returns and reported its income with respect to 2016 to 2020 taxation years and may assert that the income of the Luxembourg subsidiary was subject to Canadian income tax because the Luxembourg subsidiary was also resident in Canada during these years. The Company could then incur additional income taxes, penalties and interest which could have a material negative effect on our operations. In addition, future tax authority determinations, including changes to tax interpretations, regulations, legislation or jurisprudence, could have a material impact to our financial position. The fact that we operate internationally increases our exposure in this regard given the multiple forms of taxation imposed upon us.

Further and more generally, there has been increased political, media and tax authority focus on taxation in recent years; the intent of which appears to be to enhance transparency and address perceived tax avoidance. As such, in addition to tax risk from a financial perspective, our activities may expose us to reputational risk.

Our substantial international operations expose us to additional risks that could harm our business, including foreign exchange rate fluctuations that could harm our results of operations. Such risk could be exacerbated after the consummation of the Mergers.

We conduct business in many countries around the world and intend to continue to expand our presence in international markets, including emerging markets.

Although we report our financial results in U.S. dollars, a significant portion of our revenues and expenses are generated outside the U.S., primarily in currencies other than the U.S. dollar. In particular, a significant portion of our revenues are earned, and expenses incurred, in the Canadian dollar and the Euro.

The results of operations of our foreign subsidiaries are translated from local currency into U.S. dollars for financial reporting purposes. If the U.S. dollar weakens against foreign currencies, the translation of these foreign currency denominated revenues or expenses will result in increased U.S. dollar denominated revenues and expenses. Similarly, if the U.S. dollar strengthens against foreign currencies, particularly the Canadian dollar and the Euro, our translation of foreign currency denominated revenues or expenses will result in lower U.S. dollar denominated revenues and expenses. We do not currently engage in foreign currency hedging arrangements on any of our revenues or expenses. Fluctuating currency exchange rates may negatively affect our business in international markets and our related results of operations.

In addition, currency exchange rate fluctuations between the different countries in which we conduct our operations impact the purchasing power of buyers, the motivation of consignors, asset values and asset flows between various countries, including those in which we do not have operations. These factors and other global economic conditions may harm our business and our results of operations. Such risks could be exacerbated after the consummation of the Mergers, as approximately 19% of IAA's revenues were attributable to foreign operations for its fiscal year ended January 1, 2023.

Other risks inherent in doing business internationally include, but are not limited to the following: (a) trade barriers, trade regulations, currency controls, import or export regulations and other restrictions on doing business freely; (b) local labor, environmental, tax and other laws and regulations, and the potential for adverse changes in such laws and regulations or the interpretations thereof; (c) difficulties in staffing and managing foreign operations; (d) economic, political, social or labor instability or unrest; (e) terrorism, war, hostage-taking or military repression; (f) corruption; (g) expropriation and nationalization, or difficulties in enforcing or protecting our property rights, including with respect to intellectual property; (h) increased exposure to high rates of inflation; and (i) unpredictability as to litigation in foreign jurisdictions and enforcement of local laws.

If we violate the complex foreign and U.S. laws and regulations that apply to our international operations, we may face fines, criminal actions or sanctions, prohibitions on the conduct of our business and damage to our reputation. These risks inherent in our international operations increase our costs of doing business internationally and may result in a material adverse effect on our operations or profitability. Such risk could be exacerbated after the consummation of the Mergers.

Our business operations may be subject to a number of federal and local laws, rules and regulations governing international trade, including economic and trade sanctions and export control laws and regulations. Such risk could be exacerbated after the consummation of the Mergers.

Our business operations may be subject to a number of federal and local laws, rules and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce, economic and trade sanctions maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and similar laws and regulations in Canada, the UK and the EU. These laws and regulations restrict us from providing services to, or otherwise engaging in direct or indirect transactions or dealings with, certain countries, territories, governments, and persons. We have implemented procedures designed to maintain compliance with these laws, including monitoring, on an automatic and manual basis, the identity and location of potential sellers and buyers. We can offer no assurances that these procedures will always be effective.

If we were to violate applicable export control or sanctions, we could be subject to administrative or criminal penalties which, in certain circumstances, could be material. We could be subject to damages, financial penalties, denial of export privileges, incarceration of our employees, other restrictions on our operations and reputational harm. Further, any action on the part of the U.S. Department of Commerce, OFAC or other applicable regulator against the company or any of our employees for potential violations of these laws could have a negative impact on our reputation, business, operating results and prospects. Such risks could be exacerbated after the consummation of the Mergers.

Failure to comply with anti-bribery, anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the Corruption of Foreign Public Officials Act (the "CFPOA") and similar laws associated with our activities outside of the U.S. could subject us to penalties and other adverse consequences. Such risk could be exacerbated after the consummation of the Mergers.

We are subject to the FCPA, the CFPOA, the U.S. domestic bribery statute contained in 18 U.S.C. §201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act of 2010 and similar other anti-corruption, anti-bribery and anti-money laundering laws in countries in which we conduct activities or facilitate the buying and selling of equipment, including the EU. We face significant risks if we fail to comply with the FCPA, the CFPOA and other anti-corruption and anti-bribery laws that prohibit companies and their employees and third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to foreign government officials, political parties or candidates, employees of public international organizations and private-sector recipients for the corrupt purpose of obtaining or retaining business, directing business to any person or securing any advantage. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses engage in practices that are prohibited by the FCPA, the CFPOA or other applicable laws and regulations. In addition, we leverage various third parties to sell our solutions and conduct our business abroad. We and our other third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We may be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize such activities. Our Code of Business Conduct and Ethics and other corporate policies mandate compliance with these anti-bribery laws, which often carry substantial penalties.

Any violation of the FCPA, other applicable anti-bribery, anti-corruption laws and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracts, which could have a material and adverse effect on our reputation, business, operating results and prospects. In addition, responding to any enforcement action may result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. Such risks could be exacerbated after the consummation of the Mergers.

We are pursuing a long-term growth strategy that may include acquisitions and developing and enhancing an appropriate sales strategy, which requires upfront investment with no guarantee of long-term returns.

We continue to pursue a long-term growth strategy, including developing and enhancing an appropriate sales strategy, that contemplates upfront investments, including (i) investments in emerging markets that may not generate profitable growth in the near term, (ii) adding new business and information solutions and (iii) developing our people. Planning for future growth requires investments to be made now in anticipation of growth that may not materialize, and if our strategies do not successfully address the needs of current and potential customers, we may not be successful in maintaining or growing our GTV and our financial condition and results of operations may be adversely impacted. We may also not be able to improve our systems and controls as a result of increased costs, technological challenges or lack of qualified employees. A large component of our selling, general and administrative expenses is considered fixed costs that we will incur regardless of any GTV growth. There can be no assurances that our GTV and revenues will be maintained or grow at a more rapid rate than our fixed costs.

Part of our long-term growth strategy includes growth through acquisitions, such as the Mergers, which poses a number of risks. We may not be successful in identifying appropriate acquisition candidates, consummating acquisitions on satisfactory terms or integrating any newly acquired or expanded business with our current operations. Additionally, significant costs may be incurred in connection with any acquisition and our integration of such businesses with our business, including legal, accounting, financial advisory and other costs. We may also not realize the anticipated benefits of, and synergies from, such acquisition. We cannot guarantee that any future business acquisitions will be pursued, that any acquisitions that are pursued will be consummated or that we will achieve the anticipated benefits of completed acquisitions.

We are regularly subject to general litigation and other claims, which could have an adverse effect on our business and results of operations.

We are subject to general litigation and other claims that arise in the ordinary course of our business. Following the Mergers, the combined company will also be subject to IAA's liabilities, including any existing litigation relating to the Transactions. The outcome and impact of such litigation cannot be predicted with certainty, but regardless of the outcome, these proceedings can have an adverse impact on us because of legal costs, diversion of management resources and other factors. While the results of these claims have not historically had a material effect on us, we may not be able to defend ourselves adequately against these claims in the future, and these proceedings may have a material adverse impact on our financial condition or results of operations.

Our business continuity plan may not operate effectively in the event of a significant interruption of our business.

We have implemented a formal business continuity plan covering most significant aspects of our business that would take effect in the event of a significant interruption to our business or the loss of key systems as a result of a natural or other disaster. Although we have tested our business continuity plan as part of the implementation, there can be no assurance that it will operate effectively or that our business, results of operations and financial condition will not be materially affected in the event of a significant interruption of our business.

If we were subject to a disaster or serious security breach, it could materially damage our business, financial condition and results of operations.

Our insurance may be insufficient to cover losses that may occur as a result of our operations.

We maintain property and general liability insurance. This insurance may not remain available to us at commercially reasonable rates, and the amount of our coverage may not be adequate to cover all liabilities that we may incur. Our

auctions generally involve the operation of large equipment close to a large number of people, and despite our focus on safe work practices, an accident could damage our facilities, injure auction attendees and harm our reputation and our business. In addition, if we were held liable for amounts exceeding the limits of our insurance coverage or for claims outside the scope of our coverage, the resulting costs could harm our financial condition and results of operations.

Our business operations, results of operations, cash flows and financial performance may continue to be affected by the COVID-19 pandemic.

The COVID-19 pandemic has caused certain disruptions to our business and operations as a result of, among other things, responses to variants, quarantines, worker absenteeism as a result of illness or other factors, social distancing measures and other travel, health-related, business or other restrictions. Although we have recently begun to offer in-person onsite bidding alongside online-only bidding at some of our auction events, transportation costs and supply chain delays remain elevated, and further restrictions or the rollback of reopening measures due to higher infection rates may further disrupt our operations and the operations of our partners and customers. In addition, the COVID-19 pandemic has also adversely impacted, and may continue to adversely impact, the businesses and needs of our customers including their ability to secure financing. The ultimate impact of the COVID-19 pandemic on our business remains uncertain at this time and will depend on future developments, including the severity of evolving variants, availability, efficacy and distribution of various vaccines and treatments for COVID-19, as well as any longer-term effects of the pandemic on the global economy, including in the industries our customers serve.

Any sustained disruption in the capital markets from the COVID-19 pandemic could negatively impact our ability to raise capital.

Certain global conditions may affect our ability to conduct successful events.

Like most businesses with global operations, we are subject to the risk of certain global or regional adverse conditions, such as pandemics or other disease outbreaks, including the COVID-19 pandemic, war or geo-political conflict or natural disasters, including extreme weather or other events, such as hurricanes, tornadoes, earthquakes, forest fires or floods that could hinder our ability to conduct our scheduled auctions, restrict our customers' travel patterns or their desire to attend auctions or impact our online operations, including disrupting the internet or mobile networks or one or more of our service providers. If any of these conditions were to occur, we may not be able to generate sufficient equipment consignments to sustain our business or to attract enough bidders to our auctions to achieve world fair market values for the items we sell. This could harm our financial condition and results of operations. To the extent that climate change causes rising sea levels, increased intensity of weather and increased frequency of extreme precipitation and flooding, the risks noted above may increase.

In some instances, for example with the severe storm in August 2021 known as "Hurricane Ida," natural disasters may result in a sharp influx in the available supply of damaged and total loss vehicles and there can be no assurance that, following the Mergers, our business will have sufficient resources to handle such extreme increases in supply. Our failure to meet our customers' demands in such situations could negatively affect our relationships with such customers and result in a loss of future business, which could adversely affect our operating results and financial condition. In addition, revenues generated as a result of the total loss of vehicles associated with such a catastrophe are typically recognized subsequent to the incurrence of incremental costs and such revenues may not be sufficient to offset the costs incurred.

Ineffective internal control over financial reporting could result in errors in our financial statements, reduce investor confidence and adversely impact our stock price.

As a public company, we are required to furnish a report by management on the effectiveness of our internal control over financial reporting. This assessment is required to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting identified by our management. We are also required to have our independent registered public accounting firm issue an opinion on the effectiveness of our internal control over financial reporting on an annual basis.

As previously reported, during the fiscal year ended December 31, 2020, we identified two material weaknesses in our internal control over financial reporting. These material weaknesses were remediated as of December 31, 2021,

and we did not identify any additional material weaknesses during the fiscal year ended December 31, 2022. However, we may identify additional material weaknesses in our internal control over financial reporting in the future, and, if we do, we will be unable to assert that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future.

Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude in the future that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, our stock price could decline, and we could be subject to sanctions or investigations by the New York Stock Exchange, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Our operating results are subject to quarterly variations.

Historically, our revenues and operating results have fluctuated from quarter to quarter. We expect to continue to experience these fluctuations as a result of the following factors, among others: (a) the size, timing, nature and frequency of our auctions; (b) the seasonal nature of the auction business in general, with peak activity typically occurring in the second and fourth calendar quarters, mainly as a result of the seasonal nature of the construction and natural resources industries; (c) the extent and performance of our underwritten (guarantee and outright purchase) contracts; (d) general economic conditions in the geographical regions in which we operate; and (e) the timing of acquisitions and development of auction facilities and related costs.

In addition, we may incur substantial costs when entering new geographies, and variability in the number and size of auctions at new sites can cause volatility in our operations. These and other factors may cause our future results to fall short of investor expectations or not to compare favorably to our past results. Further, as our results generally fluctuate from quarter to quarter, period-to-period comparisons of our results of operations may not be meaningful indicators of future performance.

Risks Related to Our Intellectual Property

We may be unable to adequately protect or enforce our intellectual property rights, which could harm our reputation and adversely affect our growth prospects.

We regard our proprietary technologies and intellectual property as integral to our success. We protect our proprietary technology through a combination of trade secrets, third-party confidentiality and nondisclosure agreements, additional contractual restrictions on disclosure and use and patent, copyright and trademark laws.

We are the registered owners of many Internet domain names internationally. As we seek to protect our domain names in an increasing number of jurisdictions, we may not be successful in doing so in certain jurisdictions. Our competitors may adopt trade names or domain names similar to ours, thereby impeding our ability to promote our marketplace and possibly leading to customer confusion. In addition, we could face trade name or trademark or service mark infringement claims brought by owners of other registered or unregistered trademarks or service marks, including trademarks or service marks that may incorporate variations of our brand names. The legal means we use to protect our proprietary technology and intellectual property do not afford complete protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot guarantee that any of our present or future intellectual property rights will not lapse or be invalidated, circumvented, challenged or abandoned; our intellectual property rights will provide competitive advantages to us; our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will not be limited by our agreements with third parties; any of our pending or future patent applications will be issued or have the coverage originally sought; or our intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak.

We also may allow certain of our registered intellectual property rights, or our pending applications or registrations for intellectual property rights, to lapse or to become abandoned if we determine that obtaining or maintaining the applicable registered intellectual property rights is not worthwhile.

Further, although it is our practice to enter into confidentiality agreements and intellectual property assignment agreements with our employees and contractors, these agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy, reverse engineer or otherwise obtain and use our products or technology. We cannot be certain that we will be able to prevent unauthorized use of our technology or infringement or misappropriation of our intellectual property, particularly in foreign countries where the laws may not protect our proprietary rights. Effective patent, copyright, trademark, service mark, trade secret and domain name protection is time-consuming and expensive to maintain. Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others, which could result in substantial costs and diversion of our resources. In addition, our efforts may be met with defenses and counterclaims challenging the validity and enforceability of our intellectual property rights or may result in a court determining that our intellectual property rights are unenforceable.

We may also be subject to intellectual property claims, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies in the future. Companies in the internet and technology industries are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. We periodically receive notices that claim we have infringed, misappropriated or misused other parties' intellectual property rights. To the extent we gain greater public recognition, we may face a higher risk of being the subject of intellectual property claims.

Third-party intellectual property rights may cover significant aspects of our technologies or business methods or block us from expanding our offerings. Any intellectual property claim against us, with or without merit, could be time consuming and expensive to settle or litigate and could divert the attention of our management. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and we may not be successful in defending ourselves in such matters.

Many potential litigants, including some patent-holding companies, have the ability to dedicate substantial resources to enforcing their intellectual property rights. Any claims successfully brought against us could subject us to significant liability for damages, and we may be required to stop using technology or other intellectual property alleged to be in violation of a third party's rights. We also might be required to seek a license for third-party intellectual property. Such a license may be unavailable or may require us to pay significant royalties or submit to unreasonable terms, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. If we cannot license or develop technology for any allegedly infringing aspect of our business, we would be forced to limit our service and may be unable to compete effectively. Any of these results could harm our business.

If we are unable to cost-effectively protect our intellectual property rights, then our business could be harmed. If competitors are able to use our technology or develop proprietary technology similar to ours or competing technologies, our ability to compete effectively and our growth prospects could be adversely affected.

Our use of open source software could subject us to risks, including with respect to the terms of open source licenses. Such risk could be exacerbated after the consummation of the Mergers.

Some of the software powering our marketplace incorporates software covered by open source licenses. The terms of many open source licenses have not been interpreted by U.S. courts and there is a risk that the licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to operate our marketplace. Under certain open source licenses, we could be required to publicly release the source code of our software or to make our software available under open source licenses. To avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software which could significantly interrupt our operations.

In addition, use of open source software can lead to greater risks than use of third-party commercial software because open source licensors generally do not provide maintenance, warranties or controls on the origin of the software. Open source software may also present risks of unforeseen or unmanaged security vulnerabilities that could potentially unintentionally be introduced into our software. Use of open source software may also present additional security risks

because the public availability of this software may make it easier for hackers and other third parties to determine how to compromise our technology platform. Any of these risks could be difficult to eliminate or manage and, if not addressed, could adversely affect our business, financial condition and results of operations. Such risk could be exacerbated after the consummation of the Mergers.

Risks Related to Our Industry

Competition could result in reductions in our future revenues and profitability.

The global used equipment market, including the auction segment of that market, is highly fragmented. We compete for potential purchasers and sellers of equipment with other auction companies and with non-auction competitors such as equipment manufacturers, distributors and dealers, equipment rental companies and other online marketplaces. When sourcing equipment to sell at our auctions or other marketplaces, we compete with other onsite and online auction companies, OEM and independent dealers, equipment brokers, other third parties and equipment owners that have traditionally disposed of equipment in private sales.

In addition, following the Mergers, we may also compete with direct competitors, new entrants, including new vehicle remarketing venues, and existing alternative vehicle remarketing venues, for the supply of damaged and total loss vehicles and the buyers of those vehicles.

Some of our competitors have significantly greater financial and marketing resources and name recognition than we do. New competitors with greater financial and other resources and/or different business models/strategies may enter the equipment auction market in the future. Additionally, existing or future competitors may succeed in entering and establishing successful operations in new geographic markets prior to our entry into those markets. They may also compete against us through internet-based services and other combined service offerings.

If commission rates decline, or if our strategy to compete against our many competitors is not effective, our revenues, market share, financial condition and results of operations may be adversely impacted. We may be susceptible to loss of business if competing selling models become more appealing to customers. If our selling model becomes undesirable or we are not successful in adding services complementary to our existing selling model and business, we may not be successful increasing market penetration over the long-term, which could prevent us from achieving our long-term earnings growth targets.

Our relationships with key long-term customers or suppliers may be materially diminished or terminated.

We have long-standing and/or strategic relationships with a number of our customers and business partners, many of whom could unilaterally terminate their relationship with us or materially reduce the amount of business they conduct with us at any time. Market competition, business requirements and financial conditions could adversely affect our ability to continue or expand our relationships with our customers and business partners. There is no guarantee that we will be able to retain or renew existing agreements, or maintain relationships with any of our customers or business partners, on acceptable terms, or at all. The loss of one or more of our major customers or business partners could adversely affect our business, financial condition and results of operations.

In addition, following the Mergers, business will depend, in part, on suppliers of damaged, total loss and low-value vehicles, including insurance companies, used-vehicle dealers, rental car and fleet lease companies, auto lenders and charitable organizations, among others. Agreements with insurance company suppliers are generally subject to cancellation by either party upon 30 to 90 days' notice. There can be no assurance that IAA's existing agreements will not be canceled or that we will be able to enter into future agreements on favorable terms with these suppliers following the Mergers. From time to time, however, we may experience the loss of suppliers or a reduction in volume from suppliers, including top vehicle suppliers. If we lose one or more significant suppliers, or if one or more large suppliers were to significantly reduce volume for any reason or favor competitors or new entrants, we may not be successful in replacing such business and our profitability and operating results could be materially adversely affected.

Decreases in the supply of, demand for or market values of used equipment could harm our business.

Our revenues could decrease if there is significant erosion in the supply of, demand for or market values of used equipment, which could adversely affect our financial condition and results of operations. We have no control over

any of the factors that affect the supply of or demand for used equipment and the circumstances that cause market values for equipment to fluctuate including, among other things, economic uncertainty, the global geopolitical climate, disruptions to credit and financial markets, lower commodity prices and our customers' restricted access to capital. Recent economic conditions have caused fluctuations in the supply, mix and market values of used equipment available for sale, which has a direct impact on our revenues. In addition, a sustained reduction in used-vehicle pricing could result in lower proceeds from the sale of damaged and total loss vehicles and a related reduction in revenue per vehicle, a potential loss of consignors and decreased profitability. Conversely, when used vehicle prices are high, used-vehicle dealers may retail more of their trade-in vehicles on their own rather than selling them at auction, which could adversely affect our revenues and profitability.

In addition, price competition and the availability of equipment directly affect the supply of, demand for and market value of used equipment. Climate change initiatives, including significant changes to engine emission standards applicable to equipment, may also adversely affect the supply of, demand for our market values of equipment.

Risks Related to Our Organization and Governance

Our articles, by-laws, shareholder rights plan and Canadian law contain provisions that may have the effect of delaying or preventing a change in control.

Certain provisions of our articles of amalgamation and by-laws, as well as certain provisions of the Canada Business Corporations Act (the "CBCA") and applicable Canadian securities law, could discourage potential acquisition proposals, delay or prevent a change in control or materially adversely impact the price that certain investors might be willing to pay for our common shares. For instance, our articles of amalgamation authorize our board of directors to determine the designations, rights and restrictions to be attached to, and to issue an unlimited number of, junior preferred shares and senior preferred shares.

In addition, our by-laws contain provisions establishing that shareholders must give advance notice to us in circumstances where nominations of persons for election to our board of directors are made by our shareholders other than pursuant to either a requisition of a meeting made in accordance with the provisions of the CBCA or a shareholder proposal made in accordance with the provisions of the CBCA.

Among other things, these advance notice provisions set a deadline by which shareholders must notify us in writing of an intention to nominate directors for election to the board of directors prior to any shareholder meeting at which directors are to be elected and set forth the information required in this notice for it to be valid.

Our board of directors has adopted a shareholder rights plan (the "Rights Plan"), pursuant to which we issued one right in respect of each common share outstanding. Under the Rights Plan, following a transaction in which any person becomes an "acquiring person" as defined in the Rights Plan, each right will entitle the holder to receive a number of common shares provided in the Rights Plan. The purposes of the Rights Plan are (i) to provide our board of directors time to consider value-enhancing alternatives to a take-over bid and to allow competing bids to emerge; (ii) to ensure that shareholders are provided equal treatment under a take-over bid; and (iii) to give adequate time for shareholders to properly assess a take-over bid without undue pressure. The Rights Plan can potentially impose a significant penalty on any person commencing a takeover bid that would result in the offeror becoming the beneficial owner of 20% or more of our outstanding common shares.

Any of these provisions, as well as certain provisions of the CBCA and applicable Canadian securities law, may discourage a potential acquirer from proposing or completing a transaction that may have otherwise presented a premium to our shareholders.

U.S. civil liabilities may not be enforceable against us, our directors or our officers.

We are governed by the CBCA and our principal place of business is in Canada. Many of our directors and officers reside outside of the United States, and all or a substantial portion of their assets, as well as a substantial portion of our assets, are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us and such directors and officers or to enforce judgments obtained against us or such persons, in U.S. courts, in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws or any other laws of the United States.

Additionally, rights predicated solely upon civil liability provisions of U.S. federal securities laws or any other laws of the United States may not be enforceable in original actions, or actions to enforce judgments obtained in U.S. courts or brought in Canadian courts, including courts in the Province of British Columbia.

We are governed by the corporate laws of Canada which in some cases have a different effect on shareholders than the corporate laws of Delaware.

We are governed by the CBCA and other relevant laws, which may affect the rights of shareholders differently than those of a company governed by the laws of a U.S. jurisdiction, and may, together with our charter documents, have the effect of delaying, deferring or discouraging another party from acquiring control of our company by means of a tender offer, a proxy contest or otherwise, or may affect the price an acquiring party would be willing to offer in such an instance.

Risks Related to the Transactions

Obtaining required approvals and satisfying closing conditions may prevent or delay completion of the Mergers.

The Mergers are subject to a number of conditions to closing as specified in the Merger Agreement. These closing conditions include, among others, the adoption of the Merger Agreement by the holders of a majority of the outstanding shares of IAA Common Stock entitled to vote thereon; the approval of the share issuance by Ritchie Bros. by the affirmative vote of a majority of the votes cast by holders of our outstanding common shares entitled to vote thereon; the absence of any order, injunction or regulation by a court or other governmental entity that prevents or materially impairs the consummation of the Mergers; the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose; and the common shares to be issued pursuant to the Mergers having been approved for listing on the NYSE and the TSX.

Our obligation and the obligation of IAA to complete the Mergers are also conditioned on, among other things, the accuracy of the representations and warranties made by the other party on the date of the Merger Agreement and on the Mergers Closing Date (subject to certain materiality and material adverse effect qualifiers), the performance by the other party in all material respects of its obligations under the Merger Agreement, no material adverse effect on the other party having occurred after the date of the Merger Agreement that is continuing and each party's receipt of a certificate executed by an executive officer of the other party certifying as to the satisfaction of the conditions described in this sentence. The obligation of IAA to complete the Mergers is additionally conditioned upon IAA's receipt of a written opinion from Cooley LLP, counsel to IAA, or another nationally recognized tax counsel, to the effect that, on the basis of facts, representations and assumptions set forth or referred to in such opinion, the Mergers will be treated as a "reorganization" within the meaning of Section 368(a) of the Code and that the Mergers will not result in gain recognition under Section 367(a)(1) of the Code by IAA stockholders (other than any excepted shareholder).

No assurance can be given that the required conditions to closing will be satisfied. In addition, other factors, such as our ability to obtain the Debt Financing we need to complete the Mergers on acceptable terms and other sources of cash to consummate the Mergers, and any litigation challenging the mergers, may affect when and whether the Mergers will occur. The consummation of the Mergers is not conditioned on the completion of this offering.

Any delay in completing the Mergers could cause the combined company not to realize, or to be delayed in realizing, some or all of the benefits that we and IAA expect to achieve if the Mergers are successfully completed within the expected time frame.

While the Merger Agreement is in effect, we are subject to restrictions on our business activities.

While the Merger Agreement is in effect, we are generally required to use reasonable efforts to conduct our business in the ordinary course in all material respects, and are restricted from taking certain actions set forth in the Merger Agreement without IAA's prior consent. These limitations include, among other things, certain restrictions on our ability to amend our organizational documents, acquire other businesses and assets that would reasonably be expected to delay or impair the consummation of the Mergers, dispose of certain assets, reclassify or issue certain securities and pay dividends (other than our regular quarterly dividend). These restrictions could prevent us from pursuing strategic

business opportunities and taking actions with respect to our business that we may consider advantageous and may, as a result, materially and adversely affect our business, results of operations and financial condition.

We may experience difficulties in integrating our operations with those of IAA and realizing the expected benefits of the acquisition.

The success of the proposed acquisition of IAA, if completed, will depend in part on our ability to realize the anticipated business opportunities and cost synergies from combining with IAA in an efficient and effective manner. We may not realize these business opportunities and cost synergies to the extent expected or at all. Further, our management might have its attention diverted while trying to integrate operations and corporate and administrative infrastructures. The post-closing integration process could take longer than anticipated and could result in the loss of key employees, the disruption of each company's ongoing businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, employees or other third parties, or our ability to achieve the anticipated benefits of the transaction, and could harm our financial performance. If we are unable to successfully or timely integrate the operations of IAA's business with our business, we may incur unanticipated liabilities and be unable to realize the revenue growth, synergies and other anticipated benefits resulting from the proposed transaction, and our business, results of operations and financial condition could be adversely affected.

Significant costs have been incurred and are expected to be incurred in connection with the consummation and integration of the acquisition of IAA.

We expect to incur one-time costs in connection with integrating our operations, products and personnel with those of IAA, in addition to costs related directly to completing the acquisition. Additional unanticipated costs may be incurred as we integrate our business with IAA following the closing. Although we expect the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of our operations with IAA, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term or to the extent anticipated.

Failure to attract, motivate and retain executives and other key employees could diminish the anticipated benefits of the Mergers.

The success of the Mergers will depend in part on the combined company's ability to retain the talents and dedication of key professionals currently employed by us and IAA. It is possible that these employees may decide not to remain with us or IAA, as applicable, while the Mergers are pending, or with the combined company. If key employees of either company terminate their employment, or if an insufficient number of employees are retained to maintain effective operations, the combined company's business activities may be adversely affected and management's attention may be diverted from successfully integrating us and IAA to hiring suitable replacements, all of which may cause the combined company's business to suffer. In addition, we and IAA may not be able to locate suitable replacements for any key employees that leave either company or offer employment to potential replacements on reasonable terms. Moreover, there could be disruptions to or distractions for the workforce and management, including disruptions associated with integrating employees into the combined company. No assurance can be given that the combined company will be able to attract or retain key employees of Ritchie Bros. and IAA to the same extent that those companies have been able to attract or retain their own employees in the past.

The Mergers, and uncertainty regarding the Mergers, may cause business partners or vendors to delay or defer decisions concerning us or IAA and adversely affect each company's ability to effectively manage its respective business, which could adversely affect each company's business, operating results and financial position and, following the completion of the Mergers, the combined company's.

The Mergers are subject to a number of conditions to closing, as specified in the Merger Agreement, including the Ritchie Bros. Shareholder Approval and the IAA Stockholder Approval, among other customary conditions. Many of the conditions are beyond our or IAA's control, and both parties also have certain rights to terminate the Merger Agreement. Accordingly, there may be uncertainty regarding the completion and the timing of completion of the Mergers. This uncertainty may cause existing or potential business partners, suppliers and vendors to:

- delay or defer other decisions concerning us, IAA or the combined company, including entering into contracts with us or IAA or making other decisions concerning us or IAA or seek to change or cancel existing business relationships with us or IAA; or

- otherwise seek to change the terms on which they do business with us, IAA or the combined company.

Any such disruptions such as delays or deferrals of those decisions or changes in existing agreements could adversely affect our and IAA's respective business, operating results and financial position, whether the Mergers are ultimately completed, and following the completion of the Mergers, the combined company, including an adverse effect on the combined company's ability to realize the anticipated synergies, opportunities and other benefits of the Mergers. The risk, and adverse effect, of any such disruptions could be exacerbated by a delay in completion of the Mergers or termination of the Merger Agreement.

The combined company's debt may limit its financial flexibility.

On a pro forma basis for the Transactions, as of December 31, 2022, we and our subsidiaries, including IAA, would have had $3.3 billion of total indebtedness (excluding debt issuance costs and capital lease obligations), excluding $738.9 million of undrawn commitments under our revolving credit facility. In connection with the Mergers, we entered into the Debt Commitment Letter pursuant to which the initial lenders thereunder committed to provide (i) the Backstop Revolving Facility in an aggregate principal amount of up to $750 million and (ii) the senior secured 364-day Bridge Loan Facility in an aggregate principal amount of up to $2.8 billion. We obtained amendments to our Existing Credit Agreement to terminate the backstop commitments (including the Backstop Revolving Facility and $88.9 million of bridge commitments that served as a backstop for our existing term loans) and replace $1.825 billion of bridge commitments with the New Term Loan A Facility. The proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility.

Our ability to make payments on our debt, fund our other liquidity needs and make planned capital expenditures will depend on our ability to generate cash in the future. Our historical financial results have been, and we anticipate that our future financial results will be, subject to fluctuations. Our ability to generate cash is subject in part to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot guarantee that our business will generate sufficient cash flow from our operations or that future borrowings will be available to us in an amount sufficient to enable us to make payments of our debt, fund other liquidity needs and make planned capital expenditures. If our cash flows and capital resources are insufficient to fund debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness.

The combined company's substantial indebtedness could have adverse effects on the combined company's financial condition and results of operations, including:

- increasing its vulnerability to changing economic, regulatory and industry conditions;

- limiting its ability to compete and its flexibility in planning for, or reacting to, changes in its business and the industry;

- limiting its ability to borrow additional funds to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;

- expose it to the risk of increased interest rates for any borrowings at variable rates of interest; and

- increasing its interest expense and requiring it to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing funds available for dividends, working capital, capital expenditures, acquisitions, share repurchases, and other purposes.

The combined company's ability to arrange any additional financing for the purposes described above or otherwise will depend on, among other factors, the combined company's financial positions and performance, as well as prevailing market conditions and other factors beyond their control. The level and quality of the combined company's

earnings, operations, business and management, among other things, will impact the determination of the combined company's credit ratings. A decrease in the ratings assigned to the combined company by the ratings agencies may negatively impact the combined company's access to the debt capital markets and increase the combined company's cost of borrowing. There can be no assurance that the combined company will be able to obtain financing on acceptable terms or at all, or be able to generate sufficient cash flow to reduce leverage in the time frame expected or at all. In addition, there can be no assurance that the combined company will be able to maintain the current creditworthiness or prospective credit ratings of Ritchie Bros. or IAA, and any actual or anticipated changes or downgrades in such credit ratings may have a negative impact on the liquidity, capital position or access to capital markets of the combined company.

The Mergers will involve substantial costs.

We and IAA have incurred and expect to incur non-recurring costs associated with combining the operations of the two companies, as well as transaction fees and other costs related to the Mergers and related financing transactions. Such costs include, among others, filing and registration fees with the SEC, NYSE and TSX, printing and mailing costs associated with the Mergers Form S-4 and legal, accounting, investment banking, consulting, public relations and proxy solicitation fees. Some of these costs are payable by us or IAA regardless of whether the Mergers are completed.

The combined company will also incur restructuring and integration costs in connection with the Mergers. There are processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Mergers and the integration of IAA's business. We may incur some of these costs regardless of whether the Mergers are completed. Although the parties expect that the elimination of duplicative costs, strategic benefits and additional income, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction, combination-related and restructuring costs over time, any net benefit may not be achieved in the near term or at all. While the parties have assumed that certain expenses would be incurred in connection with the Mergers and the other Transactions, there are many factors beyond the parties' control that could affect the total amount or the timing of the integration and implementation expenses.

The IRS may not agree that we should be treated as a foreign corporation for U.S. federal income tax purposes.

Under current U.S. federal income tax law, a corporation generally will be considered to be a U.S. corporation for U.S. federal income tax purposes only if it is created or organized in the U.S. or under the law of the U.S. or of any State or the District of Columbia. Accordingly, under generally applicable U.S. federal income tax rules, Ritchie Bros., which is organized under the laws of Canada, generally would be classified as a foreign corporation. Section 7874 of the Code and the Treasury Regulations promulgated thereunder, however, contain specific rules that may cause a foreign corporation to be treated as a U.S. corporation for U.S. federal income tax purposes (or to be subject to certain other adverse tax consequences) if it acquires, directly or indirectly, substantially all of the assets held, directly or indirectly, by a U.S. corporation. These rules apply only if certain conditions are met, including that the former shareholders of the acquired U.S. corporation hold, by reason of their ownership of shares of that corporation, more than a specified percentage of the shares of the acquiring foreign corporation. Based on the percentage of the Merger Consideration to be received by shareholders of IAA in the transaction that is comprised of common shares, these conditions are not expected to be met and thus our indirect acquisition of IAA is not expected to cause us to be treated as a U.S. corporation (or to be subject to certain other adverse tax consequences) under Section 7874 of the Code. We cannot assure you, however, that the IRS will not take a contrary position or that the relevant U.S. federal income tax law will not be changed (possibly with retroactive effect) in a manner that would result in a contrary conclusion. If it were determined that we are treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code and the Treasury Regulations promulgated thereunder, we could be subject to substantial U.S. tax liability and our non-U.S. shareholders could be subject to U.S. withholding tax on any dividends.

The unaudited pro forma condensed combined financial information in this offering circular is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of the combined company following completion of the Transactions.

The unaudited pro forma condensed combined financial information included in this offering circular are presented for illustrative purposes only, contain a variety of adjustments, assumptions and preliminary estimates and are not necessarily indicative of what the combined company's actual financial position or results of operations would have

been had the Transactions been completed on the dates indicated. The combined company's actual results and financial position after the Transactions may differ materially and adversely from the unaudited pro forma condensed combined financial information included in this offering circular. The unaudited pro forma condensed combined financial information reflects adjustments based upon preliminary estimates of the fair value of assets to be acquired and liabilities to be assumed. The final acquisition accounting will be based upon the actual consideration transferred and the fair value of the assets and liabilities of IAA as of the date of the completion of the Transactions. Accordingly, the final acquisition accounting may differ materially from the unaudited pro forma condensed combined financial information reflected in this offering circular. For more information, see "Unaudited Pro Forma Condensed Combined Financial Information."

While presented with numeric specificity, the unaudited pro forma condensed combined financial information provided in this offering circular is based on numerous variables and assumptions (including, but not limited to, those related to industry performance and competition, general business, the software and related industries, and economic, market and financial conditions and additional matters specific to our or IAA's business, as applicable) that are inherently subjective and uncertain and are beyond the control of our and IAA's respective management teams. As a result, actual results may differ materially from the unaudited pro forma condensed combined financial information. Important factors that may affect actual results include, but are not limited to, risks and uncertainties relating to our or IAA's business, as applicable (including each company's ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business and economic conditions. See "Unaudited Pro Forma Condensed Combined Financial Information."

Risks Relating to the Combined Company

Combining the businesses of Ritchie Bros. and IAA may be more difficult, costly or time-consuming than expected and the combined company may fail to realize the anticipated benefits of the Mergers, which may adversely affect the combined company's business results and negatively affect the value of the combined company's common shares.

The success of the Mergers will depend on, among other things, our ability to realize the anticipated benefits and operational scale efficiencies from combining the businesses of Ritchie Bros. and IAA. This success will depend largely on our ability to successfully integrate the business of IAA. If we are not able to successfully integrate IAA's business within the anticipated time frame, or at all, the anticipated operational scale efficiencies and other benefits of the Mergers may not be realized fully, or at all, or may take longer to realize than expected.

An inability to realize the full extent of the anticipated benefits of the Mergers and the other transactions contemplated by the Merger Agreement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, level of expenses and operating results of the combined company, which may adversely affect the value of the common shares of the combined company.

We and IAA have operated and, until the completion of the Mergers, will continue to operate independently. There can be no assurances that our businesses can be integrated successfully. It is possible that the integration process could result in the loss of our or IAA key employees, the loss of customers or other key business relationships, the disruption of either company's or both companies' ongoing businesses, inconsistencies in standards, controls, procedures and policies, unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. There could be potential unknown liabilities and unforeseen expenses associated with the Mergers that were not discovered in the course of performing due diligence. The challenges involved in this integration, which will be complex and time-consuming, include the following:

- combining the companies' operations and corporate functions;
- combining the businesses of Ritchie Bros. and IAA and meeting the capital requirements of the combined company in a manner that permits the combined company to achieve any revenue opportunity or operational scale efficiencies anticipated to result from the Mergers, the failure of which would result in the anticipated benefits of the Mergers not being realized in the time frame currently anticipated or at all;
- integrating and retaining personnel from the two companies;

- integrating the companies' technologies;
- integrating and unifying each company's intellectual property;
- integrating operating licenses across each company's network of physical properties;
- identifying and eliminating redundant and underperforming functions and assets;
- harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;
- maintaining existing agreements with customers, business partners, suppliers, landlords and vendors, avoiding delays in entering into new agreements with prospective customers, business partners, suppliers, landlords and vendors and leveraging relationships with such third parties for the benefit of the combined company;
- addressing possible differences in business backgrounds, corporate cultures and management philosophies;
- consolidating the companies' administrative and information technology infrastructure;
- coordinating sales strategies and go-to-market efforts;
- coordinating geographically dispersed organizations; and
- effecting actions that may be required in connection with obtaining regulatory or other governmental approvals.

In addition, at times the attention of certain members of either company's or both companies' management and resources may be focused on completion of the Mergers and the integration of the businesses of the two companies and diverted from day-to-day business operations or other opportunities that may have been beneficial to such company, which may disrupt each company's ongoing business and the business of the combined company.

IAA derives a significant percentage of revenue from a concentrated group of suppliers and the loss of more than one major supplier following the Mergers could materially and adversely affect the business, results of operations or financial condition of the combined company.

IAA's agreements with its top eight suppliers collectively accounted for approximately 40% of IAA's 2022 revenue. The loss of any major supplier could have a material adverse effect on the results of operations or financial condition of the combined company. The combined company may not be able to maintain supplier relationships and suppliers may delay payment under, or fail to renew, their agreements with the combined company, which could adversely affect the business, results of operations or financial conditions of the combined company. Any reduction in the amount of revenues derived from these suppliers, without an offsetting increase in new revenue from other suppliers, could have a material adverse effect on the operating results of the combined company. A significant change in the liquidity or financial position of the combined company's suppliers could also have a material adverse effect on the collectability of the combined company's accounts receivable, liquidity or future operating results.

The combined company may be unable to realize the anticipated cost synergies and expects to incur substantial expenses related to the Mergers, which could adversely affect the combined company's business, financial condition and results of operations.

The combined company will incur restructuring and integration costs in connection with the Mergers, and the amount of such costs may exceed our expectations. As a consequence, the combined company may not be able to realize the net benefits of these cost synergies within the time frame expected or at all. In addition, the combined company may incur additional or unexpected costs in order to realize these benefits. Failure to achieve cost synergies could significantly reduce the expected benefits associated with the Mergers.

The Mergers also are expected to create revenue, operational enhancement and other opportunities for the combined company, including through cross-selling opportunities, accelerated marketplace innovation, cross-utilization of yards, strengthening IAA's catastrophic event response and insurance carrier relationships and acceleration of IAA's international expansion. The identification and scope of these opportunities is based on various assumptions, which may or may not prove to be accurate. These opportunities for the combined company may not arise as expected, or the combined company may not be able to realize the anticipated benefits from these opportunities, from the sources or in the amount, manner or time frame expected, or at all. In addition, the combined company may incur additional or unexpected costs in order to pursue and/or realize these opportunities. Failure to realize these opportunities could significantly reduce the expected benefits associated with the Mergers.

Certain contractual counterparties may seek to modify contractual relationships with the combined company, which could have an adverse effect on the combined company's business and operations.

As a result of the Mergers, the combined company may experience impacts on relationships with contractual counterparties (such as business partners, customers, vendors or other third party service providers) that may harm the combined company's business and results of operations. Certain counterparties may seek to terminate or modify contractual obligations following the Mergers whether or not contractual rights are triggered as a result of the Mergers. There can be no guarantee that our or IAA's contractual counterparties will remain with or continue to have a relationship with the combined company or do so on the same or similar contractual terms following the Mergers. If any contractual counterparties (such as business partners, vendors or other third party service providers) seek to terminate or modify contractual obligations or discontinue the relationship with the combined company, then the combined company's business and results of operations may be harmed.

Completion of the Mergers may trigger change in control, assignment or other provisions in certain agreements to which IAA is a party, which may have an adverse impact on the combined company's business and results of operations.

The completion of the Mergers may trigger change in control, assignment and other provisions in certain agreements to which IAA is a party. If IAA is unable to negotiate waivers of or consents under those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages or other remedies. Even if IAA is able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to the combined company. Any of the foregoing or similar developments may have an adverse impact on the business, financial condition and results of operations of the combined company, or our ability to successfully integrate IAA's business.

Following the consummation of the Mergers, the combined company may be subject to new, unanticipated risks as the Ritchie Bros. and IAA businesses are integrated.

The consummation of the Mergers will result in the combination of two companies that currently operate as independent companies. Our and IAA's businesses differ. As a result, while we expect to benefit from certain opportunities following the Mergers, we may also encounter new risks and liabilities associated with these differences or the integration of the entities that are not anticipated by the risk factors discussed in this offering circular. Following the Mergers, our shareholders and IAA stockholders will own interests in the combined company and may not wish to continue to hold common shares or may wish to dispose of some or all of their common shares. If, following the effective time of the Mergers, large amounts of common shares are sold, the price of our common shares could decline.

Further, our results of operations and the market price of our common shares may be affected by factors different from those currently affecting the independent results of operations of each of Ritchie Bros. and IAA and the market price of our common shares and IAA Common Stock. Accordingly, neither our nor IAA's historical market prices and financial results may be indicative of these matters for us or the combined company after the Mergers.

The combined company may be exposed to increased litigation, which could have an adverse effect on the combined company's business and operations.

The combined company may be exposed to increased litigation from stockholders, customers, partners, suppliers, consumers and other third parties due to the combination of our and IAA's businesses following the Mergers. Such

litigation may have an adverse impact on the combined company's business and results of operations or may cause disruptions to the combined company's operations.

USE OF PROCEEDS

We intend to use the net proceeds from this offering, together with proceeds from the Term Loan A Facility and cash from our balance sheet, to fund the cash portion of the Merger Consideration, refinance IAA's existing indebtedness, repay or refinance all of our indebtedness, including our existing 2016 Notes, pay the Ritchie Bros. Special Dividend and pay related fees and expenses. We expect to use any remaining net proceeds, if any, from this offering for general corporate purposes. Nothing in this offering circular shall constitute a notice of redemption for our existing 2016 Notes.

Upon the closing of this offering, the Issuer will deposit the gross proceeds from the sale of each series of notes in this offering, together with certain additional amounts, into a separate escrow account for each series of notes. If the Mergers are not consummated on or before September 30, 2023 or the Merger Agreement is terminated prior to such date, the Issuer will be required to redeem all of the outstanding notes of each series at a redemption price equal to 100% of the original offering price of each series of the notes, plus accrued and unpaid interest to, but excluding, the date of such mandatory redemption. See "Description of Secured Notes—Redemption—Special Mandatory Redemption" and "Description of Unsecured Notes—Redemption—Special Mandatory Redemption." This offering is not conditioned on the consummation of the Mergers. The Mergers are, however, subject to certain closing conditions, including required shareholder approvals and other customary closing conditions, and there can be no assurance that the Mergers will be consummated on the terms described herein or at all.

Affiliates of certain of the initial purchasers are acting as arrangers, agents and lenders under our Credit Agreement and IAA's existing indebtedness, and may receive certain of the proceeds used by the Company to refinance the Credit Agreement or repay such indebtedness. See "Plan of Distribution."

The following table sets forth the estimated sources and uses of funds in connection with the Transactions, assuming they occurred on December 31, 2022. The actual sources and uses of funds may vary from the estimated sources and uses of funds in the table and accompanying footnotes set forth below.

Sources		Uses	
(in millions)			
Senior Secured Notes[(1)]	$ 550	Equity purchase price for IAA[(3)]	$ 6,116
Senior Unsecured Notes[(1)]	800	Repayment of IAA gross indebtedness[(4)]	1,149
Term Loan A Facility	1,910	Repayment of Ritchie Bros. gross indebtedness[(5)]	627
Common equity issuance[(2)]	4,402	Ritchie Bros. Special Dividend	120
Cash sourced from balance sheet	551	Transaction fees and expenses[(6)]	201
Total Sources	**$ 8,213**	**Total Uses**	**$8,213**

(1) Represents estimated gross proceeds from this offering of $550 million of the secured notes and $800 million of the unsecured notes, in each case, without deduction for initial purchasers' discounts and other estimated fees and expenses.

(2) Represents the value of our common shares being issued in the Transactions, based on the closing price per common share as of February 17, 2023.

(3) Consists of (i) $1,714 million preliminary cash consideration to be paid to IAA stockholders pursuant to the Merger Agreement and (ii) $4,402 million preliminary fair value of our common shares issued in connection with the Transactions, based on the closing price per common share as of February 17, 2023, payable to IAA common stockholders and IAA phantom stock award holders pursuant to the Merger Agreement.

(4) Represents the repayment of outstanding principal of IAA indebtedness as of January 1, 2023, in addition to the associated accrued interest and prepayment costs.

(5) We expect to use a portion of the net proceeds from this offering, together with proceeds from the Term Loan A Facility and cash from our balance sheet, to repay or refinance all of our outstanding indebtedness, including our existing 2016 Notes. For additional information about the 2016 Notes, see "Description of Certain Other Indebtedness."

(6) Represents fees and expenses related to this offering, the Mergers and the other Transactions, including an estimated $81.0 million of Ritchie Bros. transaction expenses yet to be incurred as of December 31, 2022.

CAPITALIZATION

The following table sets forth Ritchie Bros.' cash and cash equivalents and capitalization as of December 31, 2022, on an actual basis and a pro forma basis to give effect to the Transactions.

This table should be read in conjunction with "The Transactions," "Description of Certain Other Indebtedness," "Unaudited Pro Forma Condensed Combined Financial Information," "Summary—Summary Historical Consolidated Financial and Other Data of Ritchie Bros.," "Use of Proceeds" and Ritchie Bros.' historical consolidated financial statements and related notes, which are incorporated by reference into this offering circular, and IAA's historical consolidated financial statements and related notes, which are incorporated by reference in this offering circular.

	As of December 31, 2022 Actual	As of December 31, 2022[(1)] Pro Forma
	(in millions)	
Cash and cash equivalents	$ 494.3	$ 659.0
Short term debt	$ 29.1	$ —
Long term debt:		
Delayed-draw term loan	85.5	—
Less: unamortized debt issue costs related to the delayed-draw term loan	(0.4)	—
Term Loan A Facility	—	1,910.0
Less: unamortized debt issue costs related to the Term Loan A Facility	—	(18.2)
Secured notes offered hereby	—	550
Less: unamortized debt issue costs related to the secured notes offered hereby	—	(10.3)
Total secured long-term debt:	85.1	2,431.5
Existing 5.375% Senior Notes due 2025	500.0	—
Less: unamortized debt issue costs related to the 2016 Notes	(3.6)	—
Unsecured notes offered hereby	—	800.0
Less: unamortized debt issue costs related to the unsecured notes offered hereby	—	(14.9)
Total long-term debt	581.5	3,216.6
Series A Senior Preferred Shares	—	485.0
Total stockholders' equity	1,290.1	5,517.0
Total capitalization	$ 1,900.7	$ 9,218.6

(1) Reflects estimated gross proceeds from this offering of $550.0 million of the secured notes and $800.0 million of the unsecured notes, in each case, without deduction for initial purchasers' discounts and other fees and expenses. We intend to use the net proceeds from this offering, together with proceeds from the Term Loan A Facility and cash from our balance sheet, to fund the cash portion of the Merger Consideration, refinance IAA's existing indebtedness, repay or refinance all of our indebtedness, including our existing 2016 Notes, pay the Ritchie Bros. Special Dividend and pay related fees and expenses. See "Use of Proceeds."

THE TRANSACTIONS

The Transactions

On November 7, 2022, the Company entered into the Original Merger Agreement with the Issuer, Merger Sub 1, Merger Sub 2 and IAA, pursuant to which the Company agreed to acquire IAA for approximately 70,334,262 of our common shares and estimated cash consideration of approximately $1.7 billion. The transaction was valued at approximately $7.3 billion, including the assumption of approximately $1.0 billion of net debt of IAA, based on IAA's balance sheet as of October 2, 2022. Upon the terms and subject to the conditions set forth in the Merger Agreement, (i) Merger Sub 1 will be merged with and into IAA, with IAA surviving as an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of the Issuer and (ii) immediately following the consummation of the First Merger, the Surviving Corporation will be merged with and into Merger Sub 2, with Merger Sub 2 surviving as a direct wholly-owned subsidiary of the Issuer. On January 22, 2023, the Company, IAA and the other parties to the Merger Agreement entered into the Amendment, pursuant to which the parties agreed to amend the merger consideration among other things, as further described under "—The Mergers."

The Mergers

Subject to the terms and conditions of the Merger Agreement, each share of IAA Common Stock issued and outstanding immediately prior to the Effective Time (excluding any shares of IAA Common Stock held by IAA as treasury stock, owned by the Company, the Issuer, Merger Sub 1 and Merger Sub 2 immediately prior to the Effective Time, or owned by stockholders of IAA who have validly demanded and not withdrawn appraisal rights in accordance with Section 262 of the Delaware General Corporation Law) will be converted automatically into the right to receive the Merger Consideration: (i) 0.5252 of a common share and (ii) $12.80 in cash, without interest and less any applicable withholding taxes. In addition, subject to the terms and conditions of the Merger Agreement, at the Effective Time, all outstanding IAA equity awards (other than those that vest in accordance with their terms upon the First Merger) will be assumed by the Company. Based upon the estimated number of outstanding Ritchie Bros. common shares, outstanding shares of IAA Common Stock and outstanding equity awards and other convertible securities of the parties, in each case as of immediately prior to the consummation of the Mergers, Ritchie Bros. and IAA estimate that, upon completion of the Mergers, the existing Ritchie Bros. shareholders are expected to own approximately 62.8% of the outstanding common shares (of which approximately 3.7% will be owned by the Starboard purchasers on a fully diluted basis) and former IAA stockholders are expected to own approximately 37.2% of the outstanding common shares on a fully diluted basis.

Each party has agreed to call a meeting of its stockholders to consider and vote on (i) in the case of the Company, the Ritchie Bros. Share Issuance Proposal, and (ii) in the case of IAA, among other things, the IAA Merger Proposal. The closing of the Mergers is subject to the satisfaction or waiver of certain conditions including, among other things, (a) the Ritchie Bros. Shareholder Approval, (b) the IAA Stockholder Approval, (c) the approval for listing by the NYSE and the TSX of our common shares to be issued in the First Merger, (d) subject to certain materiality exceptions, the accuracy of the representations and warranties of each of us and IAA contained in the Merger Agreement and the compliance by each party with the covenants contained in the Merger Agreement, (e) the absence of a material adverse effect with respect to each of the Company (with respect to IAA's obligations) and IAA (with respect to our obligations) and (f) other customary closing conditions. Ritchie Bros. currently expects the Mergers to close in the first half of 2023, subject to the satisfaction or waiver of these conditions. There is no guarantee that the Mergers will close within the anticipated timeframe or at all.

The Merger Agreement contains customary representations, warranties and covenants made by each of the Company, the Issuer, Merger Sub 1, Merger Sub 2 and IAA, including, among others, covenants by each of the Company and IAA to use its reasonable efforts to conduct their respective businesses in the ordinary course in all material respects between the date of signing of the Merger Agreement and the closing of the Mergers and prohibiting the parties from engaging in certain kinds of activities during such period without the consent of the other party.

Each of the Company and IAA has agreed to customary non-solicitation covenants that prohibit them from soliciting competing proposals or entering into discussions or negotiations or providing confidential information in connection with certain proposals for an alternative transaction. These non-solicitation provisions allow the Company and IAA, under certain circumstances and in compliance with certain obligations under the Merger Agreement, to provide non-public information to, and enter into discussions or negotiations with, third parties in response to an unsolicited

competing proposal. Under the terms of the Merger Agreement, each of the boards of directors of the Company and IAA may change its recommendation to stockholders regarding the Mergers in response to an unsolicited competing proposal that such board determines is more favorable to the Company shareholders or IAA stockholders, respectively, than the Mergers, or another intervening event as specified in the Merger Agreement, if such board of directors determines that the failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law.

The Merger Agreement contains customary termination rights for the Company and IAA, including if (i) the Ritchie Bros. Shareholder Approval or the IAA Stockholder Approval is not obtained, (ii) the Mergers are not consummated by the Outside Date or (iii) any law, order, decree, ruling or judgment permanently prohibits completion of the Mergers. The Merger Agreement also provides certain termination rights for the benefit of each party, including (A) if the other party's board of directors changes its recommendation to stockholders in relation to the Mergers, (B) for a breach of any representation, warranty, covenant or agreement made by the other party under the Merger Agreement (subject to certain procedures and materiality exceptions) and (C) to enter into a definitive agreement with respect to a superior proposal under certain circumstances and in compliance with certain obligations under the Merger Agreement. If the Merger Agreement is terminated under certain circumstances, the Company or IAA, as applicable, would be required to pay the other a termination fee of $189 million. In addition, the Amendment provides that, in the event that either the Company or IAA elects to terminate the Merger Agreement as a result of the Company's failure to obtain the Ritchie Bros. Shareholder Approval, the Company would be required to reimburse IAA for out-of-pocket expenses incurred by IAA in connection with the Merger Agreement and the Mergers up to a maximum amount of $5.0 million.

The Merger Agreement provides that, as of immediately following the Effective Time, the board of directors of the Company will consist of twelve members, of whom (i) eight directors will be designated by the Company, which designees will consist of: Erik Olsson, who will continue as Chair of the board of directors; Ann Fandozzi, who will continue as the Chief Executive Officer of the Company; and six existing directors of the Company who are independent under the rules and regulations of the NYSE and applicable Canadian securities laws as designated by the Company; and (ii) four directors of IAA, three of whom are independent under the rules and regulations of the NYSE and applicable Canadian securities laws, as designated by IAA.

The Amendment also permits the Company to pay a one-time, special cash dividend to the Company's shareholders not to exceed $1.08 per share, with a record date prior to the Effective Time to be determined by the board of directors of the Company with the consent of the TSX and payment conditioned upon the closing of the First Merger.

This offering is not conditioned on the consummation of the Mergers, but in certain circumstances we may be required to redeem the notes. See "Description of Secured Notes—Redemption—Special Mandatory Redemption" and "Description of Unsecured Notes—Redemption—Special Mandatory Redemption."

The Mergers and the Merger Agreement have been approved by the board of directors of Ritchie Bros.

Investment Transaction

On January 22, 2023, the Company entered into the SPA with the Starboard purchasers and, for certain purposes, Starboard Value LP and Jeffrey C. Smith, pursuant to which the Company agreed to issue and sell to the Starboard purchasers in a private placement exempt from the registration requirements of the Securities Act and the prospectus requirements of British Columbia securities law, (i) an aggregate of 485,000,000 Preferred Shares, which Preferred Shares are convertible into the Company's common shares for an aggregate purchase price of $485.0 million, or $1.00 per Preferred Share, and (ii) an aggregate of 251,163 common shares of the Company for an aggregate purchase price of approximately $15.0 million, or $59.722 per common share of the Company. The closing of the Investment Transaction occurred on February 1, 2023.

Holders of the Preferred Shares will receive annual dividends on a cumulative basis initially equal to 5.5% of the aggregate principal amount of $485.0 million and will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each calendar year in cash or in common shares at Ritchie Bros.' election. The Preferred

Shares are participating securities and will also participate on an as-converted basis in any regular dividends paid to common shareholders, subject to a $0.27 per share per quarter floor.

Pursuant to the articles of amendment of Ritchie Bros. governing the Preferred Shares, holders of the Preferred Shares will have redemption rights upon consummation of a change of control of Ritchie Bros. to require Ritchie Bros. to repurchase the Preferred Shares at an amount in cash equal to the applicable conversion price plus accrued and unpaid dividends thereon, plus a make whole premium. Holders of the Preferred Shares also have non-contingent rights to convert the Preferred Shares into Ritchie Bros. common shares. The conversion rate will initially be 0.0136986 Ritchie Bros. common shares per $1.00 conversion amount, subject to customary anti-dilution adjustment provisions, including an adjustment for the Ritchie Bros. Special Dividend to be paid in connection with the Mergers.

Pursuant to the terms of the SPA, upon obtaining the Ritchie Bros. Shareholder Approval and the IAA Stockholder Approval, the Company will increase the size of its board of directors from nine to ten directors and appoint Jeffrey C. Smith, who serves as Managing Member, Chief Executive Officer and Chief Investment Officer of Starboard Value LP, as a member of the board of directors of the Company.

Ritchie Bros. Special Dividend

On January 23, 2023, the Company announced that the board of directors of the Company expects to approve the payment of the Ritchie Bros. Special Dividend to the Company's shareholders in the amount of $1.08 per share, contingent upon the closing of the First Merger. The Ritchie Bros. Special Dividend will be payable to holders of record of the Company's common shares as of a record date prior to the Effective Time to be determined with the consent of the TSX and only if the First Merger is completed. The Company's shareholders will only be eligible to receive the Ritchie Bros. Special Dividend if they own their common shares through the record date determined for the Ritchie Bros. Special Dividend, which will be publicly announced by the Company following determination. IAA stockholders will not be entitled to receive the Ritchie Bros. Special Dividend with respect to any common shares received as consideration in the First Merger. The Company will not pay the Ritchie Bros. Special Dividend if the Merger Agreement is terminated or the First Merger is otherwise not completed for any reason.

Cooperation Agreement

On January 22, 2023, IAA and Ancora Holdings Group, LLC ("Ancora") entered into a cooperation agreement regarding the Mergers and related transactions, the membership and composition of the IAA board of directors in certain circumstances and related matters. Pursuant to the cooperation agreement, IAA has agreed to take all actions necessary pursuant to the Merger Agreement to designate Timothy James O'Day as an IAA designee for appointment to the board of directors of the combined company immediately following the Effective Time pursuant to the terms of the Merger Agreement, subject to the completion of customary vetting and onboarding matters. Ancora irrevocably committed to appear at the IAA special meeting to consider the Mergers and related transactions and to vote its shares, representing approximately 4% of IAA's voting power as of the date of the cooperation agreement, in favor of the Mergers and related transactions.

IAA

IAA is a leading global digital marketplace connecting vehicle buyers and sellers. Leveraging leading-edge technology and focusing on innovation, IAA's unique platform facilitates the marketing and sale of total loss, damaged and low-value vehicles and vehicle parts for a full spectrum of sellers. Founded in 1982, IAA is headquartered in Westchester, Illinois, with approximately 210 facilities throughout the United States, Canada and the UK. IAA serves a global buyer base and a full spectrum of sellers, including insurance companies, dealerships, fleet lease and rental car companies and charitable organizations. IAA's principal executive offices are located at Two Westbrook Corporate Center, 10th Floor Suite 500, Westchester, IL 60154 and its telephone number is (708) 492-7000.

IAA Common Stock trades on the NYSE under the symbol "IAA."

For additional information on IAA's business, see "Summary—The Transactions—IAA."

Financing of the Mergers

In addition to this offering, we have obtained, expect to obtain or otherwise incur additional financing for the Mergers as described below.

Bridge Facility Commitment Letter; Credit Agreement Amendment and New Credit Facilities

In connection with entry into the Original Merger Agreement, on November 7, 2022, we entered into the Debt Commitment Letter with the initial lenders, including GS Bank, BANA, BofA, Royal Bank and RBCCM, pursuant to which the initial lenders committed to provide (i) the Backstop Revolving Facility in an aggregate principal amount of up to $750 million, which revolving commitments were subsequently terminated in connection with the Sixth Amendment and (ii) the senior secured 364-day Bridge Loan Facility in an aggregate principal amount of up to $2.8 billion, which commitments were subsequently reduced to $886.1 million in connection with the Sixth Amendment (and the proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility), to finance up to $2.8 billion of the (i) cash consideration in connection with the Mergers, (ii) repayment of certain existing indebtedness of IAA, and refinancing of our existing term loan (which occurred in connection with the Sixth Amendment) and (iii) fees and expenses in connection with the foregoing. The proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility.

On December 9, 2022, we entered into the Sixth Amendment to our Existing Credit Agreement with BANA, as the administrative agent, the existing lenders and the new TLA lenders pursuant to which, among other things, we obtained (i) the consents from the existing lenders required to consummate the Mergers, (ii) commitments for the New Term Loan A Facility in an aggregate principal amount of $1.825 billion to be used to finance the Mergers and (iii) the ability to borrow up to $200 million of the revolving facility on a limited conditionality basis to finance the Mergers. The procurement of the consents and the New Term Loan A Facility under the Sixth Amendment allowed us to (i) terminate the commitments for the Backstop Revolving Facility; and (ii) reduce the commitments under the Bridge Loan Facility by an amount equal to the amount of the Term Loan A Facility. At our option, borrowings under the revolving facility and the Term Loan A Facility will, commencing on the Mergers Closing Date and the borrowing of the loans under the New Term Loan A Facility, bear interest at a rate per annum equal to, (A) for U.S. dollar borrowings, either a base rate, a daily fluctuating rate based on term SOFR, or an adjusted term SOFR rate, plus, in each case, an applicable margin, (B) for Canadian dollar borrowings, a Canadian prime rate or an adjusted CDOR rate, in each case, plus an applicable margin and (C) for borrowings in alternative currencies, based on benchmark rates, plus an applicable margin, in each case, substantially consistent with our Existing Credit Agreement. Commencing on the Mergers Closing Date, the applicable margin for loans under the revolving facility and Term Loan A Facility will range from (x) 1.75-3.00% for alternative currency borrowings and for U.S. dollar borrowings with an adjusted term SOFR rate and (y) 0.75-2.00% for borrowings in Canadian dollars with a prime rate and for U.S. dollar borrowings with a base rate. Upon consummation of the Mergers, the applicable margin for the revolving facility and the Term Loan A Facility will increase by 0.25% if we do not receive at least $800 million of net cash proceeds from this offering of unsecured notes. The new TLA lenders' obligation to fund the New Term Loan A Facility (and our ability to draw up to $200 million on the revolver) on the Mergers Closing Date is subject to limited conditions as set forth in the Sixth Amendment and consistent with those in the Debt Commitment Letter, as applicable, including, among others, completion of the Mergers, the non-occurrence of a company material adverse effect (as defined in the Sixth Amendment) on IAA, the accuracy in all material respects of certain representations and warranties related to Ritchie Bros. and IAA, the delivery of certain financial statements of Ritchie Bros. and IAA and other customary limited conditions to completion. The commitments of the new TLA lenders will terminate on the commitment termination date.

The Merger Agreement provides that we are obligated to use our reasonable best efforts to obtain the Debt Financing on the terms and conditions contemplated by the Debt Commitment Letter and the fee letter executed in connection therewith.

Additionally, we will not, without the prior written consent of IAA (which consent will not be unreasonably withheld, delayed or conditioned), take any action or enter into any transaction that would or would be reasonably expected to materially delay or prevent consummation of the transactions contemplated by the Debt Commitment Letter or the funding of all or any portion of the cash amount of the Debt Financing necessary to fund all cash amounts required to be paid by us on the Mergers Closing Date, including the Merger Consideration, any cash fees under the Debt Commitment Letter and all related expenses owed, each due and payable at closing, and upon reasonable written

request IAA, we will keep IAA informed, in all reasonable detail on a reasonably prompt basis, of the status of our efforts to arrange and consummate the Debt Financing.

We are obligated to reimburse IAA for certain reasonable out-of-pocket fees, and indemnify IAA for all losses it incurs, in connection with its cooperation in arranging the Debt Financing, whether or not the transactions are consummated or the Merger Agreement is terminated in accordance with the terms therein. IAA is obligated to use its reasonable best efforts to provide, and to cause its subsidiaries and representatives to provide, all cooperation reasonably requested by us in connection with the Debt Financing, subject to certain limitations.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information of Ritchie Bros. is not required to be prepared in accordance with Article 11 of Regulation S-X, and presents the combination of the historical financial information of Ritchie Bros. and IAA adjusted to give effect to the Mergers and the other events contemplated by the Merger Agreement. The unaudited pro forma condensed combined financial information of Ritchie Bros. also gives effect to other financing events contemplated by Ritchie Bros. or that have already occurred but are not yet reflected in the historical financial information of Ritchie Bros. and are considered material transactions separate from the Mergers.

Description of the Mergers

On November 7, 2022, Ritchie Bros. and IAA entered into the Original Merger Agreement, which was subsequently amended on January 22, 2023. Pursuant to the Merger Agreement, Merger Sub 2, as successor company to IAA, will become an indirect wholly owned subsidiary of Ritchie Bros. Upon consummation of the Mergers:

Each share of IAA Common Stock issued and outstanding immediately prior to the Effective Time (excluding shares held by IAA and its subsidiaries and stockholders exercising their appraisal rights) will be surrendered and exchanged into the right to receive:

- $12.80 in cash, without interest ("cash consideration"); and
- 0.5252 Ritchie Bros. common shares ("share consideration").

Each outstanding IAA option, whether vested or unvested, each outstanding unvested IAA RSU award subject solely to time-based vesting, and each outstanding unvested IAA PRSU award subject to performance-based vesting at the Mergers Closing Date will be cancelled and exchanged into equivalent outstanding equity awards covering Ritchie Bros. common shares based on the equity award exchange ratio defined as the sum of:

(a) the quotient obtained by dividing (i) the cash consideration by (ii) the volume weighted average trading sale price of one share of Ritchie Bros. common shares for the five consecutive trading days immediately prior to the Mergers Closing Date; and

(b) the exchange ratio.

See "The Transactions" for additional information.

Expected Accounting Treatment of the Mergers

The Mergers will be accounted for as a business combination in accordance with the acquisition method of accounting under GAAP. Ritchie Bros. is determined to be the accounting acquirer and IAA is determined to be the accounting acquiree. This determination was primarily based on the transfer of cash consideration by Ritchie Bros. to the former economic interest holders of IAA and the relative share ownership, voting rights, composition of the governing body, and the designation of certain senior management positions of the combined entity. Under this method of accounting, the purchase price of the Mergers will be allocated to the assets acquired and liabilities assumed based on their preliminary fair values at the Mergers Closing Date. Any excess of the estimated fair value of the consideration transferred over the estimated fair value of identifiable assets and liabilities will be recorded as goodwill.

Other Financing Events

Debt Financing

Ritchie Bros. plans to fund the cash portion of the Merger Consideration through a combination of (i) cash from its balance sheet, (ii) borrowings under the Term Loan A Facility, (iii) the proceeds from the sale of the secured notes and the unsecured notes offered hereby or (iv) any combination of the foregoing.

In connection with the Merger Agreement, Ritchie Bros. entered into the Debt Commitment Letter with certain financial institutions that committed to provide, subject to the terms and conditions set forth therein, the Bridge Loan Facility in an aggregate principal amount of up to $2.8 billion and the Backstop Revolving Facility in an aggregate

principal amount of up to $750.0 million. Ritchie Bros. subsequently obtained the Sixth Amendment to its Existing Credit Agreement which, among other things, permitted the Mergers and served to terminate the backstop commitments (including the Revolving Backstop Facility and $88.9 million of bridge commitments that served as a backstop for its existing term loans under the Existing Credit Agreement) and replace an additional $1.825 billion of bridge commitments with the New Term Loan A Facility. See "The Transactions—Financing of the Mergers" for additional information. The applicable interest rate on the Term Loan A Facility, assuming it is borrowed in U.S. Dollars at the adjusted term SOFR rate under the Sixth Amendment, will be determined at the then-current interest rate at the time of issuance and has been currently, as of the date of this offering circular, estimated to be 7.4% on February 17, 2023, which is the most recent practicable date for the preparation of the unaudited pro forma condensed combined financial information.

Ritchie Bros. plans to offer hereby $550.0 million aggregate principal amount of secured notes at an estimated rate, for purposes of the unaudited pro forma condensed combined financial information, of 6.75% and $800.0 million aggregate principal amount of unsecured notes at an estimated rate, for purposes of the unaudited pro forma condensed combined financial information, of 7.75%. Ritchie Bros. intends to borrow a total of $3.3 billion, including the Term Loan A Facility, that will be used to (a) finance the Mergers, (b) pay transaction costs, (c) repay certain existing indebtedness of IAA, (d) repay or refinance all existing indebtedness of Ritchie Bros. and (e) pay the Ritchie Bros. Special Dividend.

These agreements, assumptions and expectations are subject to change, and the debt issuance costs to be incurred and related interest expense could vary significantly from what is assumed in the unaudited pro forma condensed combined financial information. Other factors that are subject to change include, but are not limited to, the timing of borrowings, the amount of cash on hand at the time of the closing and inputs to interest rate determination on debt instruments issued.

Debt issuance costs are expected to be incurred for the New Term Loan A Facility, the secured notes and the unsecured notes and will be amortized over the respective terms of the debt.

See "The Transactions—Financing of the Mergers," "Description of Secured Notes" and "Description of Unsecured Notes" for additional information.

Investment Transaction

On January 22, 2023, Ritchie Bros. entered into the SPA with the Starboard purchasers and, for certain purposes, Starboard Value LP and Jeffrey C. Smith, pursuant to which Ritchie Bros. agreed to issue and sell to the Starboard purchasers (a) 485,000,000 of Ritchie Bros.' Preferred Shares at a purchase price of $1.00 per Preferred Share and (b) 251,163 common shares at a purchase price of $59.722 per share. The closing of the Investment Transaction occurred on February 1, 2023.

Holders of the Preferred Shares will receive annual dividends on a cumulative basis initially equal to 5.5% of the aggregate principal amount of $485.0 million and will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each calendar year in cash or in common shares at Ritchie Bros.' election. The Preferred Shares are participating securities and will also participate on an as-converted basis in any regular dividends paid to common shareholders, subject to a $0.27 per share per quarter floor.

Pursuant to the articles of amendment of Ritchie Bros. governing the Preferred Shares, holders of the Preferred Shares will have redemption rights upon consummation of a change of control of Ritchie Bros. to require Ritchie Bros. to repurchase the Preferred Shares at an amount in cash equal to the applicable conversion price plus accrued and unpaid dividends thereon, plus a make whole premium. Holders of the Preferred Shares also have non-contingent rights to convert the Preferred Shares into Ritchie Bros. common shares. The conversion rate will initially be 0.0136986 Ritchie Bros. common shares per $1.00 conversion amount, subject to customary anti-dilution adjustment provisions, including an adjustment for the Ritchie Bros. Special Dividend to be paid in connection with the Mergers.

See "Summary—Other Recent Developments" for additional information.

Ritchie Bros. Special Dividend

Ritchie Bros.' board of directors announced that, contingent on the closing of the Mergers, it expects to approve the issuance the Ritchie Bros. Special Dividend to Ritchie Bros. shareholders in the amount of $1.08 per common share, which will be payable to holders of record of Ritchie Bros. common shares as of a pre-Mergers Closing Date record date, to be determined with the consent of TSX.

Other Information

The unaudited pro forma condensed combined financial information was derived from and should be read in conjunction with the following historical financial statements and the accompanying notes, which are incorporated by reference in this offering circular:

- the historical audited consolidated financial statements of Ritchie Bros. as of and for the year ended December 31, 2022, included in Ritchie Bros.' Annual Report on Form 10-K filed with the SEC on February 21, 2023; and

- the historical audited consolidated financial statements of IAA as of and for the fiscal year ended January 1, 2023, included in IAA's Annual Report on Form 10-K filed with the SEC on February 24, 2023.

The unaudited pro forma condensed combined financial information should also be read together with the information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Ritchie Bros.' and IAA's respective annual reports incorporated by reference in this offering circular. The unaudited pro forma condensed combined financial information should also be read together with other financial information related to the Mergers included elsewhere in this offering circular, including the Merger Agreement and the description of certain terms thereof set forth under "The Transactions."

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2022
(in millions)

	Historical								
	Ritchie Bros. Auctioneers Incorporated	IAA, Inc							
	As of December 31, 2022	As of January 1, 2023	Transaction Accounting Adjustments - Reclassification	Notes	Transaction Accounting Adjustments-Financing	Notes	Transaction Accounting Adjustments Acquisition	Notes	Pro Forma Combined
ASSETS									
Current assets:									
Cash and cash equivalents	$ 494	$ 196	$—		$ 3,217	4(a)	$ (50)	5(a)	$ 659
					(627)	4(b)	(2,863)	5(b)	
					500	4(c)	(88)	5(c)	
							(120)	5(d)	
Restricted cash	132	—	—		—		—		132
Trade and other receivables	186	455	—		—		—		641
Less: allowance for credit losses	(3)	(10)	—		—		—		(13)
Prepaid consigned vehicle charges	—	68	—		—		(68)	5(b)	—
Inventory	103	—	51	2(a)	—		—		154
Other current assets	48	79	(51)	2(a)	—		—		69
			(7)	2(b)					
Income taxes receivable	3	—	7	2(b)	—		—		10
Total current assets	963	788	—		3,090		(3,189)		1,652
Non-current assets:									
Property, plant and equipment	459	384	—		—		232	5(b)	1,075
Operating lease right-of-use assets	—	1,204	123	2(c)	—		30	5(b)	1,357
Other non-current assets	163	34	(123)	2(c)	—		—		74
Intangible assets	323	185	—		—		2,155	5(b)	2,663
Goodwill	949	768	—		—		3,847	5(b)	5,564
Deferred tax assets	7	—	—		—		—		7
Total assets	$ 2,864	$ 3,363	$ —		$ 3,090		$ 3,075		$ 12,392

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET - (continued)
AS OF DECEMBER 31, 2022
(in millions)

	Historical									
	Ritchie Bros. Auctioneers Incorporated	IAA, Inc								
	As of December 31, 2022	As of January 1, 2023	Transaction Accounting Adjustments Reclassification	Notes	Transaction Accounting Adjustments Financing	Notes	Transaction Accounting Adjustments Acquisition	Notes	Pro Forma Combined
LIABILITIES, SERIES A SENIOR PREFERRED SHARES AND EQUITY									
Current liabilities:									
Auction proceeds payable	$ 426	$ —	$ 8	2(d)	$ —		$ —		$ 434
Trade and other liabilities	295	231	(13)	2(c)	(13)	4(b)	(4)	5(a)	594
			(8)	2(d)			14	5(b)	
			99	2(e)			(7)	5(c)	
Short-term right-of-use operating lease liabilities	—	88	13	2(c)	—		67	5(b)	168
Accrued employee benefits and compensation expenses	—	34	(34)	2(e)	—		—		—
Other accrued expenses	—	65	(65)	2(e)	—		—		—
Income taxes payable	41	—	—		—		—		41
Short-term debt	29	—	—		(29)	4(b)	—		—
Current portion of long-term debt	4	32	—		96	4(a)	(32)	5(b)	96
					(4)	4(b)			
Total current liabilities	795	450	—		50		38		1,333
Non-current liabilities:									
Long-term debt	577	1,091	—		3,121	4(a)	(1,091)	5(b)	3,121
					(577)	4(b)			
Long-term right-of-use operating lease liabilities	—	1,165	112	2(c)	—		(86)	5(b)	1,191
Other non-current liabilities	148	23	(112)	2(c)	—		(1)	5(b)	58
Deferred tax liabilities	54	67	—		—		566	5(b)	687
Total liabilities	1,574	2,796	—		2,594		(574)		6,390
Commitments and contingencies	—	—	—		—		—		—
Series A Senior Preferred Shares	—	—	—		485	4(c)	—		485
Stockholder's Equity:									
Preferred stock	—	—	—		—		—		—
Common stock	246	1	—		15	4(c)	(1)	5(b)	261
Treasury stock	—	(61)	—		—		61	5(b)	—
Additional paid-in capital	86	26	—		—		4,391	5(b)	4,503
Retained earnings	1,043	655	—		(4)	4(b)	(46)	5(a)	838
							(609)	5(b)	
							(81)	5(c)	
							(120)	5(d)	
Accumulated other comprehensive loss	(85)	(54)	—		—		54	5(b)	(85)

Non-controlling interest	—	—	—	—	—	—
Total stockholder's equity	1,290	567	—	11	3,649	5,517
Total liabilities, Series A Senior Preferred Shares, and stockholder's equity	$ 2,864	$ 3,363	$ —	$ 3,090	$ 3,075	$ 12,392

UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(in millions, except share and per share amounts)

	Historical								
	Ritchie Bros. Auctioneers Incorporated	IAA, Inc.	Transaction Accounting Adjustments - Reclassification	Notes	Transaction Accounting Adjustments - Financing	Notes	Transaction Accounting Adjustments - Acquisition	Notes	Pro Forma Combined
	Year ended December 31, 2022	Year ended January 1, 2023							
Revenue:									
Service revenue	$ 1,051	$ 1,686	$ —		$ —		$ —		$ 2,737
Inventory sales revenue	683	413	—		—		—		1,096
Total revenue	1,734	2,099	—		—		—		3,833
Operating expenses:									
Cost of services	168	996	—		—		—		1,164
Cost of inventory sold	609	368	—		—		—		977
Selling, general and administrative expenses	540	212	(9)	2(f)	—		(13)	6(e)	737
							7	6(f)	
Acquisition-related costs	37	—	9	2(f)	—		81	6(d)	127
Depreciation and amortization expenses	97	106	—		—		(62)	6(a)	393
							252	6(b)	
Foreign exchange loss (gain)	(1)	—	5	2(g)	—		—		4
Total operating expenses, net	1,450	1,682	5		—		265		3,402
Gain on disposition of property, plant and equipment	171	—	2	2(h)	—		—		173
Operating income	455	417	(3)		—		(265)		604
Interest expense	(58)	(52)	—		(248)	4(d)	52	6(c)	(277)
					29	4(e)			
Interest income	7	1	—		—		—		8
Change in fair value of derivatives, net	1	—	—		—		—		1
Other income (expense), net	1	(5)	(2)	2(h)	—		—		(1)
			5	2(g)					
Income before income taxes	406	361	—		(219)		(213)		335
Income tax expense (benefit)	86	69	—		(53)	4(f)	(50)	4(f)	52
Net income (loss)	$ 320	$ 292	$ —		$ (166)		$ (163)		$ 283
Cumulative dividends on Series A Senior Preferred Shares	—	—	—		(27)	4(g)	—		(27)
Allocated earnings to participating securities	—	—	—		(9)	4(g)			(9)
Net income (loss) attributable to:									
Common Stockholders	$ 320	$ 292	$ —		$ (202)		$ (163)		$ 247
Non-controlling interests	—	—	—		—		—		—

Earnings per share attributable to common stockholders:				
Basic	$ 2.89		6(g)	$1.36
Diluted	$ 2.86		6(g)	$1.35
Weighted average number of shares outstanding				
Basic	110,781,282		6(g)	181,495,848
Diluted	111,886,025		6(g)	182,782,956

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The Mergers will be accounted for as a business combination in accordance with the acquisition method of accounting under GAAP. Ritchie Bros. is determined to be the accounting acquirer and IAA is determined to be the accounting acquiree.

The unaudited pro forma condensed combined financial information is not required to be prepared in accordance with Article 11 of Regulation S-X. The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information in accordance with GAAP necessary for an illustrative understanding of Ritchie Bros. upon consummation of the Mergers and the other related events contemplated by the Merger Agreement and this offering circular. Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described in the accompanying notes.

The unaudited pro forma condensed combined balance sheet as of December 31, 2022 is prepared on a combined basis using the historical audited consolidated balance sheets of Ritchie Bros. and IAA as of December 31, 2022, and January 1, 2023, respectively, giving pro forma effect to the Mergers and the other related events contemplated by the Merger Agreement as if each had been consummated on December 31, 2022 based on the assumptions and adjustments described in the accompanying notes.

The unaudited pro forma condensed combined income statement for the year ended December 31, 2022 gives pro forma effect to the Mergers and the other related events contemplated by the Merger Agreement as if each had been consummated on January 1, 2022, the beginning of the earliest period presented, based on the assumptions and adjustments described in the accompanying notes. As the difference between Ritchie Bros.' and IAA's fiscal year-end dates is less than one fiscal quarter, the unaudited pro forma condensed combined income statement for the year ended December 31, 2022 combines the historical audited consolidated income statements of Ritchie Bros. and IAA for the fiscal year ended December 31, 2022, and for the fiscal year ended January 1, 2023, respectively.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only and is not necessarily indicative of the operating results that would have been achieved had the Mergers occurred on the dates indicated, and does not reflect adjustments for any anticipated synergies, operating efficiencies, tax savings or integration costs. The unaudited pro forma condensed combined financial information does not purport to project the future operating results or financial position of Ritchie Bros. following the completion of the Mergers. Ritchie Bros. and IAA have not had any historical relationship prior to the Mergers. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma adjustments represent Ritchie Bros. management's estimates based on information available as of the date of this offering circular and are subject to change as additional information becomes available and analyses are performed. If the actual facts are different than these assumptions, then the amounts and shares outstanding in the unaudited pro forma condensed combined financial information will be different and those changes could be material.

2. Significant Accounting Policies

The accounting policies used in the preparation of the unaudited pro forma condensed combined financial information are those set out in Ritchie Bros.' audited annual financial statements as of and for the year ended December 31, 2022. The Preferred Shares are classified outside of stockholder's equity on the condensed combined pro forma balance sheet because the holders of such shares have redemption rights in the event of a change in control, which is deemed outside of Ritchie Bros.' control. Ritchie Bros. management is currently evaluating for significant accounting policy differences between the two entities. Upon consummation of the Mergers, Ritchie Bros. management will perform a comprehensive review of the accounting policies between the two entities and may identify differences in accounting policies between the two entities which, when conformed, could be material.

Certain reclassifications are reflected in the unaudited pro forma condensed combined balance sheet and unaudited pro forma condensed combined income statement to conform presentation between IAA and Ritchie Bros. These

reclassifications have no effect on previously reported total assets, total liabilities and shareholders' equity, or net income of Ritchie Bros. or IAA. The unaudited pro forma condensed combined financial information may not reflect all reclassifications necessary to conform IAA's presentation to that of Ritchie Bros. due to limitations on the availability of information as of the date of this offering circular. Additional reclassification adjustments may be identified as more information becomes available.

The following reclassification adjustments were made to conform presentation between IAA and Ritchie Bros.:

(a) Represents the reclassification of inventory assets from other current assets to inventory.

(b) Represents the reclassification of income taxes receivable from other current assets to income taxes receivable.

(c) Represents the reclassification of operating lease right-of-use assets from other non-current assets to operating lease right-of-use assets, and the reclassification of operating lease liabilities from trade and other liabilities to short-term right-of-use operating lease liabilities, and other non-current liabilities to long-term right-of-use operating lease liabilities.

(d) Represents the reclassification of certain payables to sellers from trade and other liabilities to auction proceeds payable.

(e) Represents the reclassification of certain current liabilities from accrued employee benefits and compensation expenses and other accrued expenses to trade and other liabilities.

(f) Represents the reclassification of certain acquisition-related costs from selling, general and administrative expenses to acquisition-related costs.

(g) Represents the reclassification of foreign exchange losses from other income (expense), net to foreign exchange loss (gain).

(h) Represents the reclassification of gain on disposition of property, plant and equipment from other income (expense), net to gain on disposition of property, plant and equipment.

3. Calculation of Merger Consideration and Preliminary Purchase Price Allocation of the Mergers

Upon the consummation of the Mergers, holders of the 133,859,057 issued and outstanding shares of IAA Common Stock, in addition to holders of IAA phantom stock awards, based on the capitalization of IAA as of February 21, 2023, will be entitled to receive $12.80 per share in cash, plus an aggregate of 70,334,262 newly issued Ritchie Bros. common shares as calculated based on the exchange ratio. Holders of the issued and outstanding IAA equity awards as of February 21, 2023 will receive Ritchie Bros. equity awards or shares covering an estimated 516,658 Ritchie Bros. common shares after giving effect to the equity award exchange ratio, based on the following events contemplated by the Merger Agreement:

- the cancellation and exchange of all 133,859,057 issued and outstanding shares of IAA Common Stock (including 27,855 shares underlying IAA restricted stock awards), in addition to 59,992 shares underlying IAA phantom stock awards granted to non-employee directors, for $12.80 per share in cash plus an aggregate of 70,334,262 newly issued Ritchie Bros. common shares as calculated based on the exchange ratio;

- the cancellation and exchange of all 230,346 granted and outstanding vested and unvested IAA options into Ritchie Bros. options for the purchase of 167,346 Ritchie Bros. common shares with the same terms and vesting conditions except for the number of underlying shares and the exercise price, each of which was adjusted by the estimated equity award exchange ratio;

- the cancellation and exchange of all 268,291 granted and outstanding unvested IAA RSU awards into 194,733 Ritchie Bros. RSUs for Ritchie Bros. common shares with the same terms and vesting conditions except for the number of underlying shares, which was adjusted by the estimated equity award exchange ratio; and

- the cancellation and exchange of all 212,979 granted and outstanding unvested IAA PRSU awards into 154,579 Ritchie Bros. RSUs for Ritchie Bros. common shares with similar terms except for having time-only vesting conditions and for the underlying number of shares, which was adjusted by the estimated equity award exchange ratio.

Preliminary Merger Consideration

The preliminary fair value of the Merger Consideration expected to be transferred on the Mergers Closing Date includes the estimated value of the cash consideration, the estimated fair value of approximately 70,334,262 Ritchie Bros. common shares to be issued, the estimated fair value of assumed IAA equity awards attributable to pre-combination services, and the estimated amount of cash to be paid for the repayment of certain existing indebtedness of IAA. The preliminary Merger Consideration is as follows:

	(dollars in millions)
Estimated cash consideration[(1)]	$ 1,714
Estimated fair value of Ritchie Bros. common shares to be issued[(2)]	4,402
Estimated fair value of assumed IAA equity awards attributable to pre-combination service[(3)]	15
Estimated repayment of certain existing indebtedness of IAA[(4)]	1,149
Total preliminary Merger Consideration	**$ 7,280**

(1) Represents the preliminary cash consideration to be paid to IAA stockholders pursuant to the Merger Agreement based on the capitalization of IAA as of February 21, 2023.

(2) Represents the preliminary fair value of Ritchie Bros. common shares to be issued to IAA stockholders pursuant to the Merger Agreement based on the capitalization of IAA as of February 21, 2023, at a $62.59 closing price of Ritchie Bros. common shares as of February 17, 2023.

(3) Represents the preliminary portion of the fair value of stock options, restricted stock units and performance-based restricted stock units being cancelled and exchanged by Ritchie Bros. upon completion of the Mergers that is attributable to pre-combination service.

(4) Represents the total preliminary cash consideration to be paid concurrent with the closing of the Mergers to retire certain existing indebtedness of IAA with an outstanding balance of approximately $1,149.1 million as of January 1, 2023, including accrued interest and prepayment penalties.

The actual fair value of Ritchie Bros. common shares to be issued as share consideration will depend on the closing price per share of Ritchie Bros. common shares at the Mergers Closing Date, and therefore, the actual share consideration, as a part of the Merger Consideration, will fluctuate with the market price of Ritchie Bros. common shares until the Mergers are consummated. A sensitivity analysis related to the fluctuation in the price of Ritchie Bros. common shares was performed to assess the impact that a hypothetical change of 10% to the closing price per share of Ritchie Bros. common shares as of February 17, 2023 would have on the estimated Merger Consideration and goodwill as of the Mergers Closing Date, as follows:

	Stock Price	Estimated Merger Consideration	Estimated Goodwill
Change in Stock Price	**(dollars in millions, except stock price)**		
Increase of 10%	$ 68.85	$ 7,722	$ 5,057
Decrease of 10%	$ 56.33	$ 6,839	$ 4,174

Preliminary Purchase Price Allocation

Under the acquisition method of accounting, the identifiable assets acquired and liabilities assumed will be recorded by Ritchie Bros. at their acquisition date fair values. The excess purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill.

The preliminary estimate of fair values of assets acquired and liabilities assumed have been determined by management of Ritchie Bros. using publicly available benchmarking information and other assumptions, including market participant assumptions. The purchase price allocation is preliminary and subject to change, as additional

information becomes available and as additional analyses are performed. The differences that may occur between the preliminary estimates and the final purchase price allocation when the valuation and other studies are finalized could be material.

The fair value assigned to intangible assets has been estimated based on third-party preliminary valuation studies utilizing income-based methodologies and corroborated with publicly available market benchmarks. The preliminary land fair value estimation was based on broker valuations, tax appraisals and other information provided by IAA management. The estimated fair values of land are preliminary and subject to a valuation assessment post-close. Other property, plant and equipment and working capital amounts are assumed to have fair values equal to historical book values. Real and personal property will be valued as of the acquisition date but were not included in the preliminary valuation assessment. The final purchase price allocation will be based on appraisals subsequent to the consummation of the Mergers and may result in materially different allocations for assets than those presented in this unaudited pro forma condensed combined balance sheet. The intangible assets identified in the preliminary purchase price allocation are subject to further examination which may result in additional assets identified, excluded or further segmented. Any change in the amount of the final purchase price allocated to amortizable, finite lived intangible assets as well as property, plant and equipment could materially affect the amount of amortization and depreciation expense. The preliminary purchase price and purchase price allocation are presented as follows:

		(dollars in millions)
Estimated cash consideration	$	1,714
Estimated fair value of Ritchie Bros. common shares to be issued		4,402
Estimated fair value of assumed IAA equity awards attributable to pre-combination service		15
Estimated repayment of certain existing indebtedness of IAA		1,149
Total estimated Merger Consideration	$	7,280
Cash and cash equivalents	$	146
Trade and other receivables		445
Inventory		51
Income taxes receivable		7
Other current assets		21
Property, plant and equipment		616
Operating lease right-of-use assets		1,234
Other non-current assets		34
Intangible assets		2,340
Total assets	$	4,894
Auction proceeds payable	$	8
Trade and other liabilities		332
Short-term right-of-use operating lease liability		155
Long-term right-of-use operating lease liability		1,079
Other non-current liabilities		22
Deferred tax liabilities		633
Total liabilities	$	2,229
Preliminary fair value of net assets acquired	$	2,665
Preliminary allocation of goodwill		4,615
Historical goodwill of IAA		768
Adjustment to goodwill	$	3,847

Goodwill will not be amortized but instead will be reviewed for impairment at the reporting unit level at least annually, and more often if indicators of impairment are identified. Goodwill represents future economic benefits including going concern value, the value of future buyer and provider relationships, the opportunity to scale and expand market offerings, and other expected synergies. Goodwill recognized in the Mergers is not expected to be deductible for tax purposes.

4. Transaction Accounting Adjustments - Financing

(a) Reflects the expected newly raised Term Loan A Facility, secured notes and unsecured notes offered hereby with a total principal amount of $3,260.0 million to fund the Mergers as described in the other financing events section above, net of a total $43.4 million in deferred financing costs.

		(dollars in millions)
Term Loan A Facility	$	1,910
Estimated deferred financing costs		(18)
Current portion of long-term debt		(96)
Long-term debt	$	1,796
Senior secured notes	$	550
Estimated deferred financing costs		(10)
Current portion of long-term debt		—
Long-term debt	$	540
Senior unsecured notes	$	800
Estimated deferred financing costs		(15)
Current portion of long-term debt		—
Long-term debt	$	785

(b) Represents the repayment or refinancing of Ritchie Bros. existing debt using the proceeds from the newly raised borrowings, including the repayment or refinancing of all of our outstanding short-term debt, redemption of the 2016 Notes and repayment or refinancing of the delayed-draw term loan, and the associated write-off of unamortized deferred debt issuance costs.

(c) Represents the proceeds from Investment Transaction in aggregated amount of $500.0 million in connection with the sale and issuance of (i) 485,000,000 of Ritchie Bros. Preferred Shares at a purchase price of $1.00 per share, and (ii) 251,163 shares of Ritchie Bros. common shares at a purchase price of $59.722 per share, pursuant to the SPA.

(d) Represents the total interest expense and amortization of deferred issuance costs for the Term Loan A Facility, secured notes offered hereby and unsecured notes offered hereby to be incurred by Ritchie Bros. to fund the Mergers as described in "—Other Financing Events." Interest expense is calculated using an effective interest rate. The effective interest rates for the Term Loan A Facility, secured notes offered hereby and unsecured notes offered hereby were 7.7%, 7.2% and 8.1%, respectively.

Based upon the estimated balance of the Term Loan A Facility, secured notes offered hereby and unsecured notes offered hereby to be incurred, a hypothetical 125 basis point increase in interest rates would increase the interest expense by approximately $40.6 million for the year ended December 31, 2022; a hypothetical 125 basis point decrease in interest rates would decrease the interest expense by approximately $40.6 million for the year ended December 31, 2022.

(e) Represents the elimination of interest expense and write-off of unamortized deferred debt issuance costs associated with the repayment or refinancing of Ritchie Bros. existing debt using the proceeds from the newly

raised borrowings, including the repayment or refinancing of all of our outstanding short-term debt, redemption of the 2016 Notes and repayment or refinancing of the delayed-draw term loan.

(f) Represents the tax expense (benefit) impact at an estimated blended effective tax rate of 23.7% for the year ended December 31, 2022, based on the weighted-average statutory tax rate of the jurisdictions expected to be impacted for each of these periods and is not necessarily indicative of the effective tax rate of Ritchie Bros. following the Mergers, which could be significantly different depending on post-acquisition activities, including the geographical mix of income among other factors. The actual tax effects of the Mergers will differ from the pro forma adjustments, and the differences may be material.

(g) Represents the estimated cumulative preferred share dividend and participation rights associated with the Preferred Shares sold and issued in connection with the Investment Transaction.

5. Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The adjustments included in the unaudited pro forma condensed combined balance sheet as of December 31, 2022 are as follows:

(a) Represents the settlement, by IAA immediately prior to the closing, of the transaction costs accrued as of December 31, 2022 and the remaining estimated transaction costs to be incurred by IAA in connection with the Mergers.

(b) Represents the adjustments to historical IAA balances to reflect the impact of acquisition accounting as outlined in Note 3 above, based on the total preliminary Merger Consideration of $7,280.1 million, which consists of (i) cash consideration of $1,714.0 million to be paid to IAA stockholders, (ii) the issuance of 70,334,262 Ritchie Bros. common shares with an estimated fair value of $4,402.0 million, (iii) the issuance of Ritchie Bros. equity awards covering 516,658 Ritchie Bros. common shares with an estimated fair value of $14.9 million attributable to IAA equity award holders' pre-combination service, and (iv) the repayment of certain existing indebtedness of IAA outstanding as of January 1, 2023 of approximately $1,149.1 million, including accrued interest and prepayment penalties under IAA's credit facilities and senior notes, as summarized below:

	(dollars in millions)
Total Merger Consideration	$ 7,280
Less: identifiable net assets acquired[(1)]	(2,665)
Estimated goodwill	**$ 4,615**
IAA historical goodwill	768
Adjustment to goodwill	$ 3,847
Historical Ritchie Bros. goodwill	949
Pro forma goodwill	**$ 5,564**

(1) The purchase price allocation is based on preliminary estimates of fair value of assets acquired and liabilities assumed. The difference between the estimated total Merger Consideration and preliminary identifiable net assets acquired is recorded as estimated goodwill. The preliminary purchase price and purchase price allocation are presented in Note 3 above. Upon completion of the fair value assessment after the Mergers, it is anticipated that the ultimate purchase price allocation will differ from the preliminary assessment outlined here. Any changes to the initial estimates of the fair value of the acquired assets and assumed liabilities will be recorded as adjustments to those assets and liabilities, and residual amounts will be allocated to goodwill. Final consideration will be determined at the closing of the Mergers.

Prepaid consigned vehicle charges include inbound tow, titling costs and enhancement charges associated with the receipt of a consigned vehicle for auction. These costs are incurred by IAA and are not reimbursable. Because Ritchie Bros. will not receive a future economic benefit from these deferred costs, they do not qualify for asset recognition in the Mergers.

The identifiable net assets acquired includes a deferred tax liability which is associated with the preliminary purchase price allocation and the pro forma adjustments. These purchase accounting adjustments create new differences between the book basis and tax basis of the respective

assets. The amount of these adjustments to the unaudited pro forma condensed combined balance sheet is determined by applying the blended statutory rate of approximately 24% to the portion of these adjustments assuming all assets are within U.S. jurisdictions.

The acquired right-of-use assets and lease liabilities are measured and recognized based on the remaining future lease payments using Ritchie Bros.' incremental borrowing rates. The current portion of the lease liability is calculated as the present value of the contractual lease payments for the subsequent twelve months. No amounts were recorded in the unaudited pro forma condensed combined income statements related to the lease adjustment as the amount is not material.

The assumed liabilities include a one-time one percent excise tax incurred on the cash consideration that increases the repurchase excise tax base for IAA concurrent with the Mergers. This tax was added by the Inflation Reduction Act and is effective January 1, 2023.

The adjustments to additional paid-in capital in connection with the acquisition accounting for the Mergers are summarized below:

	(dollars in millions)
Elimination of IAA historical additional paid-in capital	$ (26)
Estimated fair value of Ritchie Bros. common shares to be issued	4,402
Estimated fair value of assumed IAA equity awards attributable to pre-combination service	15
Additional paid-in capital	**$ 4,391**

(c) Represents the settlement of transaction costs accrued as of December 31, 2022 and the remaining estimated transaction costs to be incurred by Ritchie Bros. in connection with the Mergers.

(d) Represents the one-time Ritchie Bros. Special Dividend expected to be approved and declared in connection with the closing of the Mergers in an estimated aggregated amount of $120.0 million. The Ritchie Bros. Special Dividend is expected to be payable in cash to holders of record of Ritchie Bros. common shares as of a pre-closing record date.

6. Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Income Statement

The adjustments included in the unaudited pro forma condensed combined income statement for the year ended December 31, 2022 are as follows:

(a) Represents the elimination of IAA historical amortization expense relate to identifiable intangible assets.

(b) Represents the recognition of new amortization expense related to acquired identifiable assets based on the estimated fair value as of February 17, 2023. Amortization expense is calculated based on the estimated fair value of each of the identifiable intangible assets and the associated estimated useful lives below:

	Estimated Value	Potential Useful Life
Assets acquired	**(dollars in millions)**	**(years)**
Provider and buyer relationships	$ 2,030	10
Developed technology	150	6
Trade names and trademarks	160	6
Total assets acquired	**$ 2,340**	

(c) Represents the elimination of the interest expense associated with IAA's extinguished credit facilities and senior notes.

(d) Represents the remaining one-time direct and incremental transaction costs anticipated to be incurred by Ritchie Bros. prior to, or concurrent with, the Mergers and are reflected in the unaudited pro forma condensed combined balance sheet as a direct reduction to the combined entity's accumulated deficit and are assumed to be cash settled.

(e) Represents the elimination of historical IAA stock-based compensation expense related to IAA equity awards.

(f) Represents the recognition of new stock-based compensation expense for the post-combination portion of the cancelled and exchanged IAA equity awards.

As IAA restricted stock awards and IAA phantom stock awards granted to non-employee directors will be settled at closing with no future service required, the entire post-combination portion of such awards of $0.3 million will be recognized as compensation expense immediately after the closing of the Mergers. Vested IAA options will be cancelled and exchanged to Ritchie Bros. options, and the post-combination fair value step-up that will be expensed immediately after the closing of the Mergers is not material. These are non-recurring adjustments.

IAA options, IAA RSU awards and IAA PRSU awards are cancelled and exchanged into 516,658 Ritchie Bros. awards with an estimated aggregate fair value of $25.6 million, of which $10.7 million is attributable to post-combination services and will be recognized as compensation expense throughout the remaining service periods. Ritchie Bros. awards will be subject to the same terms and conditions applicable to the corresponding IAA equity awards, including vesting terms. With respect to any RSU awards that replace IAA PRSU awards, vesting will no longer be subject to the achievement of performance goals and will solely be based on providing continued services to Ritchie Bros. through the end of the applicable service period.

(g) Represents the pro forma basic and diluted net income per share attributable to the combined entity's common shareholders presented in conformity with the two-class method required for participating securities as a result of the pro forma adjustments. The two-class method requires income available to common shareholders for the period to be allocated between shares of common stock and participating securities based on their respective rights to receive earnings as if all earnings for the period had been distributed. The Preferred Shares of the combined entity are participating securities that contractually entitle the holders of such shares to participate in the combined entity's earnings but do not contractually require the holders of such shares to participate in the combined entity's losses.

The pro forma basic net income per share attributable to the combined entity's common shareholders is calculated using the historical basic weighted average shares of Ritchie Bros. common shares outstanding, adjusted for the additional new shares of Ritchie Bros. common stock to be issued to consummate the Mergers, and the new shares of Ritchie Bros. common stock issued and sold to the Starboard purchasers. Pro forma diluted net income per share attributable to the combined entity's common shareholders is calculated using the historical diluted weighted average shares of Ritchie Bros. common shares outstanding, adjusted for the additional new shares of Ritchie Bros. common stock to be issued to consummate the Mergers, and the new shares of Ritchie Bros. common stock issued and sold to the Starboard purchasers, and the potentially dilutive effect of the exchanged IAA options, IAA RSU awards and IAA PRSU awards.

The pro forma weighted average shares outstanding used to calculate pro forma basic and diluted net income per share attributable to common shareholders was not adjusted for the potential common shares to be issued to settle the cumulative dividend payments and allocated earnings attributable to the Preferred Shares as such amounts are assumed to be cash settled at the combined entity's election for purposes of this unaudited pro forma condensed combined financial information. The impact to pro forma basic and diluted net income per share attributable to the combined entity's common shareholders assuming share settlement of such amounts is not material.

	For the year ended December 31, 2022
	(dollars in millions, except share and per share data)
Numerator:	
Net income	$ 283
Cumulative dividend related to the issuance of Series A Senior Preferred Shares	(27)
Allocated earnings to participating securities	(9)
Pro forma net income attributable to common stockholders	$ 247
Denominator:	
Historical Ritchie Bros. weighted average shares outstanding (basic)	110,781,282
Ritchie Bros. common shares to be issued to IAA stockholders pursuant to the Merger Agreement[(1)]	70,334,262
Ritchie Bros. common shares to be issued to holders of assumed IAA equity awards subject to post-closing vesting[(2)]	129,141
Common shares issued in connection with the Investment Transaction	251,163
Pro forma weighted average shares (basic)	181,495,848
Historical Ritchie Bros. weighted average shares outstanding (diluted)	111,886,025
Ritchie Bros. common shares to be issued to IAA stockholders pursuant to the Merger Agreement[(1)]	70,334,262
Ritchie Bros. common shares to be issued to holders of assumed IAA equity awards subject to post-closing vesting[(2)]	311,506
Common shares issued in connection with the Investment Transaction	251,163
Pro forma weighted average shares (diluted)	182,782,956
Pro forma net income per share attributable to common shares:	
Basic	$ 1.36
Diluted	$ 1.35

(1) Includes the cancellation and exchange of all 133,859,057 issued and outstanding shares of IAA Common Stock (including 27,855 shares underlying IAA restricted stock awards), in addition to 59,992 shares underlying IAA phantom stock awards granted to non-employee directors based on the capitalization activity of IAA as of February 21, 2023, into $12.80 per share in cash, plus an aggregate of 70,334,262 Ritchie Bros. common shares.

(2) A total of 268,291 granted and outstanding unvested IAA RSU awards and 212,979 shares granted and outstanding of unvested IAA PRSU awards are cancelled and converted into 349,312 shares of Ritchie Bros. RSU awards. The number of such Ritchie Bros. RSU awards vested during the first 12 months after the Mergers are added to the historical basic Ritchie Bros. common shares outstanding. The weighted average impact to the number of shares added to the historical basic Ritchie Bros. common shares is not material.

7. Non-GAAP Measures

Below is a description of our unaudited pro forma non-GAAP financial measures. The pro forma non-GAAP metrics included in this offering circular are not required to be calculated in accordance with Item 10 of Regulation S-K. We regularly review the following non-GAAP financial measures to evaluate our business, measure our performance, identify trends, prepare financial projections and make business decisions. The measures set forth below should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with GAAP or the unaudited pro forma financial information presented in this offering circular. Other companies may calculate these measures differently, limiting their usefulness as comparative measures. The pro forma non-GAAP

measures are presented herein because these are important metrics used by management as one of the means by which it assesses acquisition targets. Moreover, they are frequently used by analysts, investors and other interested parties to evaluate companies in our industry.

The unaudited pro forma non-GAAP financial measures were derived from and should be read in conjunction with the following SEC filings and incorporated exhibits, which are incorporated by reference in this offering circular:

- the non-GAAP financial information of Ritchie Bros. as of and for the year ended December 31, 2022 set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Ritchie Bros.' Annual Report on Form 10-K filed with the SEC on February 21, 2023; and

- the non-GAAP financial information as of and for the year ended January 1, 2023 included within Exhibit 99.1 of IAA's Current Report (excluding any information and exhibits furnished under Item 2.02 or 7.01) on Form 8-K filed with the SEC on February 22, 2023.

Adjusted pro forma EBITDA and adjusted pro forma net income attributable to common stockholders have limitations as analytical measures, and you should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that the non-GAAP measures:

- do not reflect interest income, interest expense or other non-operating gains and losses, which may represent an increase to or reduction in cash available to us;

- exclude non-cash charges for depreciation of property, plant and equipment and amortization of intangible assets, and although the assets being depreciated and amortized may have to be replaced in the future, adjusted pro forma EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;

- do not reflect acquisition costs, restructuring costs, litigation costs or other costs that we do not consider to be routine in nature for the ongoing financial performance of our business, which may represent a reduction in cash available to us;

- exclude non-cash charges for stock-based compensation expense, which is expected to continue to be part of our compensation strategy;

- do not reflect provisions for income taxes, which may represent a reduction in cash available to us.

Adjusted pro forma EBITDA is calculated by adding back depreciation and amortization, interest expense, income tax expense, and subtracting interest income from pro forma net income, as well as adding back share-based payments expense, acquisition-related costs, loss (gain) on disposition of property, plant and equipment and related costs, certain non-recurring advisory, legal and restructuring costs, change in fair value of derivatives, and the fair value adjustments related to contingent consideration. Certain historical adjustments which are included in IAA Adjusted EBITDA, and meet Ritchie Bros.' definition, have been included and adjusted for in the adjusted pro forma EBITDA reconciliation below.

Adjusted pro forma net income attributable to common stockholders eliminates the financial impact of adjusting items from pro forma net income attributable to common stockholders that we do not consider to be part of our normal operating results, such as share-based payments expense, acquisition-related costs, amortization of acquired intangible assets, and loss (gain) on disposition of property, plant and equipment and related costs. Also adjusted were certain non-recurring advisory, legal and restructuring costs, the change in fair value of derivatives, loss on redemption and extinguishment of indebtedness and related interest expenses, and the fair value adjustments related to contingent consideration. Certain historical adjustments which are included in IAA's adjusted net income, and meet Ritchie Bros. definition, have been included and adjusted for in the adjusted pro forma net income attributable to common stockholders reconciliation below.

The following table reconciles adjusted pro forma EBITDA to pro forma net income, the most directly comparable pro forma financial measure:

	For the year ended December 31, 2022
	(dollars in millions)
Pro forma net income	$ 283
Add: depreciation and amortization	393
Add: interest expense	277
Less: interest income[(1)]	(8)
Add: income tax expense	52
Pro forma EBITDA	$ 997
Share-based payment expense[(2)]	44
Acquisition-related costs	127
Non-recurring advisory, legal and restructuring costs[(3)]	8
Loss (gain) on disposition of property, plant and equipment and related costs[(4)]	(168)
Change in fair value of derivatives	(1)
Fair value adjustments related to contingent consideration[(5)]	5
Adjusted pro forma EBITDA	$ 1,012

(1) Includes $0.9 million of interest income for IAA for the year ended January 1, 2023.

(2) Includes $7.0 million of pro forma IAA share-based payment expenses for the year ended January 1, 2023.

(3) Includes $3.0 million of non-recurring IAA retention/severance costs and professional fees costs for the year ended January 1, 2023.

(4) Includes $(1.0) million of IAA costs related to loss (gain) on disposition of property, plant and equipment for the year ended January 1, 2023.

(5) Adjustment specific to IAA only activities for the period.

The following table reconciles adjusted pro forma net income attributable to common stockholders to pro forma net income attributable to common stockholders, the most directly comparable pro forma financial measure:

	For the year ended December 31, 2022
	(dollars in millions)
Pro forma net income attributable to common stockholders	$ 247
Share-based payment expense	44
Acquisition-related costs	127
Amortization of acquired intangible assets[(1)]	285
Non-recurring advisory, legal and restructuring costs	8
Loss (Gain) on disposition on property, plant and equipment and related costs	(168)
Loss on redemption and extinguishment of indebtedness and related interest expenses[(2)]	10
Change in fair value of derivatives	(1)
Fair value adjustments related to contingent consideration	5
Related tax effects of the above	(86)
Related allocation of the above to participating securities	(8)
Adjusted pro forma net income attributable to common stockholders	$ 463

(1) Includes the recognition of new amortization expense related to identifiable acquired assets based on the estimated fair values as of February 17, 2023.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

No executive officer, director or employee or former executive officer, director or employee of the Company or any of its subsidiaries, nor any proposed nominee for election as a director of the Company, nor any associate of any director, executive officer or proposed nominee, is, or at any time since January 1, 2022 has been, indebted to the Company or any of its subsidiaries or indebted to another entity where the indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries either for a purchase of securities or otherwise, other than "routine indebtedness" as defined in Form 51-102F5 adopted by the Canadian Securities Administrators.

Since January 1, 2022, none of our directors, executive officers, nominees for director or beneficial owners of more than 5% of our common shares or any of their immediate family members was indebted to the Company or had a material interest in a transaction with the Company where the amount involved exceeded $120,000, nor are any such transactions currently proposed.

On January 22, 2023, the Company entered into the SPA with the Starboard purchasers and, for certain purposes, Starboard Value LP and Jeffrey C. Smith, pursuant to which the Company agreed to issue and sell to the Starboard purchasers in a private placement exempt from the registration requirements of the Securities Act and the prospectus requirements of British Columbia securities law, (i) an aggregate of 485,000,000 Preferred Shares, which Preferred Shares are convertible into the Company's common shares for an aggregate purchase price of $485.0 million, or $1.00 per Preferred Share, and (ii) an aggregate of 251,163 common shares of the Company for an aggregate purchase price of approximately $15.0 million, or $59.722 per common share of the Company. The closing of the Investment Transaction occurred on February 1, 2023. For additional information, see "Summary—Other Recent Developments—Investment Transaction."

In accordance with its charter, our Audit Committee is responsible for reviewing all related person transactions, including current or proposed transactions in which the Company was or is to be a participant, the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest. The Audit Committee does not currently have a written related party transaction policy but its practice is to consider relevant facts and circumstances in determining whether or not to approve or ratify such a transaction, such as: (i) the nature of the related person's interest in the transaction; (ii) the terms of the transaction; (iii) the relative importance (of lack thereof) of the transaction to the Company; (iv) the materiality and character of the related person's interest, including any actual or perceived conflicts of interest; and (v) any other matters the Audit Committee deems appropriate. Based on its consideration of all of the relevant facts and circumstances, the Audit Committee decides whether or not to approve such transactions and approves only those transactions that are deemed to be in the overall best interests of the Company.

In addition, pursuant to our Corporate Governance Guidelines, if any actual or potential conflict of interest arises for a director, the director is expected to promptly inform the Chair of the board of directors and the CEO of the Company. If a significant conflict exists and cannot be resolved, the director is expected to resign. All directors are expected to recuse themselves from any discussion or decision affecting their personal business or interests.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following summary of certain provisions of the instruments evidencing our material indebtedness does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the agreements, including certain terms therein that are not otherwise defined in this offering circular. See "Where You Can Find Additional Information."

Credit Agreement

On December 9, 2022, we entered into the Sixth Amendment to the Existing Credit Agreement with BANA, as the administrative agent, the existing lenders, the new TLA lenders and certain of our subsidiaries, as borrowers or guarantors, pursuant to which, among other things, we obtained (i) the consents from the existing lenders required to consummate the Mergers, (ii) commitments for the New Term Loan A Facility in an aggregate principal amount of $1.825 billion to be used to finance the Mergers and (iii) the ability to borrow up to $200 million of the revolving facility on a limited conditionality basis to finance the Mergers.

The procurement of the consents and the New Term Loan A Facility under the Sixth Amendment allowed us to (i) terminate the commitments for the Backstop Revolving Facility; and (ii) reduce the commitments under the Bridge Loan Facility by an amount equal to the amount of the Term Loan A Facility. At our option, borrowings under the revolving facility and the New Term Loan A Facility will, commencing on the Mergers Closing Date and the borrowing of the loans under the Term Loan A Facility, bear interest at a rate per annum equal to, (A) for U.S. dollar borrowings, either a base rate, a daily fluctuating rate based on term SOFR, or an adjusted term SOFR rate, plus, in each case, an applicable margin, (B) for Canadian dollar borrowings, a Canadian prime rate or an adjusted CDOR rate, in each case, plus an applicable margin and (C) for borrowings in alternative currencies, based on benchmark rates, plus an applicable margin, in each case, substantially consistent with our Existing Credit Agreement. Commencing on the Mergers Closing Date, the applicable margin for loans under the revolving facility and Term Loan A Facility will range from (x) 1.75-3.00% for alternative currency borrowings and for U.S. dollar borrowings with an adjusted term SOFR rate and (y) 0.75-2.00% for borrowings in Canadian dollars with a prime rate and for U.S. dollar borrowings with a base rate. Upon consummation of the Mergers, the applicable margin for the revolving facility and the Term Loan A Facility will increase by 0.25% if we do not receive at least $800 million of net cash proceeds from this offering of unsecured notes. The new TLA lenders' obligation to fund the New Term Loan A Facility (and our ability to draw up to $200 million on the revolver) on the Mergers Closing Date is subject to limited conditions as set forth in the Sixth Amendment and consistent with those in the Debt Commitment Letter, as applicable, including, among others, completion of the Mergers, the non-occurrence of a company material adverse effect (as defined in the Sixth Amendment) on IAA, the accuracy in all material respects of certain representations and warranties related to Ritchie Bros. and IAA, the delivery of certain financial statements of Ritchie Bros. and IAA and other customary limited conditions to completion. The commitments of the new TLA lenders will terminate on the commitment termination date.

The obligations under the Credit Agreement are secured by substantially all assets, subject to certain exceptions, of the Company and the guarantors organized in the United States and Canada. The Credit Agreement does not require any guarantor organized outside of the United States or Canada to pledge any of its property or assets to secure the obligations under the Credit Agreement.

The Credit Agreement matures on September 21, 2026 and, as of December 9, 2022, provided credit facilities or commitments totaling $2.660 billion with a syndicate of lenders comprising: (1) multicurrency revolving facilities of up to $750 million (the "Revolving Facilities") and (2) a Term Loan A Facility of up to $1.910 billion (together with the Revolving Facilities, the "Credit Facilities").

Except with respect to our ability to borrow up to $200 million on the Mergers Closing Date as described above, our ability to borrow under our Revolving Facilities is subject to compliance with a consolidated leverage ratio covenant and a consolidated interest coverage ratio covenant.

The Credit Agreement contains certain covenants that could limit our ability and the ability of certain of our subsidiaries to, among other things and subject to certain significant exceptions: (i) incur, assume or guarantee additional indebtedness; (ii) declare or pay dividends or make other distributions with respect to, or purchase or otherwise acquire or retire for value, equity interests; (iii) make loans, advances or other investments; (iv) incur liens;

(v) sell or otherwise dispose of assets; and (vi) enter into transactions with affiliates. The Credit Agreement also provides for certain events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding amounts under the Credit Agreement to be declared immediately due and payable.

Bridge Loan Facility

In connection with entry into the Merger Agreement, on November 7, 2022, we entered into the Debt Commitment Letter with the initial lenders, including GS Bank, BANA, BofA, Royal Bank and RBCCM, pursuant to which the initial lenders committed to provide (i) the Backstop Revolving Facility in an aggregate principal amount of up to $750 million, which revolving commitments were subsequently terminated in connection with the Sixth Amendment and (ii) the senior secured 364-day Bridge Loan Facility in an aggregate principal amount of up to $2.8 billion, which commitments were subsequently reduced to $886.1 million in connection with the Sixth Amendment (and the proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility), to finance up to $2.8 billion of the (i) cash consideration in connection with the Mergers, (ii) repayment of certain existing indebtedness of IAA, and refinancing of our existing term loan (which occurred in connection with the Sixth Amendment) and (iii) fees and expenses in connection with the foregoing. At our option, borrowings under the Bridge Loan Facility will bear interest at a rate per annum equal to either adjusted term SOFR plus a margin of 3.00% or a base rate plus a margin of 2.00%. The Bridge Loan Facility margin will increase by (I) an additional 0.50% on the date that is 90 days after the Mergers Closing Date, (II) an additional 0.50% on the date that is 180 days after the Mergers Closing Date and (III) an additional 0.50% on the date that is 270 days after the Mergers Closing Date. The initial lenders' obligation to fund the Bridge Loan Facility is subject to several limited conditions as set forth in the Debt Commitment Letter, including, among others, completion of the Mergers, the non-occurrence of a "company material adverse effect" (as defined in the Debt Commitment Letter) on IAA, the accuracy in all material respects of certain representations and warranties related to Ritchie Bros. and IAA, the delivery of certain financial statements of Ritchie Bros. and IAA and other customary limited conditions to completion. Any loans under the Bridge Loan Facility will mature on the date that is 364 days after the Mergers Closing Date. The commitments to provide the financing under the Bridge Loan Facility will terminate on the earliest to occur of (1) 11:59 p.m. on the date that is five business days after the Outside Date, (2) the consummation of the Mergers without any use of the Bridge Loan Facility and (3) the termination of the Merger Agreement in accordance with its terms in the event the Mergers are not consummated. The proceeds of this offering will extinguish the remaining commitments under the Bridge Loan Facility.

Existing 2016 Notes

On December 21, 2016, Ritchie Bros. completed its offering of an aggregate principal amount of $500.0 million of its 5.375% Senior Notes due 2025 (the "2016 Notes"). In connection with the closing of the offering of the 2016 Notes, Ritchie Bros. and certain of its subsidiaries that guaranteed the 2016 Notes (the "Subsidiary Guarantors") entered into an Indenture (the "2016 Notes Indenture") with U.S. Bank Trust Company, National Association (a successor in interest to US Bank National Association), as trustee (the "Trustee"), providing for the issuance of the 2016 Notes.

Certain terms and conditions of the 2016 Notes Indenture and the 2016 Notes are as follows:

Maturity. The 2016 Notes mature on January 15, 2025.

Interest. The 2016 Notes accrue interest at a rate of 5.375% per year. Interest on the 2016 Notes is payable semi-annually on each January 15 and July 15, commencing July 15, 2017.

Issue Price. The Notes were issued at par.

Guarantees. The 2016 Notes are, jointly and severally, fully and unconditionally guaranteed, on a senior unsecured basis, by each of the Subsidiary Guarantors and will be, jointly and severally, fully and unconditionally guaranteed, on a senior unsecured basis, by each additional subsidiary of Ritchie Bros. that is a borrower, or guarantees indebtedness, under the Credit Facilities or certain capital markets indebtedness.

Optional Redemption. On or after January 15, 2020, Ritchie Bros. may redeem the 2016 Notes, in whole or in part, at any time and from time to time at certain fixed redemption prices set forth in the 2016 Notes Indenture and expressed as percentages of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

On or after January 15, 2023, the 2016 Notes may be redeemed for a redemption price of 100.00% of the principal thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Change of Control. If Ritchie Bros. experiences certain kinds of changes of control, it may be required to repurchase the 2016 Notes at a price equal to 101% of the principal amount of the 2016 Notes, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase.

Certain Covenants. The 2016 Notes Indenture contains covenants that limit, among other things, Ritchie Bros.' and its restricted subsidiaries' ability to: incur additional indebtedness (including guarantees thereof); incur or create liens on their assets securing indebtedness; make certain restricted payments; make certain investments; dispose of certain assets; allow to exist certain restrictions on the ability of the Ritchie Bros.' restricted subsidiaries to pay dividends or make other payments to the Ritchie Bros.; engage in certain transactions with affiliates; and consolidate, amalgamate or merge with or into other companies. These covenants are subject to a number of important limitations and exceptions.

Events of Default. The 2016 Notes Indenture contains customary events of default which could, subject to certain conditions, cause the Notes to become immediately due and payable.

We intend to use a portion of the net proceeds from this offering to fund the redemption, on the Mergers Closing Date, of all of the outstanding 2016 Notes at a redemption price of 100% plus accrued and unpaid interest thereon to, but excluding, the Mergers Closing Date. The redemption will be conditioned on the closing of the Mergers. The redemption will be consummated pursuant to the terms of the 2016 Notes Indenture, including the delivery of a separate notice of redemption to the holders of the 2016 Notes. This offering circular does not constitute a notice of redemption.

DESCRIPTION OF SECURED NOTES

The following is a summary of the material terms and provisions of the secured notes, the Secured Notes Indenture, the Secured Notes Escrow Agreement, the Collateral Documents and the Pari Passu Intercreditor Agreement (each as defined below). It does not include all of the terms or provisions of the Secured Notes Indenture, the Secured Notes Escrow Agreement, the Collateral Documents or the Pari Passu Intercreditor Agreement. We urge you to read the Secured Notes Indenture because it defines your rights.

You can find definitions of certain capitalized terms used in this description under "—Certain Definitions." In this description (1) the term "*Issuer*" refers to Ritchie Bros. Holdings Inc., a Washington corporation, and not any of its Subsidiaries, (2) the term "*Parent*" refers to Ritchie Bros. Auctioneers Incorporated, a Canadian corporation and the parent of the Issuer, and (3) the terms "*we*," "*our*" and "*us*" each refer to Parent and its Subsidiaries, including the Issuer.

The Issuer does not intend to list the secured notes on any securities exchange. The Issuer will not be required to, nor does the Issuer currently intend to, offer to exchange the secured notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the secured notes for resale under the Securities Act. The Secured Notes Indenture will not be qualified under the Trust Indenture Act of 1939, as amended (the "*TIA*"), or subject to the terms of, or incorporate any provision of, the TIA. Accordingly, the terms of the secured notes will include only those stated in the Secured Notes Indenture. Copies of the Secured Notes Indenture, the Secured Notes Escrow Agreement, the Collateral Documents and the Pari Passu Intercreditor Agreement may be obtained from the Issuer.

On the Issue Date, the Issuer will issue $ million in aggregate principal amount of % Senior Secured Notes due 2028 (the "*secured notes*") under an indenture (the "*Secured Notes Indenture*") dated as of the Issue Date among Parent, the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "*Trustee*") and as notes collateral agent (the "*Notes Collateral Agent*").

From and after the Escrow Release Date, or on the issue date of the secured notes if the Acquisition occurs concurrently with the consummation of this offering:

- the secured notes and the Guarantees will be senior secured obligations of Parent, the Issuer and the other Guarantors;
- the secured notes and the Guarantees will rank equal in right of payment to all other senior obligations of Parent, the Issuer and the other Guarantors (including the unsecured notes);
- the secured notes and the Guarantees will be secured on a first-priority basis by Liens on the Collateral described below subject to certain Liens permitted under the Secured Notes Indenture;
- the secured notes and the Guarantees will be pari passu with all existing and future indebtedness secured by a first-priority Lien on the Collateral (including the Senior Secured Credit Facilities);
- the secured notes and Guarantees will be effectively senior to all existing and future unsecured debt (including the unsecured notes) and indebtedness secured by junior Liens of Parent, the Issuer and the other Guarantors, in each case, to the extent of the Collateral securing the secured notes (after giving effect to the sharing of the value of such Collateral with holders of equal or prior ranking Liens on such Collateral);
- the secured notes and the Guarantees will be effectively junior to any debt that is secured by Liens on assets that do not constitute Collateral to the extent of the value of the assets securing such debt;
- the secured notes and Guarantees will also be structurally subordinated to any debt, preferred stock obligations and other liabilities of Parent's Subsidiaries that are not Guarantors; and
- the secured notes and the Guarantees will be senior in right of payment to all future Indebtedness, if any, of Parent, the Issuer and the other Guarantors that is, by its terms, expressly subordinated in right of payment to the secured notes and the Guarantees.

We expect that, following consummation of the Acquisition, IAA and each of its subsidiaries that becomes a borrower or guarantor under the Senior Secured Credit Facilities or a guarantor under the Unsecured Notes Indenture will also become a Guarantor of the secured notes. As of December 31, 2022, on a historical basis (without giving effect to the Transactions), (a) our existing subsidiaries that will not be Guarantors of the secured notes following the consummation of the Transactions had $72.7 million of liabilities (to which the secured notes would have been structurally subordinated) and $256.2 million of assets, excluding intercompany balances, and (b) IAA's existing subsidiaries that will not be Guarantors of the secured notes following the consummation of the Transactions had $942.7 million of liabilities (to which the secured notes would have been structurally subordinated) and $1,721.9 million of assets, excluding intercompany balances.

If this offering is consummated prior to the consummation of the Acquisition, prior to the Escrow Release Date, the secured notes will be senior secured obligations of the Issuer, secured only by the Escrowed Property and senior unsecured obligations of Parent.

The Issuer will issue the secured notes in fully registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof. If the secured notes are in certificated form, the Trustee will initially act as paying agent and registrar for the secured notes. The secured notes may be presented for registration or transfer and exchange at the offices of the registrar. The Issuer may change any paying agent and registrar without notice to holders of the secured notes (the "*Holders*"). The Issuer will pay principal (and premium, if any) on the secured notes at the Trustee's designated corporate office, as provided by the Trustee and updated from time to time in writing. If the secured notes are in certificated form, at the Issuer's option, interest may be paid at the Trustee's designated corporate trust office or by check mailed to the registered address of Holders. If the secured notes are in registered form, payment will be made via DTC. DTC requires payment by wire in immediately available funds.

Principal, Maturity and Interest

The Issuer is issuing $ million in aggregate principal amount of secured notes in this offering (the "*Offering*"). Additional secured notes (the "*Additional Notes*") may be issued from time to time, subject to the limitations set forth under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness." The secured notes offered hereby and any such Additional Notes will be treated as a single class for all purposes under the Secured Notes Indenture; *provided* that any Additional Notes that are not fungible with the secured notes offered hereunder for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from such secured notes. The secured notes will mature on , 2028. Interest on the secured notes will accrue at the rate of % per annum and will be payable semiannually in cash on each and , commencing on , 2023, to the persons who are registered Holders at the close of business on the or immediately preceding the applicable interest payment date. Interest on the secured notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the date of issuance. Interest on the secured notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Solely for purposes of disclosure under the Interest Act (Canada), whenever a rate of interest or fee under a secured note is calculated on the basis of a year (the "*deemed year*") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year. Furthermore, if there is any obligations for Parent or any subsidiary formed under the laws of any jurisdiction of Canada to make any payment of interest or other amount payable in an amount or calculated at a rate which would be prohibited by applicable law or would result in a receipt by any person of "interest" at a "criminal rate" (as such terms are defined under the Criminal Code (Canada)), then, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so as to result in a receipt of "interest" at a "criminal rate" (as such terms are defined under the Criminal Code (Canada)).

Additional Amounts

All payments made by or on behalf of any successor to the Issuer that is organized or incorporated in a jurisdiction outside the United States or any Guarantor (each a "*Payor*") under or with respect to the secured notes or any Guarantee will be made free and clear of and without withholding or deduction for or on account of any Taxes, unless such Payor is required to withhold or deduct an amount for, or on account of, Taxes by law. If a Payor is so required to withhold or deduct any amount for or on account of Taxes imposed or levied by or on behalf of any jurisdiction in

which such Payor is incorporated, organized, resident for tax purposes or carrying on a business for tax purposes or from or through which such Payor or its respective agents makes any payment on the secured notes or any Guarantee or any department or political subdivision thereof (each, a "*Relevant Taxing Jurisdiction*") from any payment made under or with respect to the secured notes or any Guarantee, including, without limitation, payments of principal, redemption price, purchase price, interest or premium, such Payor, subject to the exceptions stated below, will pay such additional amounts ("*Additional Amounts*") as may be necessary such that the net amount received in respect of such payment by each Holder or Beneficial Holder after such withholding or deduction (including withholding or deduction attributable to Additional Amounts payable hereunder) will not be less than the amount the Holder or Beneficial Holder, as the case may be, would have received if such Taxes had not been required to be so withheld or deducted.

A Payor will not, however, pay Additional Amounts to a Holder or Beneficial Holder with respect to:

(i) any United States withholding Taxes imposed, withheld, or deducted on any payment on or in respect of the secured notes or any Guarantee;

(ii) Taxes giving rise to such Additional Amounts that would not have been imposed, withheld or deducted but for the existence of any present or former connection between such Holder or Beneficial Holder (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or person in possession of power over, such Holder or Beneficial Holder, if such Holder or Beneficial Holder is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the Relevant Taxing Jurisdiction in which such Taxes are imposed (including, without limitation, being or having been, or treated as, a citizen, domiciliary, resident or national of, or carrying on a business or maintaining a permanent establishment in, the Relevant Taxing Jurisdiction but not including any connection resulting solely from the acquisition, ownership, holding or disposition of secured notes, the receipt of payments thereunder and/or the exercise or enforcement of rights under any secured notes or any Guarantee);

(iii) Taxes giving rise to such Additional Amounts that would not have been imposed, withheld or deducted but for the failure of such Holder or Beneficial Holder, to the extent such Holder or Beneficial Holder is legally eligible to do so, to comply with any written request, made to that Holder or Beneficial Holder in writing at least 45 calendar days before any such withholding or deduction would be payable, by the Payor to satisfy any certification, identification, information, documentation or other reporting requirements concerning such Holder's or Beneficial Holder's nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, which are required by applicable law, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, if applicable, a certification that the Holder or Beneficial Holder is not resident in the Relevant Taxing Jurisdiction);

(iv) any estate, inheritance, gift, value added, goods and services, harmonized sales, sales, transfer, capital gains, personal property or any similar Taxes or any excise tax imposed on the transfer of the secured notes;

(v) any Taxes that are imposed, withheld or deducted with respect to any payment on a secured note or any Guarantee to any Holder who is a fiduciary, partnership, limited liability company or other fiscally transparent entity or person other than the sole beneficial owner of such payment and to the extent that no Additional Amounts would have been payable had the beneficial owner of the applicable secured note been the holder of such secured note;

(vi) Taxes imposed on, or deducted or withheld from, payments in respect of the secured notes or any Guarantee if such payments could have been made without such imposition, deduction or withholding of such Taxes had such secured notes or Guarantee been presented for payment (where presentation is required) within 30 calendar days after the date on which such payments or such secured notes or Guarantee became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent such Holder or Beneficial Holder would have

been entitled to such Additional Amounts had such secured notes or Guarantee been presented on the last day of such 30 calendar day period);

(vii) Taxes giving rise to such Additional Amounts that would not have been imposed but for the presentation of any secured note or any Guarantee for payment by or on behalf of a holder of secured notes who would have been able to avoid such withholding or deduction by presenting the applicable secured note or Guarantee to another paying agent;

(viii) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the secured notes or any Guarantee;

(ix) any Taxes imposed, withheld or deducted under FATCA; or

(x) any combination of the foregoing items (i) through (ix).

At least 30 calendar days prior to each date on which any payment under or with respect to the secured notes or any Guarantee is due and payable, if a Payor will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 35th day prior to the date on which such payment is due and payable, in which case it will be promptly thereafter), the Payor will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders and/or Beneficial Holders on the payment date. The Trustee may rely conclusively on such Officer's Certificate as conclusive proof that such payments are necessary. The Payor will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Payors will indemnify and hold harmless the Holders and Beneficial Holders of the secured notes for the amount of any Taxes under Regulation 803 of the Tax Act, or any similar or successor provision, (other than Taxes described in clauses (i) through (vii) or clause (ix) above or Taxes arising by reason of a transfer of a secured note to a person resident in Canada with whom the transferor does not deal at arm's length for the purposes of the Tax Act) levied or imposed on and paid by such a Holder or Beneficial Holder as a result of payments made under or with respect to the secured notes or any Guarantee.

In addition, the Payor will pay and indemnify the Holder or Beneficial Holder for any present or future stamp, issue, registration, transfer, court, documentation, excise, property or other similar Taxes, charges and duties, including any interest, penalties and any similar liabilities with respect thereto, imposed by any Relevant Taxing Jurisdiction (and, in the case of enforcement, any jurisdiction) at any time in respect of the execution, issuance, registration, delivery or enforcement of the secured notes, any Guarantee or any other document or instrument referred to thereunder, or the receipt of any payments with respect thereto (limited, solely in the case of Taxes, charges or duties attributable to the receipt of any payments with respect thereto, to any such Taxes, charges or duties imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (i)-(vii) or clause (ix) or any combination thereof, above).

The Payor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the applicable Taxing Authority in accordance with applicable law. Upon request, the Payor will provide to the Trustee an official receipt or, if official receipts are not obtainable, other documentation reasonably satisfactory to such Trustee evidencing the payment of any Taxes so deducted or withheld. Upon request, the Trustee will make available to Holders copies of those receipts or other documentation, as the case may be. The Trustee will not be responsible for ensuring that the withholding and deduction of any amount has been properly made. Except as specifically provided above, no Payor shall be required to make a payment with respect to any Tax imposed by any government or any political subdivision or Taxing Authority of or in any government or political subdivision.

The obligations described under this heading will survive any termination, defeasance or discharge of the Secured Notes Indenture, any transfer by a Holder or Beneficial Holder of its secured notes, and will apply (reflecting the applicable necessary changes) to any successor Person to any Payor and to any jurisdiction in which such successor is incorporated, organized or is otherwise resident or doing business for tax purposes or any jurisdiction from or through which payment is made by such successor or its respective agents or any department or political subdivision thereof.

Whenever this "Description of Secured Notes" refers to, in any context, the payment of principal, premium, if any, interest, redemption price, purchase price or any other amount payable under or with respect to any secured note or Guarantee, such reference shall include the payment of Additional Amounts or indemnification payments as described hereunder, if applicable.

Escrow Related Provisions

Escrow of Proceeds; Escrow Release Conditions

Pursuant to the Secured Notes Indenture, unless the Acquisition shall have been consummated concurrently with the consummation of the offering of the secured notes contemplated hereby, on the Issue Date, the Issuer will (x) deposit (or cause to be deposited) the gross proceeds of the offering of the secured notes sold on the Issue Date into its escrow account (the "*Secured Notes Escrow Account*") and (y) deposit (or cause to be deposited) to the Secured Notes Escrow Account an additional amount of cash that, when taken together with the gross proceeds of the offering of the secured notes deposited into the Secured Notes Escrow Account (collectively, and together with any other property from time to time held by the Escrow Agent (as defined below) in the Secured Notes Escrow Account, the "*Escrowed Property*"), will be sufficient (without taking into account any deduction for any interest payments required to be made on the secured notes) to fund a Special Mandatory Redemption (as defined below) of the secured notes on , 2023 (the date that is three months following the Issue Date). If any interest payment date for the secured notes occurs prior to the disbursement of all funds from the Secured Notes Escrow Account, the Issuer shall provide a written direction to the Escrow Agent to disburse to the payment agent (at the time such interest payment is required to be paid to the paying agent for such interest period) a portion of the Escrowed Property equal to the interest payment due with respect to the secured notes, and the amount of interest required to be paid on such interest payment date by the Issuer shall be reduced accordingly. If this offering is consummated prior to the consummation of the Acquisition, the Escrow Agreement to be entered into with U.S. Bank Trust Company, National Association, as escrow agent (in such capacity, together with its successors, the "*Escrow Agent*"), on the Issue Date if the gross proceeds of the offering are placed into the Secured Notes Escrow Account as described above (the "*Secured Notes Escrow Agreement*") shall provide for the Escrow Agent to release a portion of the Escrowed Property in an amount equal to the amount of accrued and unpaid interest from the Issue Date or the most recent interest payment date, as applicable, prior to the Escrow Release in order to satisfy the interest payment obligations in respect of the secured notes under the Secured Notes Indenture.

In addition, the Secured Notes Escrow Agreement will provide that on the date that is five Business Days prior to the last day of each month beginning on , 2023, and ending on , 2023 (in each case, unless the Escrow Release Date has occurred), the Issuer will deposit (or cause to be deposited) to the Secured Notes Escrow Account an amount of cash equal to one month of interest accrued on the secured notes plus an amount in cash equal to the amount which would be necessary to pay the Special Mandatory Redemption Price if the Escrow End Date were at the end of the applicable month (as calculated in accordance with the terms of the Secured Notes Indenture).

The Escrowed Property will be held in the Secured Notes Escrow Account until the earliest of (i) the date on which the Issuer delivers to the Escrow Agent the Officer's Certificate referred to in the second succeeding paragraph, (ii) the Escrow End Date, (iii) the date on which the Issuer delivers written notice to the Escrow Agent to the effect set forth in clause (ii) under "—Special Mandatory Redemption" below and (iv) the date that is three Business Days after the Issuer fails to timely deposit (or cause to be timely deposited) any amounts required pursuant to the preceding paragraph on any applicable deposit date.

The Issuer will grant the Trustee, for its benefit and the benefit of the Holders of the secured notes, subject to certain liens of the Escrow Agent, a first-priority security interest in the Secured Notes Escrow Account and all Escrowed Property to secure the payment of the Special Mandatory Redemption Price and the payment and performance of the other Obligations of the Issuer under the Secured Notes Indenture; *provided*, *however*, that such lien and security interest shall automatically be released and terminate at such time as the Escrowed Property is released from the Secured Notes Escrow Account pursuant to the terms of the Secured Notes Escrow Agreement. The Escrow Agent will invest the Escrowed Property in such Eligible Escrow Investments as the Issuer will from time to time direct in writing. Prior to the Escrow Release Date, the secured notes will be secured only by a pledge of the Secured Notes Escrow Account and the Escrowed Property. Following the Escrow Release Date, the secured notes and the Guarantees will be secured by Liens on the Collateral on an equal and ratable basis with all Parity Lien Obligations.

Other than in connection with the payment of a semi-annual interest payment as set forth under "—Principal, Maturity and Interest," and pursuant to the fourth preceding paragraph, the Issuer will only be entitled to direct the Escrow Agent to release all of the Escrowed Property (in which case the Escrowed Property will be paid to or as directed by the Issuer) (the "*Escrow Release*") upon the delivery to the Escrow Agent and the Trustee, on or prior to the Escrow End Date, of an Officer's Certificate (the date on which such Officer's Certificate is delivered to the Escrow Agent is referred to herein as the "*Escrow Notice Date*"), certifying that substantially concurrently with the release of such Escrowed Property the following conditions will be satisfied (the date of the Escrow Release is hereinafter referred to as the "*Escrow Release Date*"):

(1) all conditions precedent to the Acquisition will have been satisfied or waived in accordance with the Merger Agreement on substantially the same terms as described in this Offering Circular (other than those conditions that by their terms are to be satisfied substantially concurrently with the consummation of the Acquisition);

(2) substantially concurrently with the Escrow Release, the Guarantors will have executed a supplemental indenture pursuant to which the Guarantors will provide the Guarantees of the secured notes effective as of the consummation of the Acquisition;

(3) substantially concurrently with the Escrow Release, the Guarantors will have executed a joinder to the Purchase Agreement; and

(4) Parent, the Issuer and the other Guarantors will deliver to the Trustee the opinions of counsel and certificates that are required to be delivered pursuant to the terms of the Secured Notes Indenture in connection with the supplemental indenture, and the Initial Purchasers will receive the opinions of counsel and certificates that are required to be delivered to them pursuant to the Purchase Agreement.

For purposes herein, the "Escrow End Date" shall mean September 30, 2023.

Notwithstanding anything to the contrary herein or in the offering circular, if this offering is consummated at or following the time of the consummation of the Acquisition, we will forego the escrow procedures described in this "Description of Secured Notes" and in the offering circular, in which case there will be no Secured Notes Escrow Agreement or Secured Notes Escrow Account.

Security

Collateral

General

The secured notes and the Guarantees thereof will be secured by Liens on the Collateral on an equal and ratable basis with all Parity Lien Obligations.

The Liens on the Collateral that will secure the secured notes and Guarantees will be granted under the Collateral Documents in favor of the Notes Collateral Agent for the benefit of itself, the Trustee and the holders of the notes. The Liens on the Collateral that secure the obligations under the Senior Secured Credit Facilities (the "*Credit Facilities Obligations*") have been or will be granted to the Credit Facilities Collateral Agent pursuant to separate security documentation. The relative rights among the creditors of the Credit Facilities Obligations and the holders of the other Parity Lien Obligations (including the holders of the secured notes) will be governed by the Pari Passu Intercreditor Agreement as set forth below under the caption "—Pari Passu Intercreditor Agreement."

The Collateral comprises substantially all of the assets and property of Parent, the Issuer and the other Guarantors other than the Excluded Assets and other than any assets released from the Collateral. In addition, the Collateral will not include the property and assets of any Subsidiary that is not a Guarantor.

The Collateral will exclude the following assets and property ("*Excluded Assets*"), including, without limitation:

(1) any owned or leased real property;

(2) unless otherwise agreed in writing by the Issuer and the Notes Collateral Agent, any IP Rights (i) for which a perfected Lien thereon is not effected either by filing of a UCC financing statement, a PPSA financing statement or by appropriate evidence of such Lien being filed in either the United States Copyright Office, the United States Patent and Trademark Office or the Canadian Intellectual Property Office or (ii) that consist of any intent to use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable U.S. federal law;

(3) unless otherwise agreed in writing by the Issuer and the Notes Collateral Agent, any personal property (in the case of the UCC or the PPSA), in each case other than property described in clause (2) above, for which the attachment or perfection of a Lien thereon is not governed by the UCC or the PPSA, as applicable, any motor vehicles and other assets subject to certificates of title that any of Parent, the Issuer or any other Guarantor takes interests in (whether as consignee or purchaser) for the purposes of selling at auction, to the extent that a security interest therein cannot be perfected by filing a UCC or PPSA financing statement;

(4) letter of credit rights (other than to the extent such rights can be perfected by filing a UCC or a PPSA financing statement);

(5) "margin stock" (within the meaning of Regulation U of the Federal Reserve Board) and pledges and security interests prohibited by applicable law, rule or regulation or agreements with any Governmental Authority or which would require governmental (including regulatory) consent, approval, license or authorization to provide such security interest unless such consent, approval, license or authorization has been received, in each case, after giving effect to the applicable anti-assignment provisions of the UCC, the PPSA or any other applicable law;

(6) (A) any Equity Interests of a Person to the extent that, and for so long as (i) such Equity Interests constitute less than 100% of all Equity Interests of such Person, and the Person or Persons holding the remainder of such Equity Interests are not Parent or its Restricted Subsidiaries and (ii) the granting of a security interest in such Equity Interests in favor of the Notes Collateral Agent are not permitted by the terms of such issuing Person's Organization Documents or otherwise require the consent of a Person or Persons who are not Restricted Subsidiaries of Parent (other than any approval or consent that may be required from the board of directors or shareholders of any Canadian Restricted Subsidiary pursuant to its constating documents), other than to the extent that any such law, rule, regulation, term, prohibition, restriction or condition would be rendered ineffective pursuant to the UCC, the PPSA or any other applicable law (including Debtor Relief Laws) or principles of equity, (B) any Equity Interests of any Excluded CFC Entity other than 65% (or such greater percentage that (i) could not reasonably be expected to cause the undistributed earnings of such Excluded CFC Entity or of the Excluded CFC Entities owned by such Excluded CFC Entity as determined for United States federal income tax purposes, to be treated as a deemed dividend for United States federal income tax purposes and (ii) could not reasonably be expected to cause any material adverse tax consequences) of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in such Excluded CFC Entity, and (C) any assets owned by an Excluded CFC Entity;

(7) deposit accounts, securities accounts, commodities accounts and other similar accounts maintained for the sole purpose of funding payroll obligations, employee benefit or health benefit obligations, tax obligations, escrow arrangements or holding funds owned by Persons other than Parent or any Restricted Subsidiary;

(8) the Equity Interests of any direct International Restricted Subsidiary (other than a Canadian Restricted Subsidiary) of any of Parent, the Issuer or any other Guarantor to the extent not required to be pledged to secure the Obligations pursuant to the covenant described under "—Certain Covenants with Respect to Collateral—After Acquired Property";

(9) any property which is subject to a Lien of the type described in clause (9) of the definition of "Permitted Liens" pursuant to documents which prohibit Parent, the Issuer or any other Guarantor from granting any other Liens in such property;

(10) any General Intangible (as defined in the UCC), permit, lease, license, contract, agreement, consent, entitlement, arrangement or other Instrument (as defined in the UCC) of Parent, the Issuer or any other Guarantor to the extent the grant of a security interest in such General Intangible, permit, lease, license, contract, agreement, consent, entitlement, arrangement or other Instrument in the manner contemplated by any Collateral Document, under the terms thereof or under applicable law, is prohibited and would result in the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter Parent, the Issuer or such Guarantor's rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both); *provided* that (i) any such limitation described in this clause (10) shall only apply to the extent that any such prohibition would not be rendered ineffective pursuant to the UCC, the PPSA or any other applicable law (including Debtor Relief Laws) or principles of equity and (ii) in the event of the termination or elimination of any such prohibition or the requirement for any consent contained in any applicable law, General Intangible, permit, lease, license, contract, agreement, consent, entitlement, arrangement or other Instrument, to the extent sufficient to permit any such item to become Collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such General Intangible, permit, lease, license, contract, agreement, consent, entitlement, arrangement or other Instrument shall be automatically shall be included as "Collateral"; and

(11) any assets of Parent, the Issuer or such Guarantor as to which the Credit Facilities Collateral Agent (or, if not the Credit Facilities Collateral Agent, the Controlling Secured Party (as defined below)) and the Issuer agree in writing (including by e-mail) that the cost, burden or consequences (including adverse tax consequences) of obtaining or perfecting a security interest in such assets is excessive in relation to the value of such assets as Collateral.

Certain Limitations on the Collateral

No appraisals of any of the Collateral have been prepared by or on behalf of Parent, the Issuer or any other Guarantor in connection with the issuance and sale of the secured notes. The value of the Collateral in the event of liquidation will depend on many factors. Consequently, liquidating the Collateral may not produce proceeds in an amount sufficient to pay any amounts due on the secured notes. The Collateral securing our obligations under the secured notes and the Guarantees is shared with other creditors. If there is a default, the value of the Collateral may not be sufficient to repay the creditors of Parity Lien Obligations, including the holders of the secured notes. The Fair Market Value of the Collateral is subject to fluctuations based on a number of factors, including, among others, prevailing interest rates, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral will be dependent on numerous factors, including the actual Fair Market Value of the Collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, some of the Collateral may be illiquid and may have no readily ascertainable market value or market. In the event of a insolvency or liquidation proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay Parent's, the Issuer's and the other Guarantors' Obligations in respect of the secured notes and the Guarantees. Under U.S. bankruptcy proceedings, any claim for the difference between the amount, if any, realized by holders of the secured notes from the sale of Collateral securing the secured notes and the Obligations in respect of the secured notes and the Guarantees will rank equally in right of payment with all of Parent's, the Issuer's and the other Guarantors' other unsecured or undersecured senior Indebtedness and other unsubordinated Obligations, including trade payables. To the extent that third parties establish Liens on the Collateral, such third parties could have rights and remedies with respect to the assets that, if exercised, could adversely affect the value of the Collateral or the ability of the Notes Collateral Agent or the holders to realize or foreclose on the Collateral. The Issuer may also issue additional notes after the Issue Date as described herein or otherwise incur Parity Lien Obligations that would be secured by the Collateral, the effect of which would be to increase the amount of Indebtedness secured equally and ratably by the Collateral. The ability of the holders to realize on the Collateral would also be subject to certain bankruptcy law limitations in the event of a bankruptcy. See "Risk

Factors—Risks Related to the Collateral for the Secured Notes—The value of the Collateral securing the secured notes and the related guarantees may not be sufficient to satisfy our obligations under the secured notes."

Release of Collateral

The Notes Collateral Agent will release automatically, without the need for any further action by any other Person, from the Liens securing the secured notes:

(1) any property or assets constituting Collateral, to enable us to consummate the disposition of such property or assets (to a Person that is not Parent, the Issuer or a Guarantor) to the extent not prohibited by the provisions of the Secured Notes Indenture, including if not prohibited under the covenant described under "—Certain Covenants—Limitation on Asset Sales," or in connection with any Recovery Event;

(2) the property and assets of a Guarantor upon the release of such Guarantor from its Guarantee in accordance with the terms of the Secured Notes Indenture;

(3) any property or asset of Parent, the Issuer or a Guarantor that is or becomes Excluded Property;

(4) the property and assets of a Guarantor if such Guarantor ceases to be a Restricted Subsidiary of Parent upon the consummation of any transaction permitted by the Secured Notes Indenture to the extent such Guarantor is also released under the Senior Secured Credit Facilities and any other Parity Lien Indebtedness;

(5) as described under "—Pari Passu Intercreditor Agreement"; and/or

(6) as described under "—Amendments and Waivers" below.

The security interests in all Collateral securing the secured notes also will be released automatically, without the need for any further action by any Person, upon (i) payment in full of the principal of, together with accrued and unpaid interest and premium, if any, on, the secured notes and all other Obligations under the Secured Notes Indenture, the Guarantees and the Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest and premium, if any, are paid (including pursuant to a satisfaction and discharge of the indenture as described below under "—Satisfaction and Discharge" or through redemption or repurchase of all of the secured notes or otherwise) or (ii) a legal defeasance or covenant defeasance under the indenture as described below under "—Legal Defeasance and Covenant Defeasance."

In addition, the Lien on any Collateral may be subordinated to the holder of any Lien on such Collateral that is created, incurred, or assumed pursuant to clause (9) of the definition of "Permitted Liens."

Creation and Perfection of Certain Security Interests Post-Closing

Certain security interests in the Collateral may not be created or perfected on the Issue Date or may not be perfected on the date of acquisition of such property or assets in the future. See "Risk Factors—Risks Related to the Collateral for the Secured Notes—Your rights in the Collateral may be adversely affected by the failure to perfect security interests in certain collateral in the future." To the extent any such security interest could not be created or perfected by such date, Parent, the Issuer and the other Guarantors will agree to use their respective commercially reasonable efforts to do or cause to be done all acts and things that would be required to have all security interests in the Collateral duly created and enforceable and perfected, subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets as set forth in the Collateral Documents, to the extent required by the Secured Notes Indenture or the Collateral Documents within 90 days (or such later date as the Credit Facilities Collateral Agent may have agreed to under the Senior Secured Credit Facilities) of the Issue Date; *provided* that Parent, the Issuer and the other Guarantors will enter into security agreements and file UCC financing or PPSA financing (or equivalent) statements on the Issue Date; *provided*, *further*, that that certificated equity of IAA and its subsidiaries shall be delivered within five Business Days of the Issue Date (subject to extensions reasonably agreed by the Credit Facilities Collateral Agent). There will be no independent assurance prior to issuance of the secured notes that all assets or properties contemplated to be pledged as security for the secured notes will be pledged, or that we hold the

personal property interests we represent we hold or that we may pledge such interests, or that there will be no lien encumbering such personal property interests other than those permitted by the Secured Notes Indenture. Delivery of security interests or perfection thereof in Collateral after the Issue Date increases the risk that the security interests could be avoidable in an insolvency or liquidation proceeding.

Additionally, the Secured Notes Indenture and the Collateral Documents entered into in connection with the secured notes will not require us to take any actions to create, perfect or to improve the perfection or priority of the liens of the Notes Collateral Agent for the benefit of the holders of the secured notes (a) with respect to any assets located outside of the United States or Canada, (b) in any non-U.S. or non-Canadian jurisdiction or (c) as required by the laws of any non-U.S. or non-Canadian jurisdiction to create, perfect or maintain any security interest or otherwise.

Failure to create and perfect a security interest in the Collateral will constitute an Event of Default (as defined below) if and to the extent provided under clauses (8) or (9) under the caption "—Events of Default" below. Neither the Trustee nor the Notes Collateral Agent on behalf of the Trustee and the holders of the secured notes has any duty or responsibility to see to or monitor the performance of Parent and its Subsidiaries with regard to these matters, or to perfect or maintain the perfection of the security interest in the Collateral.

Pari Passu Intercreditor Agreement

The Liens on the Collateral securing the secured notes will be subject to a pari passu intercreditor agreement. On the Issue Date, the Notes Collateral Agent will, together with the Credit Facilities Collateral Agent, enter into the Pari Passu Intercreditor Agreement to set forth their relative rights in the Collateral, which will provide for the pari passu nature of their Liens, including any Liens that may, in the future, secure additional Parity Lien Indebtedness.

If any other Indebtedness is designated as Parity Lien Indebtedness and is permitted by the terms of the Secured Notes Indenture to be secured by the Collateral, the representatives of the holders of such other Indebtedness will also become a party to the Pari Passu Intercreditor Agreement. The Secured Notes Indenture will provide that the Pari Passu Intercreditor Agreement may be amended from time to time without the consent of the holders of the secured notes to, among other things, add other parties.

Holders will be deemed to have agreed and accepted the terms of the Pari Passu Intercreditor Agreement by their acceptance of the secured notes.

The Pari Passu Intercreditor Agreement will provide, among other things, (1) that Liens on the Collateral securing the secured notes and other Obligations, the Credit Facilities Obligations under the Secured Notes Indenture and any other Parity Lien Indebtedness will be pari passu and that all distributions in respect of the Collateral will (as set forth in further detail below) be shared ratably among the holders of the secured notes and other secured parties under the Secured Notes Indenture, the secured parties in respect of the Senior Secured Credit Facilities and the holders of any other Parity Lien Indebtedness and (2) for certain procedures for exercising rights and remedies in respect of the Liens on the Collateral.

Pursuant to the terms of the Pari Passu Intercreditor Agreement, the Credit Facilities Collateral Agent, as the Applicable Collateral Agent on the Issue Date, will have the exclusive right (subject to limited exceptions) to exercise remedies and take enforcement actions relating to the Collateral until the earlier of (a) such date as the Credit Facilities Obligations (and any designated refinancings thereof) have been paid in full and (b) 180 days after the occurrence and continuance of an event of default (and notice to the other collateral agents thereof) under the Secured Notes Indenture or the documents governing any other Parity Lien Indebtedness with the largest outstanding principal amount (to the extent the outstanding principal amount of secured notes or such other obligations, as applicable, is larger than the outstanding principal amount of obligations under the Senior Secured Credit Facilities), as applicable, and the acceleration of the obligations thereunder unless (i) at any time the Credit Facilities Collateral Agent or other Applicable Collateral Agent, as applicable, has commenced and is diligently pursuing any enforcement action with respect to the Collateral, (ii) Parent, the Issuer or any other Guarantor that has granted a security interest in the Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding or (iii) if the acceleration of the obligations of the series with respect to which such non controlling representative (if any) is rescinded in accordance with the terms of the applicable document (such date, the "*Non-Controlling Representative Enforcement Date*").

After the Non-Controlling Representative Enforcement Date, the Notes Collateral Agent (to the extent the outstanding principal amount of obligations under the secured notes is larger than the principal outstanding amount of obligations under the Senior Secured Credit Facilities and any other Parity Lien Indebtedness) or the representative of holders of the next largest outstanding principal amount of Parity Lien Indebtedness, as applicable, as the Applicable Collateral Agent, will have the exclusive right to exercise rights and remedies with respect to the Collateral. As such, if other Parity Lien Indebtedness is outstanding in an aggregate principal amount greater than the aggregate principal amount of the outstanding secured notes at such time, such other Parity Lien Indebtedness, as the Applicable Collateral Agent, may be able to direct the applicable representative with respect to matters related to the Collateral (including the commencement and continuation of enforcement proceedings with respect to the Collateral, controlling the conduct of such proceedings and, in connection therewith, approving releases of the Collateral) without consent from the Trustee, the Notes Collateral Agent or the holders of the secured notes. In either case, the Non-Controlling Representative Enforcement Date will not occur, and the Credit Facilities Collateral Agent will remain the Applicable Collateral Agent (even after the passage of the 180 day period described in clause (b) of "Non-Controlling Representative Enforcement Date") to the extent the outstanding principal amount of obligations under the Senior Secured Credit Facilities is equal to or greater than the aggregate principal amount outstanding under the secured notes and any other Parity Lien Indebtedness.

If an Event of Default has occurred and is continuing, and the Credit Facilities Collateral Agent, as the Applicable Collateral Agent, is taking action to enforce rights in respect of any Collateral, or any distribution is made in respect of any Collateral in any insolvency or liquidation proceeding of Parent, the Issuer or any other Guarantor or the Credit Facilities Collateral Agent, the Notes Collateral Agent or the holder of any other Parity Lien Obligations receives any payment pursuant to any intercreditor agreement (other than the Pari Passu Intercreditor Agreement) or with respect to any Collateral, the proceeds of any sale, collection or other liquidation of any Collateral received by the Credit Facilities Collateral Agent, the Notes Collateral Agent or the holder of any other Parity Lien shall be applied by the Applicable Collateral Agent ratably to the Credit Facilities Collateral Agent, the Notes Collateral Agent and any other Parity Lien Representatives in accordance with the terms of the Pari Passu Intercreditor Agreement for further distribution to the holders of the secured notes, the holders of Credit Facilities Obligations and the holders of any other Parity Lien Indebtedness (to be applied in accordance with the applicable secured debt documents). If, at any time, any Collateral is transferred to a third party or otherwise disposed of, in each case, in connection with any enforcement by the Credit Facilities Collateral Agent, as the Applicable Collateral Agent, then the Liens in favor of the Notes Collateral Agent and the holders of any other Parity Lien Indebtedness upon such Collateral will automatically be released and discharged upon final conclusion of such disposition as and when, but only to the extent, such Liens of the Applicable Collateral Agent on such Collateral are released and discharged; *provided* that any proceeds of any Collateral realized therefrom shall be applied as described above. If in connection with any such foreclosure or other exercise of remedies by the Applicable Collateral Agent, the equity interests of any Person are foreclosed upon or otherwise disposed of and the Applicable Collateral Agent releases its Lien on the property or assets of such Person constituting Collateral, then the Liens of the Collateral Agent and the holders of any other Parity Lien Indebtedness with respect to any Collateral consisting of the property or assets of such Person constituting Collateral will be automatically released and discharged to the same extent as the Liens of the Applicable Collateral Agent are released and discharged.

Under the terms of the Pari Passu Intercreditor Agreement, if the Credit Facilities Collateral Agent or the Notes Collateral Agent or the holders of the secured notes (or the Parity Lien Representative in respect of, or any holders of, any other Parity Lien Indebtedness) receive any amounts in respect of the Collateral contrary to the terms of the Pari Passu Intercreditor Agreement, the applicable Parity Lien Representative or any such holder will be obligated to hold such amounts in trust and apply such proceeds ratably to the holders of secured notes and other Obligations under the Secured Notes Indenture, holders of the Credit Facilities Obligations and the holders of the Obligations in respect of other Parity Lien Indebtedness, in each case, in accordance with the terms of the Pari Passu Intercreditor Agreement.

If Parent, the Issuer or any other Guarantor shall become subject to a Bankruptcy or Insolvency Case and shall, as debtor(s)-in-possession, move for approval of financing ("*DIP Financing*") to be provided by one or more lenders (the "*DIP Lenders*") under Section 364 of the Bankruptcy Code, Section 11.2 of the CCAA, Section 50.6 of the BIA, or, if applicable, the use of cash collateral under Section 363 of the Bankruptcy Code, each holder of Parity Lien Obligations whose collateral agent is not the controlling representative for the Collateral (each, a "*Non-Controlling Secured Party*") agrees that it will not raise any objection to any such financing or to the Liens on the Collateral securing the same ("*DIP Financing Liens*") or to any use of cash collateral that constitutes Collateral, unless the

controlling representative of the Parity Lien Obligations whose collateral agent is the controlling representative for the Collateral (the "*Controlling Secured Party*") shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Collateral on the same terms as the Liens of the Credit Facilities Collateral Agent (other than any Liens of any holder of Parity Lien Indebtedness constituting DIP Financing Liens) are subordinated thereto and (ii) to the extent that such DIP Financing Liens rank pari passu with the Liens on any such Collateral granted to secure the Parity Lien Obligations of the Controlling Secured Parties, each Non-Controlling Party will confirm the priorities with respect to such Collateral as set forth in the Pari Passu Intercreditor Agreement), in each case, so long as (A) the holders of Parity Lien Indebtedness of each Series retain the benefit of their Liens on all such Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-à-vis all the other holders of other Parity Lien Indebtedness (other than any Liens of any holdings of Parity Lien Indebtedness constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy or Insolvency Case, (B) if available under applicable Bankruptcy Law, the holders of Parity Lien Indebtedness are granted Liens on any additional collateral pledged to any other holders of Parity Lien Indebtedness as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-à-vis the holders of Parity Lien Indebtedness (other than any Liens of any holdings of Parity Lien Indebtedness constituting DIP Financing Liens) as set forth in the Pari Passu Intercreditor Agreement, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Parity Lien Indebtedness, such amount is applied pursuant to the Pari Passu Intercreditor Agreement and (D) if any holders of Parity Lien Indebtedness are granted adequate protection with respect to the Parity Lien Indebtedness in connection with such DIP Financing and/or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the terms of the Pari Passu Intercreditor Agreement; *provided* that the holders of Parity Lien Indebtedness of each Series shall have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the holders of Parity Lien Indebtedness of that shall not constitute Collateral; *provided, further*, that the holders of Parity Lien Indebtedness receiving adequate protection shall not object to any other holder of Parity Lien Indebtedness receiving adequate protection comparable to any adequate protection granted to such holders of Parity Lien Indebtedness in connection with a DIP Financing or use of cash collateral.

It is the intention of the holders of Parity Lien Indebtedness of each Series that the holders of Parity Lien Indebtedness of such Series (and not the holders of Parity Lien Indebtedness of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the Parity Lien Indebtedness of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of Parity Lien Indebtedness), (y) any of the Parity Lien Indebtedness of such Series do not have a valid and perfected security interest in any of the Collateral securing any other Series of Parity Lien Indebtedness and/or (z) any intervening security interest exists securing any other obligations (other than another Series of Parity Lien Indebtedness) on a basis ranking prior to the security interest of such Series of Parity Lien Indebtedness but junior to the security interest of any other Series of Parity Lien Indebtedness or (ii) the existence of any Collateral for any other Series of Parity Lien Indebtedness that is not common Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of Parity Lien Indebtedness, an "Impairment" of such Series). In the event of any Impairment with respect to any Series of Parity Lien Indebtedness, the results of such Impairment shall be borne solely by the holders of such Series of Parity Lien Indebtedness, and the rights of the holders of such Series of Parity Lien Indebtedness (including, without limitation, the right to receive distributions in respect of such Series of Parity Lien Indebtedness permitted by the Pari Passu Intercreditor Agreement) set forth in the Pari Passu Intercreditor Agreement shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such Parity Lien Indebtedness subject to such Impairment. Additionally, in the event the Parity Lien Indebtedness of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code or other applicable Bankruptcy Law), any reference to such Parity Lien Indebtedness or the Parity Lien Documents governing such Parity Lien Indebtedness shall refer to such obligations or such documents as so modified.

Certain Covenants with Respect to the Collateral

The Collateral will be pledged pursuant to the Collateral Documents, which will contain provisions relating to identification of the Collateral and the maintenance of perfected Liens thereon. The following is a summary of some

of the covenants and provisions set forth in the Collateral Documents and the Secured Notes Indenture as they relate to the Collateral.

After-Acquired Property

Upon the acquisition by any of Parent, the Issuer or the other Guarantors after the Issue Date of any assets that would have constituted Collateral (which, for the avoidance of doubt, does not include Excluded Assets) had such assets been owned by Parent, the Issuer or the other Guarantor on the Issue Date, subject to certain exceptions set forth in the Collateral Documents, Parent, the Issuer or such Guarantor shall grant a first-priority perfected security interest (subject to Permitted Liens) upon any such Collateral to the Notes Collateral Agent for the benefit of the holders of the Secured Notes, and thereupon all provisions of the indenture and the Collateral Documents relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect.

Further Assurances

To the extent required under the Secured Notes Indenture or any of the Collateral Documents or the Pari Passu Intercreditor Agreement, Parent, the Issuer and the other Guarantors shall execute any and all further documents, financing statements, agreements and instruments, and take all further actions that may be required under applicable law, or that the Notes Collateral Agent or the Trustee may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests and Liens created or intended to be created by the Collateral Documents in the Collateral. In addition, to the extent required under the Secured Notes Indenture or any of the Collateral Documents, from time to time, Parent, the Issuer and the other Guarantors will reasonably promptly secure the obligations under the Secured Notes Indenture and Collateral Documents by pledging or creating, or causing to be pledged or created, perfected security interests and Liens with respect to the Collateral to the extent required by the Secured Notes Indenture and/or the Collateral Documents.

Foreclosure

Upon the occurrence and during the continuance of an Event of Default, but subject in all cases to the terms of the Pari Passu Intercreditor Agreement, the Collateral Documents will provide for (among other available remedies) the sale of, enforcement against or other realization upon, the applicable Collateral by the Notes Collateral Agent and the distribution of the net proceeds of any such sale to the holders of the secured notes (and other secured parties under the Secured Notes Indenture) and other Parity Lien Indebtedness on a pro rata basis, subject to any prior Liens on the Collateral and the provisions of the Pari Passu Intercreditor Agreement. In the event of realization on the Collateral, the proceeds from the sale of the Collateral may not be sufficient to satisfy in full the Issuer's obligations under the secured notes.

Certain Bankruptcy Limitations

In addition to the limitations described above, the right of the Notes Collateral Agent to obtain possession, exercise control over or dispose of the Collateral following an Event of Default would be significantly impaired (or at a minimum delayed) by applicable bankruptcy, insolvency, corporate arrangement, winding-up or similar laws if Parent, the Issuer or any other Guarantor were to have become a debtor under the Bankruptcy Code (or any similar law or statute under debtor relief, bankruptcy, insolvency, corporate arrangement, winding-up or similar laws in any applicable jurisdiction) prior to the Notes Collateral Agent having obtained possession, exercised control over or disposed of the Collateral. For example, upon the commencement of a case for relief under the Bankruptcy Code, a secured creditor, such as the Notes Collateral Agent, is prohibited by the automatic stay from obtaining possession of its collateral from a debtor in a bankruptcy case, or from exercising control over or disposing of collateral taken from such debtor, without prior bankruptcy court approval (which may not be given under the circumstances). Moreover, the Bankruptcy Code and other debtor relief, insolvency, corporate arrangement or similar laws permit the debtor in certain circumstances to continue to retain and to use collateral owned as of the date of the bankruptcy or insolvency filing (and the proceeds, products, offspring, rents or profits of such collateral) even though the debtor is in default under the applicable debt instruments, subject to certain protections that may be afforded to a secured creditor.

In view of the broad equitable powers of a U.S. bankruptcy court, as well as the lack of a precise definition of the term "adequate protection," it is impossible to predict whether or when payments under the secured notes could be made

following the commencement of a bankruptcy case (or the length of any delay in making such payments), whether or when the Notes Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at the time of the bankruptcy petition or thereafter or whether or to what extent holders of the secured notes would be compensated for any delay in payment or loss of value of the Collateral through adequate protection or otherwise.

Furthermore, in the event a bankruptcy court determines that the value of the Collateral (after giving effect to any Parity Lien Indebtedness) is not sufficient to repay all amounts due on the secured notes, the Indebtedness evidenced by the secured notes would be "undersecured" and the holders of the secured notes would only hold secured claims to the extent of the value of the Collateral and would hold unsecured claims as to the difference. The Bankruptcy Code permits the payment and/or accrual of post-petition interest, costs, expenses and fees to a secured creditor during a debtor's bankruptcy case only to the extent the value of the Collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the Collateral.

In addition, Parent, the Issuer or any other Guarantor (or any trustee or similar official appointed therefor) or creditors of Parent, the Issuer or any other Guarantor may seek to challenge the grant of the Collateral to the Collateral Agent as a fraudulent transfer or conveyance or otherwise under the Bankruptcy Code and/or applicable state law. If such a challenge were successful, the Liens may be avoided, leaving the holders of the secured notes with unsecured claims against the applicable entities. See "Risk Factors—Risks Related to the Notes and Our Indebtedness—Fraudulent transfer and conveyance laws, and similar laws in applicable foreign jurisdictions, permit a court, under certain circumstances, to void the notes and the guarantees, and, if that occurs, you may not receive any payments on the notes."

Information Regarding Collateral

The Issuer will furnish to the Notes Collateral Agent, with respect to Parent, the Issuer or any other Guarantor, written notice within 10 Business Days of any change in such Person's (1) legal name, (2) jurisdiction of organization or formation, (3) form of organization, or (4) organizational identification number to the extent such organizational identification number is necessary for the perfection of the assets of such Person. Parent, the Issuer and the other Guarantors agree to make all filings, publications and registrations under the UCC or other applicable law that are required in order for the Notes Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest to the extent required under the Secured Notes Indenture (subject only to Liens expressly permitted by the Secured Notes Indenture) in all the Collateral for its own benefit and the benefit of the other secured parties.

The Issuer shall deliver to the Trustee and the Notes Collateral Agent an Officer's Certificate attaching supplemental schedules required under the Collateral Documents to the extent required under and at the same time as similar supplemental schedules are delivered to the Credit Facilities Collateral Agent under the Senior Secured Credit Facilities and the Security Agreement (as defined in the Senior Secured Credit Facilities).

Refinancings of the Senior Secured Credit Facilities and the Secured Notes

The obligations under the Senior Secured Credit Facilities and the obligations under the Secured Notes Indenture and the secured notes may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent of the Credit Facilities Collateral Agent, the Notes Collateral Agent or the holder of any secured notes (except to the extent a consent is otherwise required to permit the refinancing transaction under the Senior Secured Credit Facilities or any security document related thereto or under the Secured Notes Indenture and the Collateral Documents), all without affecting the Lien priorities provided for in the Collateral Documents; *provided*, *however*, that the lenders providing or holders of any such refinancing or replacement Indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of the Pari Passu Intercreditor Agreement pursuant to a written agreement (including amendments or supplements to the Pari Passu Intercreditor Agreements) as required by the Pari Passu Intercreditor Agreement.

In addition, if at any time in connection with or after the discharge of Credit Facilities Obligations the Issuer enters into any replacement of the Senior Secured Credit Facilities secured by all or a portion of the Collateral on a first-priority Lien basis (subject to Permitted Liens), then such prior discharge of Credit Facilities Obligations shall automatically be deemed not to have occurred for all purposes of the Pari Passu Intercreditor Agreement, and the Obligations under such replacement Senior Secured Credit Facilities shall automatically be treated as Credit Facilities

Obligations for all purposes of the Pari Passu Intercreditor Agreement, including for purposes of the Lien priorities and rights in respect of the Collateral (or such portion thereof) set forth therein.

Notwithstanding any replacement or refinancing of the Senior Secured Credit Facilities or the entering into of a new Senior Secured Credit Facilities (whether or not such replacement or refinancing of the Senior Secured Credit Facilities immediately follows any prior discharge of the Senior Secured Credit Facilities previously in existence), the secured notes and the Guarantees shall be secured by the Collateral (it being understood that during the period the Senior Secured Credit Facilities is not in existence that the secured notes and the Guarantees will continue to be secured by a first-priority Lien, subject to Permitted Liens, on all of the Collateral).

In connection with any refinancing or replacement contemplated by the foregoing paragraphs, the Pari Passu Intercreditor Agreement may be amended at the request and sole expense of the Issuer, and without the consent of the Credit Facilities Collateral Agent, the Notes Collateral Agent or the holder of any secured notes (subject to compliance with certain conditions set forth in the Pari Passu Intercreditor Agreement with respect to the refinancing of existing Indebtedness and the incurrence of new Indebtedness), (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement indebtedness in compliance with the Senior Secured Credit Facilities and the Secured Notes Indenture and (b) to establish that Liens on any Collateral securing such refinancing or replacement Indebtedness shall have the same priority as the Liens on any Collateral securing the Indebtedness being refinanced or replaced, all on the terms provided for in the Secured Notes Indenture and the Collateral Documents immediately prior to such refinancing or replacement.

Redemption

Special Mandatory Redemption

If (i) the Escrow Agent has not received the Officer's Certificate described above under "—Escrow of Proceeds; Escrow Release Conditions," prior to the Escrow End Date and does not receive such Officer's Certificate on the Escrow End Date or (ii) the Issuer notifies the Escrow Agent and the Trustee, in writing, that the Issuer will not pursue the consummation of the Acquisition or that the Merger Agreement has been terminated in accordance with its terms (each of the above, a "*Special Mandatory Redemption Event*"), then the Escrow Agent shall, without the requirement of notice to or action by the Issuer, the Trustee or any other person, liquidate and release the Escrowed Property (including investment earnings thereon and proceeds thereof) to the Trustee, the Issuer shall send or cause to be sent a notice of redemption to the Holders of the secured notes and the Trustee shall apply (or cause a paying agent to apply) such proceeds to redeem the secured notes (the "*Special Mandatory Redemption*") on the third Business Day following the Special Mandatory Redemption Event (the "*Special Mandatory Redemption Date*") or as otherwise required by the applicable procedures of DTC, at a redemption price (the "*Special Mandatory Redemption Price*") equal to 100% of the issue price of the secured notes, plus accrued and unpaid interest from the Issue Date, or the most recent date to which interest has been paid, as the case may be, to, but excluding the Special Mandatory Redemption Date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date). On the Special Mandatory Redemption Date, after deduction of its and the Escrow Agent's fees and expenses, if any, the Trustee will pay to the Issuer any Escrowed Property in excess of the amount necessary to affect the Special Mandatory Redemption. If this offering is consummated at or following the time of the consummation of the Acquisition, we will forego the escrow procedures described in this "Description of Secured Notes" and in the offering circular.

Optional Redemption

At any time prior to , 2025, the secured notes will be redeemable, at the Issuer's option, in whole or in part from time to time, upon not less than 10 nor more than 60 days' written notice, at a price equal to 100% of the principal amount thereof plus the Applicable Premium (as defined below) plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date).

"*Applicable Premium*" means, with respect to a secured note at any redemption date, the greater of (1) 1.0% of the principal amount of such secured notes and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of such secured notes on , 2025 (such redemption price being that described in the fourth paragraph of this "—Optional Redemption" section) plus (ii) all required remaining scheduled interest payments due

on such secured note through , 2025, computed using a discount rate equal to the Treasury Rate (as defined below) plus 50 basis points; over (b) the then principal amount of such secured note on such redemption date. Calculation of the Applicable Premium will be made by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; *provided, however*, that such calculation, confirmation thereof or determination of the Treasury Rate referenced below, shall not be a duty or obligation of the Trustee.

"*Treasury Rate*" means, with respect to a redemption date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Selected Interest Rates (Daily) – H.15 that has become publicly available at least two Business Days prior to such redemption date (or, if such Selected Interest Rates is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to , 2025; *provided, however*, that if the period from such redemption date to , 2025 is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such redemption date to , 2025 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

In addition, the Issuer may redeem the secured notes at its option, in whole or in part, upon not less than 10 nor more than 60 days' written notice, at the following redemption prices (expressed as percentages of the principal amount thereof) plus accrued and unpaid interest, if any, to, but excluding, the redemption date if redeemed during the 12-month period commencing on of the year set forth below:

Year	**Percentage**
2025	%
2026	%
2027 and thereafter	100.000%

In addition, the Issuer must pay accrued and unpaid interest on the secured notes redeemed to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date).

Optional Redemption upon Equity Offerings

At any time, or from time to time, on or prior to , 2026, the Issuer may, at its option, use an amount of cash up to the Net Cash Proceeds of one or more Equity Offerings (as defined below) to redeem, upon not less than 10 nor more than 60 days' written notice up to 40% of the principal amount of the secured notes (including any Additional Notes) outstanding under the Secured Notes Indenture at a redemption price of % of the principal amount thereof plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date); *provided* that:

(1) at least 50% of the principal amount of secured notes (including any Additional Notes) outstanding under the Secured Notes Indenture remains outstanding immediately after any such redemption; and

(2) the Issuer makes such redemption not more than 90 days after the consummation of any such Equity Offering.

"*Equity Offering*" means any public or private offering of Qualified Capital Stock of Parent (other than offerings registered on Form S-8 or any successor form).

Optional Redemption for Changes in Withholding Tax

If, as a result of:

(1) any amendment to, or change in, the laws or treaties (or regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction which is announced and becomes effective on or

after the Issue Date (or, where a jurisdiction in question does not become a Relevant Taxing Jurisdiction until a later date, such later date); or

(2) any amendment to, or change in, the existing official written position or the introduction of a written official position regarding the application, interpretation, administration or assessing practices of any such laws, regulations or rulings of any Relevant Taxing Jurisdiction, or a judicial decision rendered by a court of competent jurisdiction (whether or not made, taken or reached with respect to Parent, the Issuer or any of the other Guarantors) which is announced on or after, and becomes effective on or after (for the avoidance of doubt, including retroactive implementation with an effective date prior to), the Issue Date (or, where a jurisdiction in question does not become a Relevant Taxing Jurisdiction until a later date, such later date),

any Payor has become or will become obligated to pay, on the next date on which any amount would be payable with respect to the secured notes or a Guarantee, as applicable, Additional Amounts or indemnification payments as described above under the heading "—Additional Amounts" with respect to the Relevant Taxing Jurisdiction, which payment the Payor (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Payor without the obligation to pay Additional Amounts) cannot avoid with the use of reasonable measures available to it (including making payment through a paying agent located in another jurisdiction), then the Issuer may, at its option, redeem all but not less than all of the secured notes issued by it, upon not more than 60 days' notice prior to the earliest date on which a Payor would be required to pay such Additional Amounts or indemnification payments, at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date). The Issuer will not give any such notice of redemption unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. Prior to the giving of any notice of redemption described in this paragraph, the Issuer will deliver to the Trustee a written opinion of independent legal counsel to the Payor of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld, conditioned or delayed), to the effect that the Payor has or will become obligated to pay such Additional Amounts or indemnification payments as a result of an amendment or change described above.

In addition, prior to the giving of any such notice of redemption, the Issuer will deliver to the Trustee an Officer's Certificate to the effect that the obligation to pay Additional Amounts cannot be avoided by the applicable Payor (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Payor without the obligation to pay Additional Amounts) taking reasonable measures available to it; *provided* that changing the jurisdiction of incorporation or formation of the applicable Payor shall not be considered a reasonable measure.

The Trustee will accept and may rely conclusively on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described above under "—Special Mandatory Redemption," the Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the secured notes. However, under certain circumstances, the Issuer may be required to offer to purchase secured notes as described under "—Change of Control" and "—Certain Covenants—Limitation on Asset Sales." We may at any time and from time to time purchase secured notes in the open market or otherwise.

Selection and Notice of Redemption

If less than all of the secured notes are to be redeemed at any time, the Trustee will select such secured notes for redemption (1) in compliance with the requirements of the principal securities exchange, if any, on which the secured notes are listed, as certified to the Trustee by the Issuer, (2) if the secured notes are not so listed or such exchange prescribes no method of selection, in compliance with the requirements of DTC, or (3) if the secured notes are not so listed or such exchange prescribes no method of selection, and the secured notes are not held through DTC or DTC prescribes no method of selection, on a pro rata basis, by round lot, subject to adjustments so that no secured note in

an unauthorized denomination remains outstanding after such redemption; *provided, however*, that no secured note of $2,000 in aggregate principal amount or less shall be redeemed in part.

Except as described above under "—Special Mandatory Redemption," notice of redemption will be sent electronically or mailed by first-class mail at least 10 but not more than 60 days before the redemption date to each Holder of secured notes to be redeemed at its registered address. On and after the redemption date, interest will cease to accrue on secured notes or portions thereof called for redemption as long as the Issuer has deposited with the paying agent funds in satisfaction of the applicable redemption price.

Notwithstanding the foregoing, in connection with any Change of Control Offer or Net Proceeds Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding secured notes validly tender and do not validly withdraw such secured notes in such Change of Control Offer or Net Proceeds Offer and the Issuer, or any third party making a such Change of Control Offer or Net Proceeds Offer in lieu of the Issuer, purchases all of the secured notes validly tendered and not withdrawn by such Holders, all of the Holders will be deemed to have consented to such Change of Control Offer or Net Proceeds Offer and accordingly, the Issuer or such third party will then have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all secured notes that remain outstanding following such purchase at a redemption price equal to the price offered to each other Holder in such Change of Control Offer or Net Proceeds Offer plus, to the extent not included, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date.

Notice of any redemption of the secured notes in connection with a corporate transaction (including an Equity Offering, an incurrence of Indebtedness, an amalgamation, consolidation or merger or a Change of Control) may, at the Issuer's discretion, be given prior to the completion thereof and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived by the Issuer (in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date as so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the secured note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose secured notes will be subject to redemption by the Issuer.

Guarantees

If this offering is consummated prior to the consummation of the Acquisition, from and after the Issue Date, the secured notes will be guaranteed by Parent. On the Escrow Release Date, if the Acquisition is consummated, or on the issue date of the secured notes if the Acquisition occurs concurrently with the consummation of this offering, Parent and each of Parent's other subsidiaries that is a borrower, or guarantees indebtedness, under the Senior Secured Credit Facilities or the Unsecured Notes Indenture (the "*Guarantors*") will, jointly and severally, fully and unconditionally guarantee (the "*Guarantees*"), on a senior secured basis, all of the Issuer's obligations under the Secured Notes Indenture and the secured notes and execute a supplemental indenture. The obligations of each Guarantor under its Guarantee will be limited to prevent the Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. See "Risk Factors—Risks Related to the Notes and Our Indebtedness—Fraudulent transfer and conveyance laws, and similar laws in applicable foreign jurisdictions, permit a court, under certain circumstances, to void the notes and the guarantees, and, if that occurs, you may not receive any payments on the notes." Notwithstanding the foregoing, any entity that is (a) a CFC, (b) a U.S. Person all or substantially all of the assets of which consist of the Equity Interests of one or more CFCs or (c) a U.S. Person that is a Subsidiary of a CFC, will not provide a Guarantee except in each case to the extent as agreed under the Senior Secured Credit Facilities (each such entity not required to provide a Guarantee under clause (a), (b) or (c), an "*Excluded CFC Entity*"); *provided*, that none of Ironplanet Mexico, S. de R.L. de C.V., IAA International Holdings Limited and Synetiq Holdings Limited shall be considered an Excluded CFC Entity. Under this "Description of Secured Notes," (x) a "*CFC*" means any controlled foreign corporation for U.S. federal income tax purposes that is owned (within the meaning of Section

958(a) of the Code) by either the Issuer or any Affiliate of the Issuer that is a U.S. Person and a corporation for U.S. federal income tax purposes, and (y) a "*U.S. Person*" means any United States person (within the meaning of Section 7701(a)(30) of the Code).

Each Guarantor may amalgamate or consolidate with or merge into or sell its assets to Parent, the Issuer or another Guarantor without limitation, or with other Persons, upon the terms and conditions set forth in the Secured Notes Indenture. See "Certain Covenants—Merger, Consolidation and Sale of Assets." In the event all of the Capital Stock of a Guarantor that is owned by Parent or any of its Subsidiaries is sold and the sale complies with the provisions set forth in "—Certain Covenants—Limitation on Asset Sales" or a Restricted Subsidiary that is a Guarantor is properly designated as an Unrestricted Subsidiary, the Guarantor's Guarantee will be automatically released. Further, the Secured Notes Indenture will provide that a Guarantor's Guarantee will be automatically released upon the earlier of (1) such Guarantor being released from, or discharged of, its guarantee of, and all pledges and security, if any, granted by such Guarantor in connection with, the Senior Secured Credit Facilities, the Unsecured Notes Indenture or such other guarantee that resulted in the creation of such Guarantee (except, in the case of the Senior Secured Credit Facilities and the Unsecured Notes Indenture, a release by or as a result of a payment thereon), and (2) Legal Defeasance with respect to the secured notes or satisfaction and discharge of the Secured Notes Indenture as described below under the sections titled "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge." Not all of Parent's Subsidiaries will guarantee the secured notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, these non-guarantor Subsidiaries will pay the holders of their debts and their trade creditors before they will be able to distribute any of their assets to us. As of December 31, 2022, on a historical basis (without giving effect to the Transactions), (a) our existing subsidiaries that will not be Guarantors of the secured notes following the consummation of the Transactions had $72.7 million of liabilities (to which the secured notes would have been structurally subordinated) and $256.2 million of assets, excluding intercompany balances, and (b) IAA's existing subsidiaries that will not be Guarantors of the secured notes following the consummation of the Transactions had $942.7 million of liabilities (to which the secured notes would have been structurally subordinated) and $1,721.9 million of assets, excluding intercompany balances.

Holding Company Structure

The Issuer is a holding company for its Subsidiaries, with no material operations of its own and only limited assets. Accordingly, the Issuer is dependent upon the distribution of the earnings of its Subsidiaries, whether in the form of dividends, advances or payments on account of intercompany obligations, to service its debt obligations. In addition, the claims of the Holders are subject to the prior payment of all liabilities (whether or not for borrowed money) and to any preferred stock interest of such Subsidiaries other than the Guarantors. We cannot assure you that, from and after the Escrow Release Date, after providing for all prior claims, there would be sufficient assets available from Parent, the Issuer and the other Guarantors to satisfy the claims of the Holders of secured notes. See "Risk Factors—Risks Related to the Notes and Our Indebtedness—If Ritchie Bros.' subsidiaries do not make sufficient distributions to the Issuer, the Issuer will not be able to make payments on its debt, including the notes."

Change of Control

Upon the occurrence of a Change of Control, the Issuer will offer to purchase all or a portion of such Holder's secured notes pursuant to the offer described below (a "*Change of Control Offer*"), at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the date of purchase.

Within 30 days following the date upon which the Change of Control occurred, the Issuer must send a written notice to each Holder, with a copy to the Trustee, which notice shall govern the terms of the Change of Control Offer. Such notice shall state, among other things, the purchase date, which (unless otherwise required by law) must be no earlier than 30 days nor later than 60 days from the date such notice is sent (the "*Change of Control Payment Date*"). Holders electing to have a secured note purchased pursuant to a Change of Control Offer will be required to surrender the secured note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the secured note completed, to the paying agent at the address specified in the notice prior to the close of business on the third Business Day prior to the Change of Control Payment Date. If the secured note is in global form, Holders will be required to follow applicable DTC procedures.

If a Change of Control Offer is made, we cannot assure you that the Issuer will have available funds sufficient to pay the Change of Control purchase price for all the secured notes that might be delivered by Holders seeking to accept

the Change of Control Offer. In the event the Issuer is required to purchase outstanding secured notes pursuant to a Change of Control Offer, the Issuer may seek third party financing to the extent it does not have available funds to meet its purchase obligations. However, we cannot assure you that the Issuer would be able to obtain such financing.

Neither the Board of Directors of the Issuer nor the Trustee may waive the covenant relating to the Issuer's obligation to make a Change of Control Offer upon the occurrence of a Change of Control. The Issuer's obligation to make a Change of Control Offer upon the circumstances described herein, and restrictions in the Secured Notes Indenture described herein on the ability of the Issuer, Parent and Parent's Restricted Subsidiaries to incur additional Indebtedness, to grant liens on its property, to make Restricted Payments and to make Asset Sales may make more difficult or discourage a takeover of the Issuer, whether favored or opposed by the management of the Issuer. Consummation of any such transaction in certain circumstances may require redemption or repurchase of the secured notes, and we cannot assure you that the Issuer or the acquiring party will have sufficient financial resources to effect such redemption or repurchase. Such restrictions and the restrictions on transactions with Affiliates may, in certain circumstances, make more difficult or discourage any leveraged buyout of the Issuer or any of its Subsidiaries by the management of the Issuer. While such restrictions cover a wide variety of arrangements which have traditionally been used to effect highly leveraged transactions, the Secured Notes Indenture may not afford the Holders protection in all circumstances from the adverse aspects of a highly leveraged transaction, reorganization, restructuring, amalgamation, merger or similar transaction.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of secured notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of the Secured Notes Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the "Change of Control" provisions of the Secured Notes Indenture by virtue thereof.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Secured Notes Indenture applicable to a Change of Control Offer made by the Issuer and purchases all secured notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption of all outstanding secured notes has been given pursuant to the Secured Notes Indenture as described above under the caption "—Optional Redemption," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of Parent to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of secured notes may require the Issuer to make an offer to repurchase the secured notes as described above.

Certain Covenants

Changes in Covenants When Secured Notes Rated Investment Grade

Beginning on the date following the Issue Date that:

(1) the secured notes have an Investment Grade Rating; and

(2) no Default or Event of Default shall have occurred and be continuing,

and ending on the date (the "*Reversion Date*") that either Rating Agency ceases to have an Investment Grade Rating on the secured notes (such period of time, the "*Suspension Period*"), the covenants specifically listed under the following captions in this "Description of Secured Notes" will no longer be applicable to the secured notes:

(1) "—Limitation on Incurrence of Additional Indebtedness";

(2) "—Limitation on Restricted Payments";

(3) "—Limitation on Asset Sales";

(4) "—Limitation on Dividend and Other Payment Restrictions Affecting Guarantors";

(5) "—Limitations on Transactions with Affiliates";

(6) clause (2) of the covenant listed under "—Merger, Consolidation and Sale of Assets."

During a Suspension Period, the Issuer's or Parent's Board of Directors may not designate any of Parent's Subsidiaries as Unrestricted Subsidiaries under the Secured Notes Indenture.

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred pursuant to and permitted under the first paragraph of "—Limitation on Incurrence of Additional Indebtedness" or one of the clauses set forth in the definition of Permitted Indebtedness (to the extent such Indebtedness would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to Indebtedness incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent any Indebtedness would not be permitted to be incurred pursuant to the first paragraph of "—Limitation on Incurrence of Additional Indebtedness" or any of the clauses set forth in the definition of Permitted Indebtedness, such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as Permitted Indebtedness under clause (3) of the definition of Permitted Indebtedness and permitted to be refinanced under clause (16) of the definition of Permitted Indebtedness.

Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under the covenant described under "—Limitation on Restricted Payments" will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect during the entire period of time after the Issue Date and prior to, but not during, the Suspension Period and, accordingly, all Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under clause (iii) of the first paragraph of such covenant.

In addition, for purposes of the covenant described under "—Limitations on Transactions with Affiliates," all Affiliate Transactions entered into by Parent or any of its Restricted Subsidiaries with an Affiliate of Parent during the applicable Suspension Period prior to such Reversion Date will be deemed to have been entered into on or prior to the Issue Date, and for purposes of the covenant described under "—Limitation on Dividend and Other Payment Restrictions Affecting Guarantors," all contracts entered into during the applicable Suspension Period prior to such Reversion Date that contain any of the restrictions contemplated by such covenant will be deemed to have been existing on the Issue Date. For purposes of the "—Limitation on Asset Sales" covenant, on the Reversion Date, the unutilized Net Cash Proceeds amount will be reset to zero.

Notwithstanding the fact that covenants suspended during a Suspension Period may be reinstated, (1) no Default or Event of Default or breach of any kind will be deemed to have occurred, and none of Parent, the Issuer or any of Parent's Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with such covenants during the Suspension Period or at the time such covenants are reinstated and (2) following a Reversion Date, Parent, the Issuer and each of Parent's Restricted Subsidiaries will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

The Issuer shall give the Trustee written notice of any Suspension Event and in any event not later than five (5) Business Days after such Suspension Event has occurred. The Issuer shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date.

There can be no assurances that the secured notes will ever achieve or maintain an Investment Grade Rating.

Limitation on Incurrence of Additional Indebtedness

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "*incur*") any Indebtedness (including, without limitation, Acquired Indebtedness); *provided*, *however*, that Parent and its Restricted Subsidiaries may incur Indebtedness (including, without limitation, Acquired Indebtedness) if on the date of the incurrence of such Indebtedness, after giving pro forma effect to the incurrence thereof, the Consolidated Fixed Charge Coverage Ratio is at least 2.0 to 1.0; *provided*, *further*, that any Restricted Subsidiary of Parent that is not or will not, upon such incurrence, become a Guarantor may not incur Indebtedness under this paragraph if, after giving pro forma effect to such incurrence (including a pro forma application of the net proceeds therefrom), more than an aggregate principal amount equal to the greater of (A) $110.0 million and (B) 10% of Consolidated EBITDA for the Applicable Measurement Period of Indebtedness of such non-Guarantor Subsidiary would be outstanding under this paragraph at such time.

The foregoing limitations will not apply to each of the following, without duplication (collectively, "*Permitted Indebtedness*"):

(1) Indebtedness under the secured notes issued on the Issue Date (including the related Guarantees);

(2) (a) Indebtedness incurred pursuant to Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the sum of $3,415 million and (b) an additional aggregate principal amount of Consolidated Total Secured Indebtedness in an amount such that, on a pro forma basis after giving effect to the incurrence of such Indebtedness (and application of the net proceeds therefrom), the Consolidated Secured Debt Ratio would be no greater than 3.50 to 1.00;

(3) (x) Indebtedness represented by the unsecured notes, including any guarantee thereof, and (y) Indebtedness of Parent and its Restricted Subsidiaries outstanding on the Issue Date (other than Indebtedness under clause (1) and (2) above) (including any amendments or replacements thereof that do not increase the principal amount);

(4) Interest Swap Obligations of Parent or any of its Restricted Subsidiaries covering Indebtedness of Parent or such Restricted Subsidiary; *provided*, *however*, that (a) such Interest Swap Obligations are entered into for the purpose of mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by Parent or such Restricted Subsidiary, or changes in the value of securities issued by Parent or such Restricted Subsidiary, and not for purposes of speculation or taking a "market view";

(5) Indebtedness under Currency Agreements; *provided* that in the case of Currency Agreements which relate to Indebtedness, such Currency Agreements do not increase the Indebtedness of Parent and its Restricted Subsidiaries outstanding other than as a result of fluctuations in currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) Indebtedness of Parent owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary of Parent owing to and held by Parent or any other Restricted Subsidiary of Parent; *provided*, *however*, that: (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than Parent or a Restricted Subsidiary of Parent, and (b) any sale or other transfer (excluding Permitted Liens) of any such Indebtedness to a Person other than Parent or a Restricted Subsidiary of Parent, shall be deemed, in each case, to be the incurrence of Indebtedness by Parent or such Restricted Subsidiary, as the case may be, not permitted by this clause (6);

(7) (a) obligations pursuant to any Cash Management Agreement and other Indebtedness in respect of netting services, overdraft protections and similar arrangements, (b) 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 and (c) Cash Pooling Arrangements (including for the avoidance of doubt any Indebtedness arising vis a vis the Cash Pooling Arrangements providers and/or between any of Parent and/or Subsidiaries of Parent as a whole by reason of the implementation of such Cash Pooling Arrangements);

(8) Indebtedness of Parent or any of its Restricted Subsidiaries (a) represented by letters of credit, pledges or deposits for the account of Parent or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance, the purchase of goods or other requirements in the ordinary course of business or (b) owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business;

(9) Indebtedness represented by guarantees by Parent or its Restricted Subsidiaries of Indebtedness otherwise permitted to be incurred under the Secured Notes Indenture; *provided* that, in the case of a guarantee by a Restricted Subsidiary, such Restricted Subsidiary complies with the covenant described under "—Additional Subsidiary Guarantees" to the extent applicable;

(10) Indebtedness of Parent or any of its Restricted Subsidiaries in respect of bid, payment and performance bonds, bankers' acceptances, workers' compensation claims, surety or appeal bonds, payment obligations in connection with insurance or similar obligations, and bank overdrafts (and letters of credit in respect thereof) in the ordinary course of business;

(11) Indebtedness of Parent or any Restricted Subsidiary consisting of guarantees, earn-outs, incentives, non-competes, consulting, indemnities or other similar arrangements or obligations (contingent or other) in respect of purchase price adjustments in connection with the acquisition (including the Acquisition and related transactions) or disposition of assets;

(12) Indebtedness of (x) Parent or any Restricted Subsidiary incurred or issued to finance an acquisition or (y) Persons that are acquired by Parent or any Restricted Subsidiary or merged into or amalgamated or consolidated with Parent or a Restricted Subsidiary in accordance with the terms of the Secured Notes Indenture; *provided* that after giving effect to such acquisition, merger, amalgamation or consolidation, either: (a) Parent would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant; (b) the Consolidated Fixed Charge Coverage Ratio of Parent and its Restricted Subsidiaries would not be lower than immediately prior to such acquisition, merger, amalgamation or consolidation; or (c) such Indebtedness constitutes Acquired Indebtedness; *provided* that, with respect to this clause (c), the only obligors with respect to such Acquired Indebtedness shall be those Persons who were obligors of such Acquired Indebtedness prior to such acquisition, merger, amalgamation or consolidation; *provided*, *further*, that any Restricted Subsidiary of Parent (other than the Issuer) that is not or will not, upon such incurrence, become a Guarantor may not incur Indebtedness under clause (x) of this clause (12) if, after giving pro forma effect to such incurrence (including a pro forma application of the net proceeds therefrom), more than an aggregate principal amount equal to $150.0 million of Indebtedness of such non-Guarantor Subsidiary would be outstanding under clause (x) of this clause (12) at such time.

(13) Indebtedness represented by Capitalized Lease Obligations and Purchase Money Indebtedness of Parent and its Restricted Subsidiaries in an aggregate principal amount at any time outstanding, including any Refinancing Indebtedness in respect thereof, not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA for the Applicable Measurement Period;

(14) Indebtedness of International Restricted Subsidiaries (other than Canadian Restricted Subsidiaries) of Parent in connection with letters of credit and bank guarantees in an aggregate principal amount at any time outstanding not to exceed the greater of (A) $150.0 million and (B) 15% of Consolidated EBITDA for the Applicable Measurement Period;

(15) Indebtedness of Parent evidenced by commercial paper issued by Parent; *provided* that the aggregate outstanding principal amount of Indebtedness incurred pursuant to clause (2) above and this clause (15) does not exceed the maximum amount of Indebtedness permitted under clause (2) above;

(16) Refinancing Indebtedness in respect of Indebtedness described in clauses (1), (2), (3), (4), (5), (12) and (14) above, this clause (16) and clause (18) below;

(17) Indebtedness represented by Secured Foreign Credit Facilities;

(18) additional unsecured Indebtedness in the form of one or more revolving credit facilities with one or more commercial banks in an aggregate principal amount at any time outstanding not to exceed $200.0 million;

(19) additional Indebtedness of Parent and the Restricted Subsidiaries in an aggregate principal amount at any time outstanding, including any Refinancing Indebtedness in respect thereof, not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA for the Applicable Measurement Period; and

(20) Indebtedness incurred pursuant to a Receivables Facility.

For purposes of determining compliance with this covenant:

(a) in determining any particular amount of Indebtedness under this covenant, guarantees, Liens or letter of credit obligations supporting Indebtedness otherwise included in the determination of such particular amount shall not be included;

(b) in the event that all or a portion of an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (20) above or is permitted to be incurred pursuant to the Consolidated Fixed Charge Coverage Ratio provisions of such covenant, the Issuer shall, in its sole discretion, divide, classify and reclassify such item or portion of such item of Indebtedness in any manner that complies with such covenant, including under the first paragraph of such covenant if such reclassified Indebtedness could then be incurred under such test, except that Indebtedness outstanding under the Senior Secured Credit Facilities on the Issue Date or the Escrow Release Date shall be deemed to have been incurred on the Issue Date or the Escrow Release Date under clause (2) above and may not be reclassified;

(c) accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of this covenant;

(d) in connection with Parent, the Issuer or a Restricted Subsidiary of Parent's entry into an instrument containing a binding commitment in respect of any revolving Indebtedness, the Issuer may elect, pursuant to an Officer's Certificate delivered to the Trustee, to treat all or any portion of such commitment (any such amount elected until revoked as described below, an "*Elected Amount*") under any Indebtedness which is to be incurred (or any commitment in respect thereof) or secured by a Lien, as the case may be, as being incurred as of such election date, and (i) any subsequent incurrence of Indebtedness under such commitment (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of any calculation under the Secured Notes Indenture, to be an incurrence of additional Indebtedness or an additional Lien at such subsequent time, (ii) the Issuer may revoke an election of an Elected Amount at any time pursuant to an Officer's Certificate delivered to the Trustee and (iii) for purposes of all subsequent calculations of the Consolidated Debt Ratio and the Consolidated Secured Debt Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding, so long as the applicable commitment remains outstanding; and

(e) the principal amount of Indebtedness outstanding under any clause of this covenant shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of Parent as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under this covenant, the Issuer shall be in default of this covenant).

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt, and the amount of such debt will not be deemed to change as a result of fluctuations in currency exchange rates after such date of incurrence or commitment; *provided*, that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (a) the principal amount of such Indebtedness being refinanced plus (b) the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including, without limitation, tender premiums) and other costs and expenses (including, without limitation, original issue discount, upfront fees or similar fees) Incurred in connection with such refinancing.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that Parent or a Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Issuer and Parent will not, and will not permit any other Guarantor to, directly or indirectly, incur any Indebtedness which by its terms (or by the terms of any agreement governing such Indebtedness) is expressly subordinated in right of payment to any other Indebtedness of the Issuer, Parent or such Guarantor, as the case may be, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinate to the secured notes or the applicable Guarantee, as the case may be, to the same extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuer, Parent or such Guarantor, as the case may be. For purposes of the foregoing all other purposes under the Secured Notes Indenture, no Indebtedness will be deemed to be subordinated or junior in right of payment to any other Indebtedness of the Issuer, Parent or any other Guarantor solely by virtue of such Indebtedness being unsecured or by virtue of the fact that the holders of such Indebtedness have entered into one or more intercreditor agreements or similar arrangements giving one or more of such holders priority over the other holders in the collateral securing such Indebtedness.

Limitation on Restricted Payments

Parent will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution (other than (A) dividends or distributions payable in Qualified Capital Stock of Parent or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, Parent or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Capital Stock in such class or series of securities) on or in respect of shares of Parent's Capital Stock to holders of such Capital Stock;

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of Parent or any warrants, rights or options to purchase or acquire shares of any class of such Capital Stock (other than Disqualified Capital Stock within 365 days of the Stated Maturity thereof);

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, earlier than one year prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than Subordinated Indebtedness held by Parent or any of its Restricted Subsidiaries); or

(4) make any Investment (other than Permitted Investments)

(each of the foregoing actions set forth in clauses (1), (2), (3) and (4) being referred to as a "*Restricted Payment*"), if at the time of such Restricted Payment or immediately after giving effect thereto,

(i) a Default or an Event of Default shall have occurred and be continuing; or

(ii) Parent is not able to incur at least $1.00 of additional Indebtedness in compliance with the first paragraph of the covenant described under "—Limitation on Incurrence of Additional Indebtedness"; or

(iii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the first day of the fiscal quarter of Parent during which the Issue Date occurs (the amount expended for such purposes, if other than in cash, being the fair market value of such property as determined in good faith by the Board of Directors of Parent or the Issuer) shall exceed the sum, without duplication, of:

(w) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income shall be a loss, minus 100% of such loss) of Parent earned subsequent to the first day of the fiscal quarter of the Issuer during which the Issue Date occurs and on or prior to the date the Restricted Payment occurs (the "*Reference Date*") (treating such period as a single accounting period); plus

(x) 100% of the aggregate net cash proceeds and the fair market value of readily marketable securities or other property received by Parent from any Person (other than a Subsidiary of Parent) from (i) the issuance and sale subsequent to the Issue Date and on or prior to the Reference Date of Qualified Capital Stock of Parent or (ii) from the issue and sale subsequent to the Issue Date and on or prior to the Reference Date of Disqualified Capital Stock or convertible or exchangeable debt securities of Parent, in the case of this clause (ii), that has been converted into or exchange for Qualified Capital Stock; plus

(y) without duplication of any amounts included in clause (iii)(x) above, 100% of the aggregate net cash proceeds and fair market value of readily marketable securities or other property, of any equity contribution received by Parent subsequent to the Issue Date (excluding, in the case of clauses (iii)(x) and (y), any such net cash proceeds to the extent used to (I) redeem the secured notes in compliance with the provisions set forth under "—Redemption—Optional Redemption upon Equity Offerings" or (II) to make a Restricted Payment pursuant to clauses (2) or (3) of the immediately succeeding paragraph); plus

(z) the sum of:

(1) the aggregate amount in cash and fair market value of other property returned on or with respect to Investments (other than Permitted Investments) made subsequent to the Issue Date whether through interest payments, principal payments, dividends, by merger, consolidation amalgamation or other distribution, payment or transfer;

(2) the net cash proceeds received by Parent or any of its Restricted Subsidiaries subsequent to the Issue Date from the disposition of all or any portion of such Investments (other than to Parent or a Subsidiary of Parent); and

(3) upon redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary (except to the extent the Investment constituted a Permitted Investment), the fair market value of such Subsidiary;

provided, *however*, that the sum of subclauses (z)(1), (z)(2) and (z)(3) above shall not exceed the aggregate amount of all such Investments made subsequent to the Issue Date; and *provided*, *further*, that the issuance of Capital Stock of Parent to provide consideration for the Acquisition will not increase the capacity for Restricted Payments as set forth in this clause (iii); plus

(aa) $650.0 million.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of such dividend or distribution or giving of the redemption notice, as the case may be, if the dividend, distribution or redemption payment would have been permitted on the date of declaration or giving of the redemption notice;

(2) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any shares of Capital Stock of Parent, either (i) solely in exchange for shares of Qualified Capital Stock of Parent or (ii) through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of Parent) of shares of Qualified Capital Stock of Parent;

(3) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any Indebtedness of the Issuer, Parent or a Guarantor that is subordinate or junior in right of payment to the secured notes or such Guarantor's Guarantee, as the case may be, or the acquisition of Disqualified Capital Stock, in each case, either (i) solely in exchange for shares of Qualified Capital Stock of Parent, or (ii) in exchange for, or by conversion into, or through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of Parent), of (a) shares of Qualified Capital Stock of Parent or (b) Refinancing Indebtedness;

(4) if no Default or Event of Default shall have occurred and be continuing, repurchases, redemptions or other acquisitions by Parent of Common Stock of Parent (or options or warrants to purchase such Common Stock) from directors, officers, employees and consultants of Parent or any of its Subsidiaries or their authorized representatives upon the death, disability, retirement or termination of employment of such directors, officers, employees or consultants, in an aggregate amount not to exceed the sum of (x) $5.0 million and (y) the amount of Restricted Payments permitted but not made pursuant to this clause (4) in prior fiscal years; *provided* that no more than $5.0 million may be carried forward to any succeeding fiscal year; *provided*, *further*, *however*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by Parent or any of its Restricted Subsidiaries from the sale of Qualified Capital Stock of Parent to directors, officers, employees or consultants of Parent or its Restricted Subsidiaries subsequent to the Issue Date (*provided* that the amount of cash proceeds utilized for any such repurchase, redemption or other acquisition or dividend will not increase the amount available for Restricted Payments under clause (4)(iii) of the preceding paragraph); plus

(b) the cash proceeds of key man life insurance policies received by Parent or its Restricted Subsidiaries after the Issue Date;

provided that cancellation of Indebtedness owing to Parent or any of its Restricted Subsidiary from any present or former directors, officers, employees or consultants of Parent or any of its Restricted Subsidiaries in connection with a repurchase of Capital Stock of Parent will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Secured Notes Indenture;

(5) if no Event of Default shall have occurred and be continuing, other Restricted Payments in an amount not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA for the Applicable Measurement Period in any fiscal year; *provided* that any unused portion of the preceding basket for any fiscal year (commencing with the fiscal year in which the Issue Date occurred) may be carried forward to the succeeding fiscal years;

(6) additional Restricted Payments; *provided, however*, that (i) after giving pro forma effect to any such Restricted Payment, the Consolidated Debt Ratio shall be less than or equal to 3.00 to 1.00 and (ii) no Event of Default shall have occurred and be continuing;

(7) in the event of a Change of Control, and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer, Parent or any other Guarantor, in each case at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness, plus accrued and unpaid interest thereon; *provided, however*, that prior to, or concurrently with, such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer (or a third party to the extent permitted by the Secured Notes Indenture) has made a Change of Control Offer with respect to the secured notes as a result of such Change of Control and has repurchased all secured notes validly tendered and not withdrawn in connection with such Change of Control Offer;

(8) in the event of an Asset Sale that requires the Issuer to offer to repurchase secured notes pursuant to the covenant described under "—Limitation on Asset Sales," and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer, Parent or any other Guarantor, in each case at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness, plus accrued and unpaid interest thereon; *provided, however*, that (A) prior to, or concurrently with, such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer has made an offer with respect to the secured notes pursuant to the provisions of the covenant described under "—Limitation on Asset Sales" and has repurchased all secured notes validly tendered and not withdrawn in connection with such offer and (B) the aggregate amount of all such payments, purchases, redemptions, defeasances or other acquisitions or retirements of all such Subordinated Indebtedness may not exceed the amount of the Net Cash Proceeds Amount remaining after the Issuer has complied with clause (3) of the covenant described under "—Limitation on Asset Sales";

(9) (a) repurchases of Common Stock deemed to occur upon the exercise of stock options, warrants, rights or other Equity Interests if the Common Stock represents a portion of the exercise price thereof or withholding taxes payable in connection with the exercise thereof and (b) Restricted Payments by Parent or any Restricted Subsidiary of Parent to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of stock options, warrants, rights or other Equity Interests or upon the conversion or exchange of Capital Stock of such Person;

(10) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Parent or a Restricted Subsidiary of Parent by, Unrestricted Subsidiaries;

(11) (a) any Restricted Payment used to consummate the Transactions and to fund the payment of fees and expenses incurred in connection with the Transactions or owed by Parent or any Restricted Subsidiary of Parent, and any other payments made, including any such payments made to any direct or indirect parent of the Issuer to enable it to make payments in connection with the consummation of the Transactions, prior to or on or about the Escrow Release Date, in each case to the extent not materially inconsistent with the description of the Acquisition in the Offering Circular and (b) any Restricted Payment made under the Merger Agreement or otherwise in connection with the Transactions;

(12) the payment of any dividend or distribution by a Restricted Subsidiary that is a member of a consolidated, combined, or similar group (for this purpose, including a Restricted Subsidiary that is an entity disregarded from any such member for relevant tax purposes), in an amount necessary for

the parent of the group filing consolidated, combined, or similar returns with such Restricted Subsidiary to pay taxes with respect to the net income of such Restricted Subsidiary or its Subsidiaries; *provided* that the amount of such payments in respect of any tax year shall not exceed the amount that such Subsidiaries would have been required to pay in respect of such taxes if such Subsidiaries paid such taxes directly on a separate company basis or as a standalone consolidated, combined, affiliated or unitary tax group; *provided*, *further*, that to the extent such dividend or distribution relates to the net income of an Unrestricted Subsidiary, only to the extent cash is received from such Unrestricted Subsidiary for purposes of such dividend or distribution; and

(13) the declaration and payment of any dividends on, any redemptions or repurchases of, and any payments of cash in lieu of shares upon conversion of, Parent's Series A preferred stock outstanding as of the Issue Date.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (iii) of the immediately preceding paragraph, amounts expended pursuant to clause (1) shall be included in such calculation.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (13) above or the criteria of a Permitted Investment, or is entitled to be incurred pursuant to the first paragraph of this covenant, Parent and the Issuer will be entitled to divide, classify or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or portion thereof in any manner that complies with this covenant and such Restricted Payment will be treated as having been made pursuant to only such clause or clauses, as a Permitted Investment or the first paragraph of this covenant.

Limitation on Asset Sales

Parent will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Parent or the applicable Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at or prior to the time of such Asset Sale at least equal to the fair market value of the assets sold or otherwise disposed of (as determined in good faith by the Issuer's or Parent's Board of Directors);

(2) at least 75% of the consideration received by Parent or the Restricted Subsidiary, as the case may be, from such Asset Sale shall be in the form of cash or Cash Equivalents and shall be received at or prior to the time of such disposition. For purposes of this clause (2), each of the following shall be deemed to be cash:

(a) (i) any liabilities, as shown on the most recent consolidated balance sheet (or in the notes thereto) of Parent or any Restricted Subsidiary (or would be shown on such consolidated balance sheet (or in the notes thereto) as of the date of such Asset Sale), other than contingent liabilities and liabilities that are by their terms subordinated to the secured notes or any Guarantee or (ii) any Guarantees of Indebtedness of Persons other than Parent or any Restricted Subsidiary, in each case, that are assumed by the person acquiring such assets to the extent that Parent and its Restricted Subsidiaries have no further liability with respect to such liabilities;

(b) any securities, notes or other obligations received by Parent or any such Restricted Subsidiary from such transferee that are converted by Parent or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days after receipt; and

(c) any Designated Non-Cash Consideration received by Parent or 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 (c) that is at that time

outstanding, in the aggregate, not to exceed the greater of $25.0 million and 1.0% of Consolidated Total Assets at the time of receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration measured at the time received and without giving effect to subsequent changes in value;

(3) upon the consummation of an Asset Sale, Parent shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale within 540 days of receipt thereof either:

(a) to repay (i) if the assets or property disposed of in the Asset Sale were not Collateral, Indebtedness of a Restricted Subsidiary that is not a Guarantor, (ii) the secured notes or (iii) other Parity Lien Indebtedness and, if the assets or property disposed of in the Asset Sale were not Collateral, Pari Passu Indebtedness, including the unsecured notes (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) (*provided* that if the Issuer, Parent or any other Guarantor shall so reduce Obligations under such other Parity Lien Indebtedness or Pari Passu Indebtedness under this clause (iii) (which, for the avoidance of doubt, does not include Indebtedness described in clauses (i) and (ii) even if such Indebtedness may also constitute Parity Lien Indebtedness or Pari Passu Indebtedness), the Issuer or Parent will equally and ratably reduce the secured notes either, as the Issuer or Parent, as applicable, shall elect in its sole discretion, as provided under "—Optional Redemption," through open-market purchases (*provided* that such purchases are at or above 100% of the principal amount thereof or, in the event that the secured notes were issued with significant original issue discount, 100% of the accreted value thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase a pro rata principal amount of secured notes at a purchase price equal to 100% of the principal amount thereof (or, in the event that the secured notes were issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any);

(b) to make an investment in, including in properties or assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets (including Capital Stock) that will be used or are useful, in the good faith judgment of the Board of Directors of the Issuer or Parent, in, the business of Parent and its Restricted Subsidiaries as they are engaged in on the Issue Date or the Escrow Release Date or in businesses reasonably related, incidental, synergistic, ancillary or complementary thereto ("*Replacement Assets*"); *provided* that, in the case of this clause (b), a binding commitment within 540 days of the date of the receipt of such Net Cash Proceeds shall be treated as a permanent application of the Net Cash Proceeds from the date of such commitment so long as Parent or such other Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an "*Acceptable Commitment*") and, in the event that any Acceptable Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds are applied, Parent or such other Restricted Subsidiary enters into another Acceptable Commitment (a "*Second Commitment*") within 180 days of such cancellation or termination; *provided further* that if any Second Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds are applied, then such Net Cash Proceeds shall constitute part of the Net Proceeds Offer Amount if not otherwise applied as provided above within 540 days of the receipt of such Net Cash Proceeds; or

(c) a combination of prepayment and investment permitted by the foregoing clauses (3)(a) and (3)(b).

Pending the final application of any such Net Cash Proceeds, Parent or such Restricted Subsidiary may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Cash Proceeds in any manner not prohibited by the Secured Notes Indenture. Subject to the immediately succeeding paragraph, if any Net Cash Proceeds have not been applied as provided in clauses (3)(a), (3)(b) and (3)(c) of the preceding paragraph within the

applicable time period or the last provision of this sentence, such Net Cash Proceeds shall be applied by the Issuer, Parent or such Restricted Subsidiary to make an offer to purchase (the "*Net Proceeds Offer*") to all Holders and, to the extent required by the terms of any Parity Lien Indebtedness or Pari Passu Indebtedness, to holders of such Parity Lien Indebtedness or Pari Passu Indebtedness, as applicable, on a date (the "*Net Proceeds Offer Payment Date*") not less than 30 nor more than 60 days following the date that triggered the Issuer's obligation to make such Net Proceeds Offer, from all Holders (and holders of any such Parity Lien Indebtedness or Pari Passu Indebtedness, as applicable) on a pro rata basis based upon the respective outstanding aggregate principal amounts (or accreted value, as applicable) of the secured notes and Parity Lien Indebtedness or Pari Passu Indebtedness on the date the Net Proceeds Offer is made, the maximum amount (or accreted value, as applicable) of secured notes and Parity Lien Indebtedness or Pari Passu Indebtedness, as applicable, that may be purchased with the Net Proceeds Offer Amount at a price equal to 100% of the principal amount (or accreted value, as applicable) of the secured notes and Parity Lien Indebtedness or Pari Passu Indebtedness, as applicable, to be purchased, plus accrued and unpaid interest thereon, if any, to the date of purchase; *provided, however*, that if at any time any non-cash consideration received by Parent or any Restricted Subsidiary of Parent, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this covenant.

The Issuer may make a Net Proceeds Offer at any time and from time to time in advance of its obligation to make a Net Proceeds Offer pursuant to the immediately preceding paragraph. The Issuer may also defer the Net Proceeds Offer until there is an aggregate unutilized Net Proceeds Offer Amount equal to or in excess of $50.0 million resulting from one or more Asset Sales (at which time, the entire unutilized Net Proceeds Offer Amount, and not just the amount in excess of $50.0 million, shall be applied as required pursuant to this paragraph). Upon completion of each Net Proceeds Offer, the amount of unutilized Net Proceeds Offer Amount will be reset at zero.

Notwithstanding the first two paragraphs of this covenant, Parent and its Restricted Subsidiaries will be permitted to consummate an Asset Sale without complying with such paragraphs to the extent that:

(1) at least 75% of the consideration for such Asset Sale constitutes Replacement Assets; and

(2) such Asset Sale is for Fair Market Value; *provided* that any consideration not constituting Replacement Assets received by Parent or any of its Restricted Subsidiaries in connection with any Asset Sale permitted to be consummated under this paragraph shall constitute Net Cash Proceeds subject to the provisions of the first two paragraphs of this covenant.

Each Net Proceeds Offer will be sent to the record Holders as shown on the register of Holders within 25 days following the date triggering the Issuer's obligation to make such Net Proceeds Offer, with a copy to the Trustee, and shall comply with the procedures set forth in the Secured Notes Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their secured notes in whole or in part in integral multiples of $2,000 in exchange for cash. To the extent Holders properly tender secured notes in an amount exceeding the pro rata portion of the Net Proceeds Offer Amount applicable to the secured notes, the tendered secured notes will be purchased on a pro rata basis (based on amounts tendered) subject to the minimum denominations of the secured notes.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of secured notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Asset Sale" provisions of the Secured Notes Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "Asset Sale" provisions of the Secured Notes Indenture by virtue thereof.

Limitation on Dividend and Other Payment Restrictions Affecting Guarantors

Each of the Issuer and Parent will not, and will not cause or permit any other Guarantor to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any other Guarantor to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer, Parent or any other Guarantor;

(2) make loans or advances or to pay any Indebtedness or other obligation owed to the Issuer, Parent or any other Guarantor; or

(3) transfer any of its property or assets to the Issuer, Parent or any other Guarantor,

in each case except for such encumbrances or restrictions existing under or by reason of:

(a) applicable law, rule regulation, decree or order;

(b) the secured notes and the related Guarantees, the Secured Notes Indenture and the Secured Notes Escrow Agreement;

(c) customary subletting and non-assignment provisions of any contract or any lease governing a leasehold interest of Parent, the Issuer or any other Guarantor;

(d) any agreement or instrument (including those governing Indebtedness (including Acquired Indebtedness) or Capital Stock) of a Person acquired by Parent, the Issuer or any other Guarantor as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the properties or assets of the Person, or the Equity Interests of the Person, so acquired;

(e) contractual encumbrances or restrictions (i) in effect on the Issue Date or (ii) solely with respect to IAA and its subsidiaries, in effect on the Escrow Release Date so long as such encumbrances or restrictions were not entered into in contemplation of the Acquisition;

(f) the Senior Secured Credit Facilities, the Secured Notes Indenture and any related documentation or an agreement governing other Indebtedness permitted to be incurred under the Secured Notes Indenture; *provided* that, with respect to any agreement governing such other Indebtedness, the provisions relating to such encumbrance or restriction, taken as a whole, are no less favorable to Parent or the Issuer in any material respect as determined by the Board of Directors of Parent or the Issuer, as applicable, in its reasonable and good faith judgment than the provisions contained in the Senior Secured Credit Facilities, the Secured Notes Indenture or the Secured Notes Indenture as in effect on the Issue Date;

(g) restrictions on the transfer of assets subject to any Lien permitted under the Secured Notes Indenture imposed by the holder of such Lien;

(h) restrictions and conditions imposed by any agreement to sell assets or Capital Stock permitted under the Secured Notes Indenture to any Person pending the closing of such sale;

(i) restrictions imposed by agreements governing obligations of International Restricted Subsidiaries that are Guarantors which are permitted under the Secured Notes Indenture;

(j) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(k) customary provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity or the equity interests therein) entered into in the ordinary course of business;

(l) customary restrictions under agreements relating to Cash Pooling Arrangements;

(m) customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted under the Secured Notes Indenture;

(n) customary restrictions arising in connection with cash or other deposits in connection with Liens permitted under the Secured Notes Indenture;

(o) any document or instruments governing Indebtedness permitted pursuant to clause (13) of the definition of "Permitted Indebtedness"; and

(p) customary provisions restricting assignment of any agreement entered into in the ordinary course of business;

(q) restrictions imposed by any agreement governing Indebtedness not restricted by covenant described under "—Limitation on Incurrence of Additional Indebtedness" so long as the Issuer shall have determined in good faith that such restrictions will not affect its obligation or ability to make any payments required under the Secured Notes Indenture or the secured notes or otherwise perform its obligations thereunder; and

(r) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, restructurings, replacements or refinancings of those agreements, instruments or obligations referred to in clauses (a) through (n) above; *provided, however*, that the provisions relating to such encumbrance or restriction contained in any such agreements, taken as a whole, are no less favorable to Parent or the Issuer in any material respect as determined by the Board of Directors of Parent or the Issuer, as applicable, in their reasonable and good faith judgment than the provisions relating to such encumbrance or restriction contained in agreements referred to in such clause (a) through (n) above.

Nothing contained in this covenant shall prevent Parent, the Issuer or any other Guarantor from (1) creating, incurring, assuming or suffering to exist any Liens otherwise permitted by the covenant described under the caption "—Liens" or (2) restricting the sale or other disposition of property or assets of Parent, the Issuer or any other Guarantor that secure Indebtedness of Parent, the Issuer or any other Guarantor.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to Parent, the Issuer or any other Guarantor to other Indebtedness incurred by Parent, the Issuer or any such Guarantor shall not be deemed a restriction on the ability to make loans or advances.

Limitation on Liens

Parent will not, and will not cause or permit the Issuer or any other Guarantor to, directly or indirectly, create, incur or assume any Liens of any kind against or upon any property or assets of Parent, the Issuer or any such Guarantor, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom (such Lien, the "*Initial Lien*"), securing Indebtedness of Parent, the Issuer or a Guarantor, unless:

(1) in the case of Initial Liens on any Collateral, (i) such Initial Liens are expressly junior lien in priority or (ii) such Lien is a Permitted Lien; and

(2) in the case of any Initial Lien on any asset or property that is not Collateral, (i) the Senior Secured Notes or the Guarantees are equally and ratably secured with (or on a senior basis to, in the case such Initial Lien secures any Subordinated Indebtedness) the Obligations secured by such Initial Lien or (ii) such Initial Lien is a Permitted Lien.

Any Lien created for the benefit of the Holders of the secured notes pursuant to clause (2) of the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

For purposes of determining compliance with this covenant, (A) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of permitted Liens described in clauses (1) through (39) of the definition

of "Permitted Liens" or pursuant to the first paragraph of this covenant but may be permitted in part under any combination thereof and (B) in the event that a Lien securing an item of Indebtedness meets the criteria of one or more of the categories of permitted Liens described in clauses (1) through (39) of the definition of "Permitted Liens" or pursuant to the first paragraph of this covenant, the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Lien or such item of Indebtedness secured by such Lien in one of the clauses of the definition of "Permitted Liens" and such Lien securing such item of Indebtedness will be treated as being incurred or existing pursuant to only one of such clauses or pursuant to the first paragraph hereof.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "*Increased Amount*" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on preferred stock in the form of additional shares of preferred stock of the same class, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness described in subclause (7) of the second paragraph of the definition of "Indebtedness."

Merger, Consolidation and Sale of Assets

(A) Parent will not, in a single transaction or series of related transactions, amalgamate, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of Parent to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of Parent's assets (determined on a consolidated basis for Parent and Parent's Restricted Subsidiaries), whether as an entirety or substantially as an entirety, to any Person unless:

(1) either:

(a) Parent shall be the surviving or continuing corporation; or

(b) the Person (if other than Parent) formed by such consolidation or into which Parent is amalgamated, merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of Parent and of Parent's Restricted Subsidiaries substantially as an entirety (the "*Surviving Parent*"):

(x) shall be an entity organized or validly existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia; and

(y) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), all of the obligations of Parent on its Guarantee and that the Collateral Documents shall continue to be in effect and Parent shall cause such amendments, supplements or other instruments to be executed, filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien on the Collateral owned by Parent;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), Parent or such Surviving Parent, as the case may be, (a) would be able to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Incurrence of Additional Indebtedness" or (b) the Consolidated Fixed Charge Coverage Ratio of Parent and its Restricted Subsidiaries would not be lower than it was immediately prior to such transaction;

(3) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above, if applicable (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;

(4) Parent or the Surviving Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such amalgamation, consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Secured Notes Indenture and that all conditions precedent in the Secured Notes Indenture relating to such transaction have been satisfied;

(5) to the extent any property or assets of the Surviving Parent, or the Person that is merged, amalgamated or consolidated with or into the Surviving Parent, are property or assets of the type that would constitute Collateral under the Collateral Documents or the Pari Passu Intercreditor Agreement, the Surviving Parent will take such action as may be reasonably necessary or required to cause such property and assets to be made subject to a Lien securing the secured notes pursuant to the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement in the manner and to the extent required by the Secured Notes Indenture or any of the Collateral Documents or the Pari Passu Intercreditor Agreement, and shall take all reasonably necessary action so that such Lien is perfected, preserved and protected to the extent required by the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement;

(6) the Collateral owned by or sold, assigned, conveyed, leased, transferred or otherwise disposed of to the Surviving Parent shall (a) continue to constitute Collateral under the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement, (b) be subject to the Lien in favor of the Notes Collateral Agent for the benefit of itself, the Trustee and the holders of the secured notes and (c) not be subject to any Lien other than Permitted Liens or other Liens as permitted under the covenant described above under "—Liens"; and

(7) the Surviving Parent shall become a party to the Pari Passu Intercreditor Agreement by joinder or supplement.

(B) The Issuer will not, in a single transaction or series of related transactions, amalgamate, consolidate or merge with or into any Person unless:

(1) either:

(a) the Issuer shall be the surviving or continuing corporation; or

(b) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is amalgamated, merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer and of the Issuer's Restricted Subsidiaries substantially as an entirety (the "*Surviving Entity*"):

(x) shall be an entity organized or validly existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom or any member state of the European Union; *provided* that in the case where the Surviving Entity is not a corporation, a co-obligor of the secured notes is a corporation shall be an entity organized or validly existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom or any member state of the European Union; and

(y) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and

punctual payment of the principal of, and premium, if any, and interest on all of the secured notes and the performance of every covenant of the secured notes, the Secured Notes Indenture, the Pari Passu Intercreditor Agreement and the Collateral Documents on the part of the Issuer to be performed or observed;

(2) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above, if applicable (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;

(3) to the extent any property or assets of the Surviving Entity, or the Person that is merged, amalgamated or consolidated with or into the Surviving Entity, are property or assets of the type that would constitute Collateral under the Collateral Documents or the Pari Passu Intercreditor Agreement, the Surviving Entity will take such action as may be reasonably necessary or required to cause such property and assets to be made subject to a Lien securing the notes pursuant to the Secured Notes Indenture, the Collateral Documents and the Pari Pass Intercreditor Agreement in the manner and to the extent required by the Secured Notes Indenture or any of the Collateral Documents or Pari Passu Intercreditor Agreement and shall take all reasonably necessary action so that such Lien is perfected, preserved and protected to the extent required by the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement;

(4) the Collateral owned by or sold, assigned, conveyed, leased, transferred or otherwise disposed of to the Surviving Entity shall (a) continue to constitute Collateral under the Secured Notes Indenture and the Collateral Documents, (b) be subject to the Lien in favor of the Notes Collateral Agent for the benefit of itself, the Trustee and the holders of the secured notes and (c) not be subject to any Lien other than Permitted Liens or other Liens as permitted under the covenant described above under "—Liens";

(5) the Surviving Entity shall become a party to the Pari Passu Intercreditor Agreement by joinder or supplement; and

(6) the Issuer or the Surviving Entity shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such amalgamation, consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Secured Notes Indenture and that all conditions precedent in the Secured Notes Indenture relating to such transaction have been satisfied.

For purposes of the foregoing covenant, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of Parent (other than the Issuer), the Capital Stock of which constitutes all or substantially all of the properties and assets of Parent or the Issuer, shall be deemed to be the transfer of all or substantially all of the properties and assets of Parent or the Issuer.

The Secured Notes Indenture will provide that upon any amalgamation, consolidation, combination or merger or any transfer of all or substantially all of the assets of Parent or the Issuer in accordance with the foregoing, in which Parent or the Issuer, as applicable, is not the continuing corporation, the successor Person formed by such consolidation or into which Parent or the Issuer is amalgamated or merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, Parent or the Issuer, as applicable, under the Secured Notes Indenture and the secured notes with the same effect as if such surviving entity had been named as such and all financial information and reports required by the Secured Notes Indenture shall be provided by and for such surviving entity.

Clause (A) of the above covenant will not apply to any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among Parent and the Restricted Subsidiaries (including the Issuer). Clause (B) of the above covenant will not apply to any merger or consolidation of the Issuer (x) with or into Parent or one of its

Restricted Subsidiaries for any purpose so long as the Surviving Entity becomes a primary obligor of the secured notes or (y) with or into an Affiliate solely for the purpose of reorganizing the Issuer in another jurisdiction so long as the Surviving Entity becomes a primary obligor of the secured notes; *provided*, *however*, if such Person is not a corporation, a co-obligor of the secured notes is a corporation organized or existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom or any member state of the European Union.

(C) Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of its Guarantee and the Secured Notes Indenture in connection with any transaction complying with the provisions of the covenant described under "—Limitation on Asset Sales") will not, and Parent and the Issuer will not cause or permit any Guarantor to, amalgamate or consolidate with or merge with or into any Person other than Parent or the Issuer or any other Guarantor unless:

(1) the entity formed by or surviving any such amalgamation, consolidation or merger (if other than such Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is an entity organized or existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom, any member state of the European Union or such other jurisdiction as such Guarantor was organized or existing under (such Guarantor or Person, as the case may be, the "*Surviving Guarantor*");

(2) the Surviving Guarantor (if other than such Guarantor) assumes by supplemental indenture all of the obligations of the Guarantor on its Guarantee and that the Collateral Documents shall continue to be in effect and such Guarantor shall cause such amendments, supplements or other instruments to be executed, filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien on the Collateral owned by such Guarantor;

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(4) to the extent any property or assets of the Surviving Guarantor, or the Person that is merged, amalgamated or consolidated with or into the Surviving Guarantor, are property or assets of the type that would constitute Collateral under the Collateral Documents or the Pari Passu Intercreditor Agreement, the Surviving Guarantor will take such action as may be reasonably necessary or required to cause such property and assets to be made subject to a Lien securing the secured notes pursuant to the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement in the manner and to the extent required by the Secured Notes Indenture or any of the Collateral Documents or the Pari Passu Intercreditor Agreement, and shall take all reasonably necessary action so that such Lien is perfected, preserved and protected to the extent required by the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement;

(5) the Collateral owned by or sold, assigned, conveyed, leased, transferred or otherwise disposed of to the Surviving Guarantor shall (a) continue to constitute Collateral under the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement, (b) be subject to the Lien in favor of the Notes Collateral Agent for the benefit of itself, the Trustee and the holders of the secured notes and (c) not be subject to any Lien other than Permitted Liens or other Liens as permitted under the covenant described above under "—Liens"; and

(6) the Surviving Guarantor shall become a party to the Pari Passu Intercreditor Agreement by joinder or supplement.

Any amalgamation, merger or consolidation of, or sale, assignment, transfer, lease, conveyance or other disposition of assets by, a Guarantor with Parent or the Issuer (with Parent or the Issuer being the surviving entity in case of an amalgamation, merger of consolidation) or another Guarantor that is a Wholly Owned Restricted Subsidiary of the

Issuer need only comply with clause (4) of the first paragraph of this covenant or clause (6) of the second paragraph of this covenant, as applicable.

Limitations on Transactions with Affiliates

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates involving aggregate value in excess of $10.0 million (each an "*Affiliate Transaction*"), other than:

(a) Affiliate Transactions permitted under the second succeeding paragraph below and

(b) Affiliate Transactions on terms, taken as a whole, that are no less favorable to Parent or the applicable Restricted Subsidiary than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of Parent or such Restricted Subsidiary.

If any such Affiliate Transaction (or a series of related Affiliate Transactions which are similar or part of a common plan) (a) involves aggregate payments or other property with a fair market value in excess of $25.0 million, Parent or such Restricted Subsidiary, as the case may be, shall file with the Trustee an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and (b) involves aggregate payments or other property with a fair market value in excess of $50.0 million, Parent or such Restricted Subsidiary, as the case may be, shall file with the Trustee a resolution of the Board of Directors of Parent or such Restricted Subsidiary, as the case may be, set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of Parent or such Restricted Subsidiary.

The restrictions set forth in the first paragraph of this covenant shall not apply to:

(1) indemnification, employment, consultancy, advisory, services or separation agreements or arrangements and benefit plans or arrangements and any transactions contemplated by any of the foregoing, including the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses, in each case, in respect of or provided on behalf of, current or former directors, officers, consultants or employees of Parent or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees) as determined in good faith by Parent's or the Issuer's Board of Directors or senior management;

(2) transactions exclusively between or among Parent and any of its Restricted Subsidiaries or exclusively between or among such Restricted Subsidiaries (including any entity that becomes a Restricted Subsidiary of Parent as a result of such transaction); *provided* such transactions are not otherwise prohibited by the Secured Notes Indenture;

(3) (A) any agreement or arrangement as in effect as of the Issue Date (or transactions pursuant thereto), (B) any other agreements or arrangements pursuant to or in connection with the Transactions or (C) any amendment, modification or supplement to the agreements referenced in clause (A) or (B) above or any replacement thereof, so long as the terms of such agreement or arrangement, as so amended, modified, supplemented or replaced, are not more disadvantageous to the Holders when taken as a whole in any material respect compared to the applicable agreements or arrangements as in effect on the Issue Date or as described in this Offering Circular, as applicable, as determined in good faith by Parent or the Issuer;

(4) Restricted Payments (or transfers or issuances that would constitute Restricted Payments but for the exclusions from the definition thereof) or Permitted Investments not prohibited by the Secured Notes Indenture;

(5) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practice, which are fair to Parent or the applicable Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of Parent or the applicable Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(6) issuances or sales of Capital Stock (other than Disqualified Stock) of Parent or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights in connection therewith or any contribution to capital of Parent or any Restricted Subsidiary;

(7) transactions in which Parent or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to Parent or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (b) of the first paragraph of this covenant;

(8) payments to or the receipt of payments from, and the entry into and the consummation of transactions with, joint ventures (to the extent any such joint venture is only an Affiliate as a result of Investments by Parent and the Restricted Subsidiaries in such joint venture) in the ordinary course of business to the extent otherwise permitted by the Secured Notes Indenture, so long as such payments or transactions are on terms that are not materially less favorable to Parent or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction;

(9) the Transactions, in each case as disclosed in this Offering Circular, and the payment of all fees, expenses, bonuses and awards related thereto;

(10) transactions with a Person that is an Affiliate of Parent solely because Parent or one of its Restricted Subsidiaries owns an equity interest in such Person;

(11) the pledge of Equity Interests of Unrestricted Subsidiaries or joint ventures to support the Indebtedness thereof;

(12) transactions between Parent or any Restricted Subsidiary of Parent and any Person, a director of which is also a director of Parent or the Issuer; *provided*, that such director abstains from voting as a director of Parent or the Issuer on any matter involving such other Person;

(13) transactions with a Person who is not an Affiliate immediately before the consummation of such transaction that becomes an Affiliate as a result of such transaction;

(14) any incurrence of Indebtedness permitted by the covenant described under "—Limitation on Additional Indebtedness";

(15) transactions undertaken for the purpose of improving the consolidated tax efficiency of Parent or its Subsidiaries as determined in good faith by Parent; and

(16) Permitted Intercompany Activities, Cash Pooling Arrangements and related transactions.

Additional Subsidiary Guarantees

If any existing or future Restricted Subsidiary of Parent shall guarantee any Indebtedness of Parent, the Issuer or any other Guarantor under (i) a Credit Facility or (ii) Capital Markets Indebtedness, in each case, in an aggregate principal amount with respect to clauses (i) and (ii) exceeding $100.0 million, then Parent and the Issuer shall, within 30 days of such event (or such longer period as agreed by the administrative agent under the Senior Secured Credit Facilities), cause such Restricted Subsidiary to:

(1) execute and deliver to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee pursuant to which such Restricted Subsidiary shall unconditionally guarantee all of the Issuer's obligations under the secured notes and the Secured Notes Indenture on the terms set forth in the Secured Notes Indenture;

(2) deliver to the Trustee an Officer's Certificate and an Opinion of Counsel that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and, only with respect to such Opinion of Counsel, that such supplemental indenture constitutes a legal, valid, binding and enforceable obligation of such Restricted Subsidiary; and

(3) execute and deliver to the Notes Collateral Agent joinder agreements or other similar agreements with respect to the Collateral Documents and take all actions required thereunder to perfect the Liens created thereunder.

Thereafter, such Restricted Subsidiary shall be a Guarantor for all purposes of the Secured Notes Indenture until such Restricted Subsidiary is released from its Guarantee as provided in the Secured Notes Indenture.

Designation of Restricted and Unrestricted Subsidiaries

Parent or the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by Parent and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments" or under one or more clauses of the definition of Permitted Investments, as determined by Parent or the Issuer. The designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Subsidiary of Parent as an Unrestricted Subsidiary will be evidenced to the Trustee by an Officer's Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described above under the caption "—Limitation on Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Secured Notes Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of Parent as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Limitations on Incurrence of Additional Indebtedness," the Issuer will be in default of such covenant.

Parent or the Issuer may at any time redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary of Parent; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Parent of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—Limitations on Incurrence of Additional Indebtedness," calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation. Any such designation by Parent shall be evidenced to the Trustee by an Officer's Certificate certifying that such designation complies with the preceding conditions.

Reports to Holders

References in this "—Reports to Holders" to "Parent" shall be to, following the Issue Date, Ritchie Bros. Auctioneers Incorporated, a Canadian corporation.

Notwithstanding that Parent may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, from and after the Issue Date, Parent will furnish to the Trustee, within 15 days after the time periods specified below:

(1) within 90 days after the end of each fiscal year, all financial information (including audited financial statements) of Parent that would be required to be contained in an annual report on Form 10-K, or any successor or comparable form, filed with the SEC, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a report on the annual financial statements by Parent's independent registered public accounting firm;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, all financial information of Parent that would be required to be contained in a quarterly report on Form 10-Q, or any successor or comparable form, filed with the SEC; and

(3) promptly after the occurrence of any of the following events (but in no event later than an registrant would be required to report such event on a Form 8-K), all current reports to the extent relating to such event that would be required to be filed with the SEC on Form 8-K or any successor or comparable form (if Parent had been a reporting company under Section 15(d) of the Exchange Act):

(a) the entry into or termination of material agreements;

(b) significant acquisitions or dispositions;

(c) the sale of equity securities;

(d) bankruptcy;

(e) cross-default under direct material financial obligations;

(f) a change in Parent's certifying independent auditor;

(g) the appointment or departure of directors or executive officers;

(h) non-reliance on previously issued financial statements; and

(i) change of control transactions,

in each case, in a manner that complies in all material respects with the requirements specified in such form, except as described above or below and subject to exceptions consistent with the presentation of information in the Offering Circular; *provided*, that the foregoing shall not obligate Parent to (i) make available any information otherwise required to be included on a Form 8-K regarding the occurrence of any such events if Parent determines in its good faith judgment that such event that would otherwise be required to be disclosed is not material to the Holders of the secured notes or the business, assets, operations, financial positions or prospects of Parent and its Restricted Subsidiaries taken as a whole or (ii) make available copies of any agreements, financial statements or other items that would be required to be filed as exhibits to such report.

In addition, Parent shall not be required to (i) comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K with respect to any "non-GAAP" financial information contained in any report required by clauses (1), (2) and (3) above, (ii) provide any information that is not otherwise similar to information currently included in the Offering Circular or (iii) provide the type of information contemplated by Rule 3-16 of Regulation S-X with respect to financial statements of affiliates whose securities collateralize certain securities or Rule 3-10 of Regulation S-X with respect to separate financial statements for Guarantors or any financial statements for unconsolidated subsidiaries or 50% or less owned persons contemplated by Rule 3-09 of Regulation S-X or any schedules required by Regulation S-X, or in each cash any successor provisions; *provided* that, Parent shall provide the revenues, "EBITDA", "Adjusted EBITDA", assets and liabilities of (i) Parent, the Issuer and the other Guarantors, collectively and (ii) the Non-Guarantors, collectively, separately in a manner consistent with the presentation thereof in the Offering Circular, to the extent required in such form. In addition, notwithstanding the foregoing, Parent will not be required to (i) comply with Sections 302, 906 and 404 of the Sarbanes-Oxley Act of 2002, as amended, or (ii) otherwise furnish any information, certificates or reports required by Items 307 or 308 of Regulation S-K. To the extent any such information is not so filed or furnished, as applicable, within the time periods specified above and such information is subsequently filed or furnished, as applicable, Parent will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured. In addition, to the extent

not satisfied by the foregoing, Parent will agree that, for so long as any secured notes are outstanding, it will furnish to Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

At any time that any of Parent's Subsidiaries are Unrestricted Subsidiaries and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary, then the annual and quarterly financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the financial condition and results of operations of Parent and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries.

Substantially concurrently with the furnishing or making such information available to the applicable Trustee pursuant to this covenant, Parent shall also post copies of such information required by this covenant on a website (which may be nonpublic and may be maintained by Parent or a third party) to which access will be given to Holders, prospective investors in the secured notes (which prospective investors shall be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act or non-U.S. persons (as defined in Regulation S under the Securities Act) that certify their status as such to the reasonable satisfaction of Parent), and securities analysts and market making financial institutions that are reasonably satisfactory to Parent.

The Trustee shall have no obligation to determine if and when Parent's financial statements or reports are publicity available and accessible electronically. Delivery of these reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of them will not constitute constructive notice of any information contained therein or determinable from information contained therein, including Parent's compliance with any of its covenants hereunder (as to which the Trustee may rely exclusively on Officer's Certificates).

Parent will also hold quarterly conference calls for the Holders of secured notes to discuss financial information for the previous quarter (it being understood that such quarterly conference call may be the same conference call as with Parent's equity investors and analysts). The conference call will be following the last day of each fiscal quarter of Parent and not later than 15 Business Days from the time that Parent distributes the financial information as set forth in the fourth preceding paragraph. No fewer than two days prior to the conference call, Parent will issue a press release announcing the time and date of such conference call and providing instructions for Holders, securities analysts and prospective investors to obtain access to such call *provided however* that such press release can be distributed solely to certified users of the website described in the immediately preceding paragraph.

Notwithstanding anything to the contrary set forth above, if Parent has furnished or filed the reports described in the preceding paragraphs with respect to Parent with the SEC via EDGAR (or any successor platform), Parent shall be deemed to be in compliance with the provisions of this covenant; *provided* that the Trustee shall not have any responsibility to determine if any documents have been so filed.

In addition, to the extent that, after taking into account applicable no-action and other interpretative releases, applicable U.S. securities laws or regulations (including Exchange Act Rule 15c2-11) require the disclosure, provision, availability or filing of information in order for broker-dealers to publish or submit quotations for the secured notes, Parent or the Issuer will disclose, provide, make available or file such information.

Limited Condition Transactions; Financial Calculations

When calculating the availability under any threshold based on a dollar amount, percentage of Consolidated Total Assets or other financial measure (a "*basket*") or ratio under the Secured Notes Indenture, in each case, in connection with a Limited Condition Transaction, the date of determination of such basket or ratio and of any requirement that there be no Default or Event of Default may, at the option of Parent, be the date the definitive agreement(s) for such Limited Condition Transaction is entered into. Any such ratio or basket shall be calculated on a pro forma basis, including with such adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definitions of Consolidated Fixed Charge Coverage Ratio or Consolidated Total Assets, after giving effect to such Limited Condition Transaction and other transactions related thereto (including any incurrence or issuance of Indebtedness or preferred stock and the use of proceeds thereof) as if they had been consummated at the beginning of the applicable period (in the case of Consolidated EBITDA), as of the date of determination and at the end of the

applicable period (in the case of Consolidated Total Assets) for purposes of determining the ability to consummate any such Limited Condition Transaction and any such related transactions; *provided* that if Parent elects to make such determination as of the date of such definitive agreement(s), then (i) if any of such ratios are no longer complied with or baskets are exceeded as a result of fluctuations in such ratio or basket (including due to fluctuations in Consolidated EBITDA, Consolidated Net Income or Consolidated Total Assets of Parent or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Transaction and any such related transactions, such ratios or baskets will not be deemed to have been no longer complied with or exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction and such related transactions are permitted under the Secured Notes Indenture, (ii) such ratios or baskets shall not be tested at the time of consummation of such Limited Condition Transaction and such related transactions, and (iii) during the period on and following the date of any such election by Parent with respect to a given Limited Condition Transaction and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement(s) for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, for purposes of determining whether any unrelated subsequent transaction (including, without limitation, the incurrence of Indebtedness or Liens, the making of Restricted Payments, the making of any Investment, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of Parent, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary) is permitted under the Secured Notes Indenture, any applicable ratio or basket shall be required to be satisfied (i) on a pro forma basis as set forth above, assuming such Limited Condition Transaction and other related transactions (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated and (ii) assuming such Limited Condition Transaction and other related transactions (including any incurrence of Indebtedness and the use of proceeds thereof) have not been consummated.

Events of Default

The following events are defined in the Secured Notes Indenture as "Events of Default":

(1) the failure to pay interest on any secured notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal on any secured notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase secured notes tendered pursuant to a Change of Control Offer or a Net Proceeds Offer and the failure to make a payment upon a required redemption as described under "—Redemption—Special Mandatory Redemption") on the date specified for such payment in the applicable offer to purchase;

(3) a default in the observance or performance of any other covenants or agreements which default continues for a period of 60 days after the Issuer receives written notice specifying the default (and demanding that such default be remedied) from the Trustee or the Holders of at least 25% of the outstanding principal amount of the secured notes (except, in the case of a default with respect to the covenant described under "—Merger, Consolidation and Sale of Assets," which will constitute an Event of Default with such notice requirement but without such passage of time requirement);

(4) the failure to pay at final stated maturity (giving effect to any applicable grace periods and any extensions thereof) the principal amount of any Indebtedness of Parent or any Restricted Subsidiary of Parent (other than Indebtedness owing to Parent or any Restricted Subsidiary), including the secured notes, or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days of receipt by Parent or such Restricted Subsidiary of notice of any such acceleration), including the secured notes, if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness, including the secured notes, in default for failure to pay principal at final stated maturity or which has been accelerated (in each case with respect to which the 20-day period described above has passed), aggregates $75.0 million or more at any time;

(5) one or more final judgments in an aggregate amount of $75.0 million or more (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers, to the extent such coverage has not been denied) shall have been rendered against Parent or any of its Significant

Subsidiaries and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable;

(6) certain events of bankruptcy affecting Parent or any of its Significant Subsidiaries;

(7) any Guarantee of a Significant Subsidiary ceases to be in full force and effect or any Guarantee of a Significant Subsidiary is declared to be null and void and unenforceable or any Guarantee of a Significant Subsidiary is found to be invalid or any Guarantor that is a Significant Subsidiary denies its liability under its Guarantee (other than by reason of release of a Guarantor in accordance with the terms of the Secured Notes Indenture);

(8) (x) any material provision of any Collateral Document at any time after its execution and delivery, ceases to be in full force and effect for any reason other than in accordance with the terms of the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement, (y) Parent, the Issuer or any other Guarantor contests the validity or enforceability of the Senior Secured Indenture or any Collateral Document; or (z) Parent, the Issuer or any other Guarantor denies in writing that it has any further liability under the Senior Secured Indenture or any Collateral Document, other than in accordance with the terms of the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement; or

(9) any Lien purported to be created under any Collateral Document shall cease to be a valid Lien on any material portion of the Collateral except (A) to the extent that any such Lien is not required to be maintained pursuant to the Secured Notes Indenture and the Collateral Documents, (B) to the extent such failure results from the failure of the Notes Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Documents or to file UCC continuation or PPSA financing change statements, (C) to the extent such deficiency arose through no fault of Parent, the Issuer or any other Guarantor and such deficiency is corrected with reasonable diligence promptly upon the Issuer obtaining knowledge thereof or (D) to the extent any such failure results from acts or omissions of any secured party or from the application of applicable law.

The Trustee shall not be charged with knowledge of any Default or Event of Default with respect to the secured notes unless a written notice of such Default or Event of Default shall have been given to an officer of the Trustee with direct responsibility for the administration of the Secured Notes Indenture and the secured notes, by Parent, the Issuer or any Holder of secured notes.

If an Event of Default (other than an Event of Default specified in clause (6) above with respect to Parent or the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding secured notes may declare the principal of and accrued interest on all the secured notes to be due and payable by notice in writing to the Issuer and the Trustee specifying the applicable Event of Default and that it is a "notice of acceleration" (the "*Acceleration Notice*"), and the same shall become immediately due and payable.

If an Event of Default specified in clause (6) above with respect to Parent or the Issuer occurs and is continuing, then all unpaid principal of, and premium, if any, plus accrued and unpaid interest on all of the outstanding secured notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the secured notes, if within 20 days after such Event of Default arose Parent delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the requisite number of holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the secured notes as described above be annulled, waived or rescinded upon the happening of any such events.

Notwithstanding anything herein to the contrary, to the extent any information is not provided within the time periods specified in "—Reports to Holders" above and such information is subsequently provided within 30 days following such time periods, Parent will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

The Secured Notes Indenture will provide that, at any time after a declaration of acceleration with respect to the secured notes as described in the preceding paragraphs, the Holders of a majority in aggregate principal amount of the secured notes then outstanding may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;

(4) if the Issuer has paid the Trustee compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in clause (6) of the description above of Events of Default, the Trustee shall have received an Officer's Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

The Holders of a majority in principal amount of the secured notes may waive any existing Default or Event of Default under the Secured Notes Indenture, and its consequences, except a default in the payment of the principal of or interest on any secured notes.

Holders of the secured notes may not enforce the Secured Notes Indenture or the secured notes except as provided in the Secured Notes Indenture. Subject to the provisions of the Secured Notes Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under the Secured Notes Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee indemnity satisfactory to it. Subject to all provisions of the Secured Notes Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding secured notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction or take any action that conflicts with law, the Secured Notes Indenture or the secured notes, or that, subject to the terms of the Secured Notes Indenture, the Trustee determines may be unduly prejudicial to the rights of other Holders or may involve the Trustee in liability (it being expressly understood that the Trustee shall not have an affirmative duty to ascertain whether such action is prejudicial), unless the Trustee is offered security and indemnity satisfactory to it against any loss, claim, liability, cost or expense to the Trustee that may result from the Trustee following such direction.

Under the Secured Notes Indenture, the Issuer is required to provide an Officer's Certificate to the Trustee promptly upon any such officer obtaining knowledge of any Default or Event of Default (*provided* that such officers shall provide such certification at least annually whether or not they know of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have its Obligations and the Obligations of the Guarantors discharged with respect to the outstanding secured notes ("*Legal Defeasance*"). Such Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire indebtedness represented by the outstanding secured notes, except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the secured notes when such payments are due;

(2) the Issuer's Obligations with respect to the secured notes concerning issuing temporary secured notes, registration of secured notes, mutilated, destroyed, lost or stolen secured notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust duties and immunities of the Trustee and the Issuer's Obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Secured Notes Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to any or all of certain covenants that are described in the Secured Notes Indenture and the Liens on the Collateral securing the secured notes released ("*Covenant Defeasance*") and thereafter any omission to comply with such Obligations shall not constitute a Default or Event of Default with respect to the secured notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under "—Events of Default" will no longer constitute an Event of Default with respect to the secured notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash (in U.S. dollars), Government Securities, rated AAA or better by S&P and Aaa by Moody's, or a combination thereof (or, in each case, if such Rating Agency ceases to rate such securities, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency), in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, investment bank or appraisal firm, to pay the principal of, premium, if any, and interest on the secured notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(2) in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that: (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or (ii) since the date of the Secured Notes Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders and Beneficial Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders and Beneficial Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or an Event of Default resulting from transaction occurring contemporaneously with the borrowing of funds, or the borrowing of funds, to be applied to such deposit and the grant of any Lien securing such borrowings);

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, the Secured Notes Indenture (other than a Default or an Event of Default resulting from transaction occurring contemporaneously with the borrowing of funds, or the borrowing of funds, to be applied to such deposit and the grant of any Lien securing such borrowings)

or any other material agreement or instrument (including, without limitation, the Senior Secured Credit Facilities and the secured notes) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(6) the Issuer shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(7) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with; and

(8) certain other customary conditions precedent are satisfied.

Satisfaction and Discharge

The Secured Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the secured notes at the designated corporate trust office, as expressly provided for in the Secured Notes Indenture) as to all outstanding secured notes when:

(1) either:

(a) all the secured notes theretofore authenticated and delivered (except lost, stolen or destroyed secured notes that have been replaced or paid and secured notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all secured notes not theretofore delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year (or are to be called for redemption within one year), and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient (in the opinion of a nationally recognized firm of independent certified public accountants) to pay and discharge the entire Indebtedness on the secured notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the secured notes to the date of maturity or redemption, as the case may be, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer has paid all other sums payable under the Secured Notes Indenture by the Issuer; and

(3) the Issuer, upon request for written acknowledgement of such satisfaction and discharge, have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under the Secured Notes Indenture relating to the satisfaction and discharge of the Secured Notes Indenture have been complied with.

In the case of satisfaction and discharge, upon any redemption that requires the payment of the Applicable Premium, the amount deposited with the Trustee shall be sufficient for purposes of clause (1)(b) above and the Secured Notes Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of three Business Days prior to the date of such deposit, with any deficit as of the date of redemption (any such amount, the "*Applicable Premium Deficit*") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

Modification of the Secured Notes Indenture

Subject to certain exceptions, modifications and amendments of the Secured Notes Indenture may be made with the consent of the Holders of a majority in aggregate principal amount of the then outstanding secured notes issued under the Secured Notes Indenture. However, without the consent of each Holder affected thereby, no amendment may:

(1) reduce the amount of secured notes whose Holders must consent to an amendment;

(2) reduce the rate of, or change the time for payment of, interest, including defaulted interest, on any secured notes;

(3) reduce the principal of, or change the fixed maturity of, any secured notes, or change the date on which any secured notes may be subject to redemption or reduce the redemption price therefor;

(4) make any secured notes payable in money other than that stated in the secured notes;

(5) make any change in the contractual provisions of the Secured Notes Indenture protecting the legal right of each Holder to receive payment of principal of and interest on such secured note on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in aggregate principal amount of secured notes outstanding to waive Defaults or Events of Default;

(6) after the Issuer's obligation to purchase secured notes arises thereunder, amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in the event of a Change of Control or make and consummate a Net Proceeds Offer with respect to any Asset Sale that has been consummated or, after such Change of Control has occurred or such Asset Sale has been consummated, modify any of the provisions or definitions with respect thereto;

(7) release any Guarantor that is a Significant Subsidiary from any of its obligations under its Guarantee or the Secured Notes Indenture otherwise than in accordance with the terms of the Secured Notes Indenture;

(8) make any change in the provisions of the Secured Notes Indenture described under "—Additional Amounts" that adversely affects the right of any Holder or Beneficial Holder in any material respect or amends the terms of the secured notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(9) modify or change the amendment provisions of the secured notes or the Secured Notes Indenture; or

(10) expressly subordinate the secured notes or any Guarantee to any other Indebtedness of Parent, the Issuer or any other Guarantor, other than, in the case of subordination of liens, as expressly permitted under the Secured Notes Indenture, the Collateral Documents or the Pari Passu Intercreditor Agreement.

Other than in connection with a transfer or other transaction permitted under the Secured Notes Indenture, the Collateral Documents or the Pari Passu Intercreditor Agreement, without the consent of the holders of at least 66⅔% in aggregate principal amount of the secured notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the secured notes), no amendment, supplement or waiver may (1) have the effect of releasing all or substantially all of the Collateral from the Liens of the Collateral Documents or changing or altering the priority of the security interests of the holders of the secured notes in the Collateral under the Pari Passu Intercreditor Agreement, (2) make any change in the Collateral Documents, the Pari Passu Intercreditor Agreement or the provisions in the Secured Notes Indenture dealing with the application of proceeds of the Collateral that would adversely affect the holders of the secured notes or (3) modify the Collateral Documents or the provisions of the Secured Notes Indenture dealing with Collateral in any manner adverse to the

holders of the secured notes in any other material respect other than in accordance with the terms of the Secured Notes Indenture, the Collateral Documents or the Pari Passu Intercreditor Agreement.

Without the consent of the Holders of such secured notes, the Issuer, the Trustee and, if applicable, the Notes Collateral Agent may amend the Secured Notes Indenture, the secured notes, the Guarantees, the Collateral Documents and the Pari Passu Intercreditor Agreement: (1) to cure any ambiguity, omission, mistake, defect or inconsistency; (2) to provide for the assumption by a Surviving Entity (with respect to the Issuer) of the obligations of the Issuer under the Secured Notes Indenture, the secured notes, the Collateral Documents and the Pari Passu Intercreditor Agreement; (3) to provide for the assumption by a Surviving Guarantor (with respect to any Guarantor), as the case may be, of the obligations of a Guarantor under the Secured Notes Indenture, its Guarantee, the Collateral Documents and the Pari Passu Intercreditor Agreements; (4) to provide for uncertificated notes in addition to or in place of certificated notes (*provided* that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Code); (5) to add a Guarantee with respect to the secured notes; (6) to make, complete or confirm any grant of Collateral permitted or required by the Secured Notes Indenture or any of the Collateral Documents or the Pari Passu Intercreditor Agreement, or any release of Collateral pursuant to the terms of the Secured Notes Indenture or any of the Collateral Documents or the Pari Passu Intercreditor Agreement; (7) to conform the text of the Secured Notes Indenture, the Guarantees, the secured notes, the Collateral Documents or the Pari Passu Intercreditor Agreement to any provision of this "Description of Secured Notes" to the extent that such provision in this "Description of Secured Notes" was intended by the Issuer to be a verbatim recitation of a provision of the Secured Notes Indenture, Guarantees, the secured notes, the Collateral Documents or the Pari Passu Intercreditor Agreement, as applicable, as stated in an Officer's Certificate; (8) to make certain changes to the Secured Notes Indenture to provide for the issuance of additional secured notes; (9) to secure additional extensions of credit and add additional secured creditors holding other Parity Lien Indebtedness so long as such Parity Lien Indebtedness is not prohibited by the provisions of the Secured Notes Indenture or any other then-existing Parity Lien Indebtedness; or (10) to add additional assets as Collateral. In formulating its opinion on such matters, the Trustee may conclusively rely on such evidence as it deems appropriate, including, without limitation, solely on an Opinion of Counsel.

The consent of the Holders of the secured notes is not necessary under the Secured Notes Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

In addition, the Holders of the secured notes will be deemed to have consented for purposes of the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement (and, if applicable, the junior lien intercreditor agreement) to any of the following amendments, replacements and other modifications to the Secured Notes Indenture, the Collateral Documents or the Pari Passu Intercreditor Agreement (or, if applicable, the junior lien intercreditor agreement) and the entry into a junior lien intercreditor agreement (*provided* that any such junior lien intercreditor agreement shall be substantially in the form attached to the Secured Notes Indenture or any other junior lien intercreditor agreement substantially similar thereto and reasonably satisfactory to the Credit Facilities Collateral Agent):

(a) to add other parties (or any authorized agent thereof or trustee therefor) holding Parity Lien Indebtedness that is incurred in compliance with the Senior Secured Credit Facilities, the Secured Notes Indenture, the Collateral Documents and the Pari Passu Intercreditor Agreement and (b) to establish that the Liens on any Collateral securing such Parity Lien Indebtedness shall be pari passu under the Pari Passu Intercreditor Agreement with the Liens on such Collateral securing the Obligations under the Secured Notes Indenture, the secured notes and the Guarantees, all on the terms provided for in the Pari Passu Intercreditor Agreement in effect immediately prior to such amendment or other modification;

(b) to establish that the Liens on any Collateral securing any Indebtedness replacing the Senior Secured Credit Facilities or any other Pari Passu Indebtedness permitted to be incurred under the Secured Notes Indenture shall be pari passu to the Liens on such Collateral securing any Obligations under the Secured Notes Indenture, the secured notes and the Guarantees, all on the terms provided for in the Pari Passu Intercreditor Agreement in effect immediately prior to such amendment or other modification;

(c) to secure additional extensions of credit and add additional secured creditors holding Indebtedness secured by liens on a contractually junior basis on the Collateral to the secured notes so long as such Indebtedness and Liens are not prohibited by the provisions of the Secured Notes Indenture and to enter into or amend the junior lien intercreditor agreement substantially in the form attached to the Secured Notes Indenture or any other junior lien intercreditor agreement substantially similar thereto and reasonably satisfactory to the Credit Facilities Collateral Agent.

No Opinion of Counsel will be required for the Trustee or Notes Collateral Agent to execute any amendment or supplement entered into in connection with adding or releasing a Guarantor or adding or releasing Collateral; *provided* that the Trustee and the Notes Collateral Agent shall be entitled to conclusively rely on an Officer's Certificate in executing such amendment or supplement or delivering such release and shall have no liability to any person for so relying.

Notwithstanding anything to the contrary herein, prior to the Escrow End Date, any modifications, waivers, amendments, consents or eliminations of any provision under the Secured Notes Indenture or the Secured Notes Escrow Agreement related to any matters described under "—Escrow Related Provisions" or "—Redemption—Special Mandatory Redemption" will require the consent of each Holder affected thereby (except for modifications or amendments that (i) cure any ambiguity, omission, mistake, defect, error or inconsistency, (ii) provide additional rights or benefits to the holders of the secured notes or do not materially adversely affect the legal rights under the Secured Notes Indenture or the Secured Notes Escrow Agreement of the holders of the secured notes, (iii) evidence or provide for the acceptance and appointment of a successor Escrow Agent, or (iv) conform the text of the Secured Notes Indenture or the Secured Notes Escrow Agreement to any provision of this "Description of Notes" as set forth in an Officer's Certificate, which may be made by the Issuer and the Trustee or Escrow Agent, as applicable).

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, as such, will have any liability for any obligations of the Issuer under the secured notes, the Secured Notes Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of secured notes by accepting an secured note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the secured notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Governing Law

The Secured Notes Indenture, the secured notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

The Trustee

Except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Secured Notes Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Secured Notes Indenture, and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Secured Notes Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided* that if the Trustee acquires any conflicting interest, it shall eliminate such conflict or resign.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Secured Notes Indenture. Reference is made to the Secured Notes Indenture for the full definition of all such terms, as well as any other terms used herein for which no definition is provided.

"*Acquired Indebtedness*" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of Parent or at the time it amalgamates, merges or consolidates with or into Parent

or any of its Restricted Subsidiaries or that is assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of Parent or such acquisition, amalgamation, merger or consolidation.

"*Acquisition*" means the acquisition of IAA pursuant to the Merger Agreement.

"*Acquisition Closing Date*" means the date that the Acquisition is consummated.

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "control", means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"*Applicable Calculation Date*" means the applicable date of the transaction giving rise to the need to calculate Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Debt Ratio and Consolidated Secured Debt Ratio.

"*Applicable Collateral Agent*" has the meaning assigned to such term in the Pari Passu Intercreditor Agreement.

"*Applicable Measurement Period*" means the most recently completed four consecutive fiscal quarters of Parent immediately preceding the Applicable Calculation Date for which internal financial statements are available.

"*Asset Acquisition*" means (1) an Investment by Parent or any Restricted Subsidiary of Parent in any other Person pursuant to which such Person shall become a Restricted Subsidiary of Parent or any Restricted Subsidiary of Parent, or shall be amalgamated or merged with or into Parent or any Restricted Subsidiary of Parent, or (2) the acquisition by Parent or any Restricted Subsidiary of Parent of the assets of any Person (other than a Restricted Subsidiary of Parent) that constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"*Asset Sale*" means any direct or indirect sale, issuance, conveyance, transfer, lease, assignment or other transfer for value by Parent or any of its Restricted Subsidiaries (including any Sale and Leaseback Transaction) to any Person other than Parent or a Restricted Subsidiary of Parent of: (1) any Capital Stock of any Restricted Subsidiary of Parent (other than directors' qualifying shares and shares issued to foreign nationals as required under applicable law); or (2) any other property or assets of Parent or any Restricted Subsidiary of Parent other than in the ordinary course of business; *provided*, *however*, that Asset Sales or other dispositions shall not include:

(a) a transaction or series of related transactions for which Parent or its Restricted Subsidiaries receive aggregate consideration of less than $25.0 million;

(b) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of Parent or the Issuer as permitted under the covenant described under "—Certain Covenants—Merger, Consolidation and Sale of Assets";

(c) the sale, discount or other disposition of inventory;

(d) the sale or discount of accounts receivable in connection with the compromise or collection thereof or in the ordinary course of business;

(e) disposals or replacements of obsolete, worn-out or no longer useful equipment or machinery;

(f) the sale or other disposition of cash or Cash Equivalents;

(g) any Restricted Payment that is not prohibited by the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any Restricted Payment that constitutes a Permitted Investment;

(h) the abandonment of Intellectual Property Rights no longer used or useful in the conduct of the business of Parent or any of its Subsidiaries;

(i) licenses, sublicenses, leases or subleases granted to others (including licenses of Intellectual Property Rights), and terminations thereof not interfering in any material respect with the business of Parent and its Subsidiaries;

(j) Dispositions 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 Disposition are reasonably promptly applied to the purchase price of such replacement property;

(k) the surrender or waiver of contractual rights and settlement or waiver of contractual or litigation claims by Parent or any Subsidiary;

(l) the unwinding of any Interest Swap Obligation or Currency Agreements pursuant to its terms;

(m) Dispositions of Investments 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;

(n) Dispositions of property or assets subject to a Recovery Event;

(o) Dispositions made in connection with the consummation of the Acquisition that are necessary or advisable to comply with applicable law or to avoid any impediment to the consummation of the Acquisition under any applicable law;

(p) Dispositions of real property so long as the aggregate net book value of all real property sold or otherwise disposed of by Parent and its Restricted Subsidiaries pursuant to this clause (p) in any fiscal year of Parent shall not exceed $200.0 million, and during the term of the Secured Notes Indenture shall not exceed $400.0 million;

(q) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary to Parent or the Issuer or by Parent or the Issuer to a Restricted Subsidiary or a Restricted Subsidiary to a Restricted Subsidiary;

(r) the granting of, and dispositions in connection with, Permitted Liens;

(s) foreclosure, condemnation, expropriation or any similar action with respect to any property or other asset of Parent or any of its Restricted Subsidiaries;

(t) any disposition of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(u) any surrender, expiration or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(v) Permitted Intercompany Activities, Cash Pooling Arrangements and related transactions;

(w) a transaction or series of related transactions for which Parent or its Restricted Subsidiaries receive aggregate consideration not to exceed $200.0 million in any fiscal year and $400.0 million during the term of the Secured Notes Indenture;

(x) Specified Property Sales; and

(y) a sale, assignment or other transfer of Receivables or Receivables Assets.

In the event that a transaction (or a portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, Parent or the Issuer, in its sole discretion, will be entitled to

divide and classify and reclassify such transaction (or a portion thereof) as an Asset Sale and/or one or more the types of permitted Restricted Payments or Permitted Investments.

"*Attributable Indebtedness*" means, with respect to any Person on any date, in respect of any finance lease, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended.

"*Bankruptcy Law*" means the Bankruptcy Code, the BIA, the CCAA, and the Winding-Up and Restructuring Act (Canada), and any similar federal, state, provincial, territorial or foreign law for the relief of debtors, or any arrangement, reorganization, receivership, administration, administrative receivership, insolvency, moratorium, assignment for the benefit of creditors, any other marshaling of assets and/or liabilities of a Grantor and/or its affiliates, or any similar law relating to or affecting creditors' rights generally, including any applicable corporations legislation to the extent the relief sough under such corporations legislation relates to or involves the compromise, settlement or adjustment or arrangement of debt.

"*Bankruptcy or Insolvency Case*" means any case or proceeding under any Bankruptcy Law.

"*Beneficial Holders*" means any person who holds a beneficial interest in secured notes as shown on the books of the Depository or a participant of such Depository.

"*Board of Directors*" means, as to any Person, the board of directors of such Person or any duly authorized committee thereof or, with respect to any Person that is not a corporation, the Person or Persons performing corresponding functions.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"*Business Day*" means any day other than a Saturday, Sunday or other day on which commercial banks or financial institutions are authorized to close under the laws of, or are in fact closed in, the State of New York, the Province of Ontario or the place of payment.

"*Canadian Restricted Subsidiary*" means any Restricted Subsidiary that is organized under the laws of Canada or any province or territory thereof.

"*Capital Markets Indebtedness*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act, (b) a private placement to institutional investors that is resold in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC or (c) a private placement to institutional accredited investors.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person; and

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

"*Capitalized Lease Obligation*" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as a finance lease under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"*Cash Equivalents*" means:

(1) United States dollars, Canadian dollars, Euros, British Pounds or any national currency of any participating member state of the European Union or such local currencies held by Parent and its Subsidiaries from time to time in the ordinary course of business;

(2) marketable direct obligations issued by, or unconditionally guaranteed by, the United States, any Canadian Governmental Authority, Canadian crown corporations, the Netherlands, the United Kingdom, Germany, Spain, France or Australia;

(3) marketable direct obligations issued by any agency of the United States or any Canadian Governmental Authority and backed by the full faith and credit of the United States or Canada, in each case maturing within one year from the date of acquisition thereof;

(4) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's (or, in each case, if such Rating Agency ceases to rate such securities, from any Rating Agency selected by the Issuer as a replacement Rating Agency);

(5) commercial paper or corporate bonds maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's (or, in each case, if such Rating Agency ceases to rate such securities, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency);

(6) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250.0 million;

(7) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (2) above entered into with any bank meeting the qualifications specified in clause (6) above;

(8) securities issued or directly and fully guaranteed or insured by any state, commonwealth or territory of the United States of America or any province or territory of Canada or any agency, subdivision or instrumentality thereof or by any foreign government (and that at the time of acquisition have an investment grade rating from S&P or Moody's (or, in each case, if such Rating Agency ceases to rate such securities, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency)) having maturities of not more than two years after the date of acquisition;

(9) marketable short term money market and similar securities having the highest rating obtainable from S&P or Moody's (or, in each case, if such Rating Agency ceases to rate such securities, any Rating Agency selected by the Issuer as a replacement Rating Agency) at the time of acquisition and in each case maturing within two years after the date of acquisition;

(10) Investments in money market funds that invest substantially all their assets in securities of the types described in clauses (1) through (9) above; and

(11) Foreign Cash Equivalents.

"*Cash Management Agreement*" means any agreement to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p-cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"*Cash Pooling Arrangements*" means any cash pooling arrangements (including, without limitation, cash concentration arrangements and notional cash pooling arrangements and any replacement thereof from time to time) maintained by Subsidiaries of Parent organized outside of the United States or Canada (or by Parent or Subsidiaries of Parent organized in the United States or Canada to the extent relating solely to the accounts of Parent or such Subsidiaries located outside of the United States or Canada) arising under the terms of a customary agreement with a financial institution in order to facilitate the efficient deployment of cash.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Parent to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "*Group*"), together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the Secured Notes Indenture);

(2) the approval by the holders of Capital Stock of Parent of any plan or proposal for the liquidation or dissolution of Parent (whether or not otherwise in compliance with the provisions of the Secured Notes Indenture);

(3) any Person or Group shall become the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of Parent; or

(4) Parent ceases to own, directly or indirectly, 100% of the Capital Stock of the Issuer (other than director qualifying shares).

"*Chinese Facilities*" means the line of credit and other extensions of credit to one or more Wholly Owned Subsidiaries of Parent that are incorporated under the laws of the People's Republic of China, in an aggregate principal amount at any time outstanding not to exceed $10.0 million.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Collateral*" means all the "Collateral" (or equivalent term) as defined in any Collateral Document and all other property that is subject or purported to be subject to any Lien in favor of the Notes Collateral Agent pursuant to any Collateral Document, but in any event excluding all Excluded Assets.

"*Collateral Documents*" means all security agreements, pledge agreements, control agreements, mortgages, collateral assignments, security deeds, deeds to secure debt, deeds of trust, collateral agency agreements, debentures or other instruments or other pledges, grants or transfers for security or agreements related thereto executed and delivered by Parent, the Issuer or any other Guarantor creating or perfecting (or purporting to create or perfect) a Lien upon Collateral (including, without limitation, financing statements under the UCC) in favor of the Notes Collateral Agent on behalf of itself, the Trustee and the holders of the secured notes to secure the secured notes and the Guarantees, in each case, as amended, modified, renewed, restated, supplemented or replaced, in whole or in part, from time to time, in accordance with its terms and the provisions described under "—Security."

"*Common Stock*" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, and includes, without limitation, all series and classes of such common stock.

"*Consolidated Debt Ratio*" as of any date of determination means, the ratio of (1) Consolidated Total Indebtedness of Parent and its Restricted Subsidiaries as of the end of the Applicable Measurement Period to (2) Parent's Consolidated EBITDA for the Applicable Measurement Period, in each case with such pro forma adjustments to Consolidated Total Indebtedness and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Consolidated EBITDA*" means, for any period, for Parent and its Restricted Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period; plus

(b) the following to the extent deducted in calculating such Consolidated Net Income (other than clauses (iv) and (v)):

(i) Consolidated Interest Expense for such period;

(ii) federal, state, local and foreign income tax expense for such period;

(iii) depreciation and amortization expense for such period;

(iv) expected cost savings, operating expense reductions and synergies for such period related to the consummation of the Acquisition projected by Parent in good faith to result from actions with respect to which substantial steps have been taken, will be taken, or are expected to be taken; *provided* that (A) such cost savings, operating expense reductions and synergies are expected to be realized (in the good faith determination of Parent) within 24 months after the closing date of the Acquisition, which are reasonably identifiable and factually supportable and (B) amounts added-back for any period pursuant to this clause (iv) shall not exceed $125.0 million during the term of the Secured Notes Indenture (it being understood that no addbacks pursuant to this clause (iv) shall be permitted subsequent to 24 months after the closing date of the Acquisition);

(v) expected cost savings, operating expense reductions and synergies for such period related to mergers and other business combinations, acquisitions, Dispositions, restructuring, or cost savings initiatives which are reasonably identifiable and factually supportable and other similar initiatives and projected by Parent in good faith to result from actions with respect to which substantial steps have been taken, will be taken, or are expected to be taken; *provided* that (A) such cost savings, operating expense reductions and synergies are expected to be realized (in the good faith determination of Parent) within 24 months after such transaction or initiative is consummated and (B) amounts added-back for any period pursuant to this clause (v) shall not exceed 10% of Consolidated EBITDA for such period (calculated prior to giving effect to this clause (v)) (it being understood that no addbacks pursuant to this clause (v) with respect to any specific merger, business combination, acquisition, Disposition, restructuring or cost savings initiative shall be permitted subsequent to 24 months after the applicable merger, business combination, acquisition, Disposition, restructuring or cost savings initiative);

(vi) non-cash losses, charges and expenses (including non-cash compensation charges but excluding (A) losses, charges and expenses to the extent representing an accrual of or reserve for cash losses, charges or expenses in any future period and (B) write-downs or reserves of account receivables or inventory);

(vii) unusual or non-recurring losses, charges and expenses in an aggregate amount not to exceed $50.0 million during such period;

(viii) cash restructuring and related charges and business optimization expenses in an aggregate amount not to exceed $50.0 million during such period;

(ix) unrealized losses due to foreign exchange adjustments (including, without limitation, losses and expenses in connection with currency and exchange rate fluctuations);

(x) costs and expenses in connection with the Senior Secured Credit Facilities, the Secured Notes Indenture, the Unsecured Notes Indenture, the proposed acquisition of Euro Auctions and the Acquisition (including, without limitation, one-time expenses associated with vested and unvested options);

(xi) expenses or charges related to any offering of equity interests, Permitted Investment, acquisition (other than the Acquisition), Disposition, recapitalization or incurrence of permitted Indebtedness (whether or not consummated), including non-operating or non-

recurring professional fees, costs and expenses related thereto in an aggregate amount not to exceed $50.0 million during such period; and

(xii) losses from discontinued operations and non-ordinary course Dispositions; minus

(c) the following to the extent included in calculating such Consolidated Net Income: (i) non-cash income or gains, (ii) unrealized gains due to foreign exchange adjustments (including, without limitation, gains in connection with currency and exchange rate fluctuations) and (iii) income or gains from discontinued operations and non-ordinary course Dispositions.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to any Person, the ratio of Consolidated EBITDA of such Person during the Applicable Measurement Period to Consolidated Fixed Charges paid in cash for the Applicable Measurement Period.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Applicable Measurement Period or at any time subsequent to the last day of the Applicable Measurement Period and on or prior to the Applicable Calculation Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Applicable Measurement Period; and

(2) any asset sales or Asset Acquisitions, including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness and also including any Consolidated EBITDA (including any pro forma expense and cost reductions calculated on a basis consistent with Regulation S-X promulgated under the Exchange Act attributable to the assets that are the subject of the Asset Acquisition or asset sale during the Applicable Measurement Period) occurring during the Applicable Measurement Period or at any time subsequent to the last day of the Applicable Measurement Period and on or prior to the Applicable Calculation Date, as if such asset sale or Asset Acquisition (including the incurrence or assumption of any such Acquired Indebtedness) occurred on the first day of the Applicable Measurement Period. If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such other Indebtedness that was so guaranteed.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of the Consolidated Fixed Charge Coverage Ratio:

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Applicable Calculation Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Applicable Calculation Date; and

(2) notwithstanding clause (1) of this paragraph, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Swap Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"*Consolidated Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense; *plus*

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary; *plus*

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Capital Stock.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum of, without duplication:

(1) the aggregate of the interest expense of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including, without limitation: (a) any amortization of debt discount and amortization or write off of deferred financing costs; (b) the net costs under Interest Swap Obligations; (c) all capitalized interest; and (d) the interest portion of any deferred payment obligation; and

(2) the interest component of Capitalized Lease Obligations paid and/or scheduled to be paid by such Person and its Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP;

provided, that, notwithstanding anything herein to the contrary, interest in connection with the secured notes and the secured notes shall not constitute Consolidated Interest Expense to the extent (and for so long as) the secured notes and the secured notes have been funded into escrow to fund the Acquisition and remain in escrow.

"*Consolidated Net Income*" means, for any period, for Parent and its Subsidiaries on a consolidated basis, net income (or loss) for such period; *provided* that Consolidated Net Income shall exclude:

(a) extraordinary gains and extraordinary losses for such period,

(b) solely for the purpose of determining the amount available for Restricted Payments under clause (iii)(w) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer, Parent or a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than restrictions that have been waived or otherwise released), except that Parent's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary to the Issuer, Parent or another Restricted Subsidiary as a dividend or other distribution (subject in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause); and

(c) any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that Parent's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to Parent or a Subsidiary as a dividend or other distribution.

"*Consolidated Secured Debt Ratio*" as of any date of determination means, the ratio of (1) Consolidated Total Secured Indebtedness of Parent and its Restricted Subsidiaries as of the end of the Applicable Measurement Period to (2) Parent's Consolidated EBITDA for the Applicable Measurement Period, in each case with such pro forma adjustments to Consolidated Total Indebtedness and Consolidated EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Consolidated Total Assets*" means the total consolidated assets of Parent and its Restricted Subsidiaries, as shown on the most recent consolidated balance sheet of Parent and its Restricted Subsidiaries, calculated on a pro forma basis after giving effect to any subsequent acquisition or Disposition of a Person or business.

"*Consolidated Total Indebtedness*" means, as at any date of determination, an amount equal to the sum of (1) the aggregate amount of all outstanding Indebtedness of Parent and its Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, obligations in respect of purchase money Indebtedness and Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments; (2) all direct or contingent obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties and similar instruments; (3) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business) solely to the extent such obligation is evidenced by a note or similar instrument and such obligation is included as a liability on the balance sheet of Parent and its Subsidiaries in accordance with GAAP; and (4) all Guarantees with respect to Indebtedness of the types specified in clauses (1) through (3) above of another Person.

"*Consolidated Total Secured Indebtedness*" means, as of any date of determination means, the aggregate amount of all outstanding Consolidated Total Indebtedness of Parent and its Restricted Subsidiaries that is secured by Liens as of the end of the Applicable Measurement Period.

"*Credit Facilities*" means one or more debt facilities, including the Senior Secured Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, receivables financing, bankers acceptances, letters of credit, debt securities or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, replacements or refinancings thereof and any indentures or credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof, whether or not by the same or any other agent, investor, lender or group of lenders (whether or not such added or substituted parties are banks or other institutional lenders), in each case, whether or not any such amendment, supplement, modification, extension, renewal, restatement, refunding, replacement or refinancing occurs simultaneously with the termination or repayment of a prior Credit Facility.

"*Credit Facilities Collateral Agent*" means the Bank of America, N.A., as collateral agent under the Senior Secured Credit Facilities and its successors and permitted assigns thereunder.

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect Parent or any Restricted Subsidiary of Parent against fluctuations in currency values.

"*Debtor Relief Laws*" means the Bankruptcy Code of the United States, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), the Dutch Bankruptcy Code (Faillissementswet), Insolvency Act 1986 (United Kingdom), the Corporations Act 2001 (Cth), the Bankruptcy Act 1966 (Cth), and all other liquidation, provisional liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, administration, insolvency, stay, winding up, deregistration, compromise or composition, reorganization, scheme of arrangement, laws affecting creditors' rights generally or similar debtor relief laws of the United States, Australia, Canada, Japan, the Netherlands, the United Kingdom, Mexico or other applicable jurisdictions from time to time in effect.

"*Default*" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Depository*" means Cede & Co. and such other Person as is designated in writing by Parent or the Issuer and acceptable to the Trustee to act as depository in respect of one or more secured notes.

"*Designated Non-Cash Consideration*" means the Fair Market Value of non-cash consideration received by Parent or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-Cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case, upon the occurrence of a Change of Control or fundamental change) on or prior to the final maturity date of the secured notes; *provided*, *however*, only the portion of Capital Stock which is so redeemable or repurchasable prior to such date will be deemed to be Disqualified Capital Stock. For the avoidance of doubt, Parent's Series A preferred stock shall not be considered Disqualified Capital Stock.

"*Disposition*" or "*Dispose*" means the sale, transfer, license, lease or other disposition of any property by Parent or any Subsidiary, including any Sale and Leaseback Transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding any Recovery Event.

"*Eligible Escrow Investments*" means (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include certificates of deposit, bankers' acceptances or interest-bearing time deposits that are made with the Trustee or with any member of the Federal Deposit Insurance Corporation, *provided* that such investments are: (A) fully insured by the Federal Deposit Insurance Corporation; (B) made with any bank (including the Trustee or any Affiliate thereof) having undivided capital and surplus of at least $100.0 million, the debt obligations (or in the case of the principal bank holding company, debt obligations of the bank holding company) of which are rated in the top 2 tier categories by at least one of the recognized rating agencies at the time of purchase; or (C) continuously secured as to principal, to the extent not insured by the Federal Deposit Insurance Corporation, by items listed in clause (A) or (B) above, or other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States of America, having a market value (exclusive of accrued interest) not less than the amount of such deposit.

"*Equity Interests*" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, and all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person.

"*Euro Auctions*" means Euro Auctions Limited, William Keys & Sons Holdings Limited, Equipment & Plant Services Ltd and Equipment Sales Ltd, each being a private limited company incorporated in Northern Ireland.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Existing Notes*" means Parent's existing 5.375% Senior Notes due 2025.

"*Fair Market Value*" means, with respect to any asset or property, the price which could be negotiated in an arm's-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of Parent or the Issuer acting reasonably and in good faith and shall be evidenced by a Board Resolution of the Board of Directors of Parent or the Issuer.

"*FATCA*" means (a) Sections 1471 through 1474 of the Code, as of the Issue Date (including regulations and guidance thereunder), (b) any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with, (c) any agreement (including any intergovernmental agreement) entered into in connection therewith, including pursuant to Section 1471(b)(1) of the Code or (d) any law, regulation, rule or practice implementing an intergovernmental agreement or approach thereto or therewith.

"*Foreign Cash Equivalents*" means certificates of deposit or bankers acceptances of any bank organized under the laws of the United Kingdom, Canada, Singapore, Australia, China or any country that is a member of the European Union, whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof, in each case with maturities of not more than one year from the date of acquisition.

"*GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession of the United States, which were in effect as of the Issue Date.

"*Government Securities*" means direct obligations of, or obligations guaranteed by, the United States, Canada or the United Kingdom (including, in each case, any agency or instrumentality thereof) for the payment of which obligations or guarantees the full faith and credit of the United States, Canada or the United Kingdom is pledged and which are not callable or redeemable at the issuer's option.

"*Governmental Authority*" means the government of the United States, Canada or any other nation, or of any political subdivision thereof, whether state, provincial, territorial 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 (including the Financial Conduct Authority, the Prudential Regulation Authority, any supra-national bodies such as the European Union or the European Central Bank).

"*IAA*" means IAA, Inc., a Delaware corporation.

"*Indebtedness*" means, with respect to any Person, without duplication:

(1) all Obligations of such Person for borrowed money;

(2) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business and any earn-out obligation until such obligation becomes a liability on the balance sheet of Parent and its Restricted Subsidiaries in accordance with GAAP and if not paid when due and payable);

(5) all Obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction which is issued in respect of Indebtedness referred to in clauses (1) through (4) above and clause (8) below;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all Obligations of any other Person of the type referred to in clauses (1) through (6) above that are secured by any Lien on any property or asset of such Person, the amount of such Obligation being deemed to be the lesser of the fair market value of such property or asset or the amount of the Obligation so secured;

(8) all net Obligations under Currency Agreements and interest swap agreements of such Person; and

(9) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Secured Notes Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Capital Stock, such fair market value shall be determined reasonably and in good faith by Parent or the Issuer. In addition, the term "Indebtedness" shall not include (i) deferred or prepaid revenue, (ii) purchase price

holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller, (iii) accrued expenses and (iv) obligations in respect of operating leases. For all purposes hereof, the Indebtedness of Parent and its Wholly Owned Subsidiaries shall exclude intercompany liabilities arising from their cash management and accounting operations and intercompany loans, advances or Indebtedness among Parent and its Wholly Owned Subsidiaries having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) and made in the ordinary course of business.

"*Independent Financial Advisor*" means a firm: (1) that does not, and whose directors, officers and employees or Affiliates do not, have a direct or indirect financial interest in Parent or the Issuer and (2) that, in the judgment of the Board of Directors of Parent or the Issuer, is otherwise independent and qualified to perform the task for which it is to be engaged.

"*Indian Facilities*" means the line of credit and other extensions of credit to one or more Wholly Owned Subsidiaries of Parent that are incorporated under the laws of India, in an aggregate principal amount at any time outstanding not to exceed $5.0 million.

"*Initial Purchasers*" means the initial purchasers party to the Purchase Agreement.

"*Interest Swap Obligations*" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"*International Restricted Subsidiary*" means any Restricted Subsidiary that is not a U.S. Restricted Subsidiary.

"*Investment*" means, with respect to any Person, any direct or indirect loan or other extension of credit (including, without limitation, a guarantee) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person. "Investment" shall exclude extensions of trade credit by Parent and its Restricted Subsidiaries on commercially reasonable terms. If Parent or any Restricted Subsidiary of Parent sells or otherwise disposes of any Common Stock of any direct or indirect Wholly Owned Restricted Subsidiary of Parent such that, after giving effect to any such sale or disposition, Parent no longer owns, directly or indirectly, 100% of the outstanding Common Stock of such Restricted Subsidiary, Parent shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Common Stock of such Restricted Subsidiary not sold or disposed of.

For purposes of "—Certain Covenants—Limitation on Restricted Payments" and "—Designation of Restricted and Unrestricted Subsidiaries":

(1) "Investment" will include the portion (proportionate to Parent's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of Parent at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Parent will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) Parent's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to Parent's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of Parent or the Issuer in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of Parent or the Issuer.

"*Intellectual Property Rights*" mean, collectively the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights.

"*Investment Grade Rating*" means a rating of Baa3 or better by Moody's and BBB- or better by S&P (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate the secured notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency).

"*IP Rights*" means the legal right to use all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of Parent or its Subsidiaries' respective businesses.

"*Issue Date*" means , 2023.

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

"*Limited Condition Transaction*" means (1) any acquisition or other Investment, including by way of merger, amalgamation or consolidation, by Parent or one or more of its Restricted Subsidiaries, with respect to which Parent or such Restricted Subsidiaries have entered into an agreement or are otherwise contractually committed to consummate and the consummation of which is not expressly conditioned upon the availability of, or on obtaining, financing from a third party non-Affiliate, (2) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock, (3) any Restricted Payment requiring irrevocable notice in advance thereof and (4) any Asset Sale or a disposition excluded from the definition of "Asset Sale."

"*Merger Agreement*" means the Agreement and Plan of Merger and Reorganization by and among Parent, the Issuer, Impala Merger Sub I, LLC, Impala Merger Sub II, LLC and IAA (together with all exhibits and schedules thereto, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Acquisition Closing Date).

"*Moody's*" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest) received by Parent or any of its Restricted Subsidiaries from such Asset Sale net of:

(1) out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, brokerage and sales commissions, and survey, title and recording expenses, transfer taxes and expenses incurred for preparing such asset for sale, payments made in order to obtain a necessary consent or required by applicable law, any relocation expenses incurred as a result of the Asset Sale and other fees and expenses, including title and recordation expenses);

(2) taxes paid or payable, or estimated in good faith to be payable as a result of the Asset Sale, after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

(3) repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale; and

(4) appropriate amounts to be provided by Parent or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by Parent or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale.

"*Obligations*" means all obligations for principal, premium, interest, penalties, fees, indemnification, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Circular*" means this offering circular, dated , 2023, pursuant to which the secured notes are being offered to potential purchasers.

"*Officer*" means, with respect to any Person, any of the following: the Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, General Counsel, Vice President, Treasurer, Secretary, Assistant Secretary or Assistant Treasurer (including interim officers).

"*Officer's Certificate*" means, with respect to any Person, a certificate signed on behalf of such Person by an Officer of such Person, which meets the requirements set forth in the Secured Notes Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel, who may be an employee of or counsel to Parent or the Issuer, or other counsel who is reasonably acceptable to the Trustee.

"*Organization Documents*" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement or limited liability company agreement (or equivalent or comparable documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction) and (d) with respect to all entities, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction).

"*Pari Passu Indebtedness*" means any Indebtedness of Parent, the Issuer or any other Guarantor that is equal in right of payment with the secured notes or the Guarantee of such Guarantor, as applicable.

"*Pari Passu Intercreditor Agreement*" means that certain Pari Passu Intercreditor Agreement, to be entered into on or around the Issue Date, by and among the Notes Collateral Agent, as Initial Secured Notes Agent (as defined therein), the Credit Facilities Collateral Agent, as Initial Term Loan Agent (as defined therein), and each additional agent from time to time party thereto, and acknowledged by the grantors party thereto, as amended, restated, replaced, amended and restated, extended, supplemented or otherwise modified from time to time in accordance with its terms and the Secured Notes Indenture.

"*Parity Lien*" means a Lien granted to the Notes Collateral Agent or other Parity Lien Representative under any Parity Lien Indebtedness for the benefit of the holders thereof, at any time, upon the Collateral to secure Parity Lien Obligations.

"*Parity Lien Documents*" means, collectively, the Secured Notes Indenture, the secured notes, the Collateral Documents, the Pari Passu Intercreditor Agreement, the Senior Secured Credit Facilities and the indenture, credit agreement or other agreement governing other Parity Lien Indebtedness and the security documents related to the foregoing.

"*Parity Lien Indebtedness*" means:

(1) Indebtedness represented by the secured notes initially issued by the Issuer under the Secured Notes Indenture on the Issue Date;

(2) Indebtedness Incurred by Parent, the Issuer or any of the other Guarantors under the Senior Secured Credit Facilities that is intended by the Issuer to be secured equally and ratably with the Indebtedness represented by the notes initially issued by the Issuer under the Secured Notes Indenture by a Parity Lien that is permitted to be Incurred and/or secured by a Parity Lien under the Secured Notes Indenture; and

(3) any other Indebtedness of Parent, the Issuer or any other Guarantor (including additional secured notes) that is intended by the Issuer to be secured equally and ratably with the Parity Lien Obligations by a Parity Lien that is permitted to be Incurred and secured by a Parity Lien under the Secured Notes Indenture; *provided* that in the case of any Indebtedness referred to in this clause (3):

(a) such Indebtedness (i) is in replacement of any Indebtedness referred to in clauses (1) or (2) above in accordance with the terms and conditions of the Pari Passu Intercreditor Agreement or (ii) constitutes "Additional First Lien Debt" under the Pari Passu Intercreditor Agreement designated by the Issuer, in accordance with the terms and conditions of the Pari Passu Intercreditor Agreement; and

(b) the Parity Lien Representative of such Indebtedness becomes a party to the Pari Passu Intercreditor Agreement in accordance with the terms thereof.

"*Parity Lien Obligations*" means Parity Lien Indebtedness and all other Obligations in respect thereof.

"*Parity Lien Representative*" means (1) the Notes Collateral Agent, in the case of the secured notes, (2) the Credit Facilities Collateral Agent, in the case of the Senior Secured Credit Facilities, and (3) in the case of any other Series of Parity Lien Indebtedness, the trustee, agent or representative of the holders of such Series of Parity Lien Indebtedness who is appointed as a representative of such Series of Parity Lien Indebtedness (for purposes related to the administration of the applicable security documents related thereto) pursuant to the indenture, credit agreement or other agreement governing such series of Parity Lien Indebtedness and becomes a party to the Pari Passu Intercreditor Agreement in accordance with the terms thereof.

"*Permitted Intercompany Activities*" means any transactions between or among Parent and its Restricted Subsidiaries that are entered into in the ordinary course of business of Parent and its Restricted Subsidiaries and, in the good faith judgment of Parent are necessary or advisable in connection with the ownership or operation of the business of Parent and its Restricted Subsidiaries, including, but not limited to, (i) payroll, cash management, cash pooling, purchasing, tax, accounting, insurance and hedging arrangements; and (ii) management, technology and licensing arrangements.

"*Permitted Investments*" means:

(1) Investments by Parent or any Restricted Subsidiary of Parent in any Person that is or will become after such Investment a Restricted Subsidiary of Parent or that will merge, amalgamate or consolidate into Parent or a Restricted Subsidiary of Parent;

(2) Investments in Parent by any Restricted Subsidiary of Parent;

(3) Investments in cash and Cash Equivalents;

(4) loans and advances to employees and officers of Parent and its Subsidiaries in the ordinary course of business for reasonable and customary business-related purposes not in excess of $30.0 million at any one time outstanding;

(5) Currency Agreements and Interest Swap Obligations entered into in the ordinary course of Parent's or its Restricted Subsidiaries' businesses and otherwise in compliance with the Secured Notes Indenture;

(6) additional Investments in an aggregate principal amount at any time outstanding not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA of the Applicable Measurement Period;

(7) Investments received (x) pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditors, suppliers or customers or in good faith settlement of delinquent obligations of such trade creditors, suppliers or customers; (y) as a result of the foreclosure by Parent or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title, or (z) as a result of litigation, or other disputes with Persons who are not Affiliates of Parent;

(8) Investments made by Parent or its Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with the covenant described under "—Certain Covenants—Limitation on Asset Sales";

(9) Investments represented by guarantees that are otherwise permitted under the Secured Notes Indenture;

(10) Investments the payment for which is Qualified Capital Stock of Parent;

(11) Investments by Parent consisting of obligations of one or more officers, directors or other employees of Parent or any of its Subsidiaries in connection with such officers', directors' or employees' acquisition of shares of capital stock of the Issuer so long as no cash is paid by the Issuer or any of its Subsidiaries to such officers, directors or employees in connection with the acquisition of any such obligations;

(12) any Investment (x) existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date, (y) solely with respect to IAA and its subsidiaries, existing on the Escrow Release Date, so long as such Investment was not made in contemplation of the Acquisition or (z) consisting of any replacement, refinancing, extension, modification or renewal of any Investment existing on the Issue Date (or, with respect to IAA and its subsidiaries, the Escrow Release Date); *provided* that the amount of any such Investment may only be increased (i) as required by the terms of such Investment as in existence on the Issue Date (or, with respect to IAA and its subsidiaries, the Escrow Release Date) or (ii) as otherwise permitted under the Secured Notes Indenture;

(13) stock, obligations or securities received in satisfaction of judgments;

(14) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business;

(15) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(16) securities issued by the World Bank or Federal Bank for Reconstruction and Development;

(17) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(18) (i) intercompany advances among Parent and its Subsidiaries arising from their cash management and accounting operations, (ii) intercompany loans, advances, or Indebtedness among Parent and its Subsidiaries having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) and (iii) to the extent constituting Investments, obligations permitted under clause (7)(c) under the second paragraph of "Certain Covenants—Limitation on Incurrence of Additional Indebtedness";

(19) advances of payroll payments to employees in the ordinary course of business;

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease and utility and worker's compensation deposits provided to third parties in the ordinary course of business;

(21) (i) Investments made in accordance with Parent's investment policy as in effect from time to time, and (ii) Investments funded with net proceeds of any issuance of Capital Stock by Parent;

(22) Investments in connection with or related to the Transactions;

(23) promissory notes and other noncash consideration received in connection with any Disposition permitted by the Secured Notes Indenture;

(24) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(25) Investment made in connection with Permitted Intercompany Activities, Cash Pooling Arrangements and related transactions;

(26) additional Investments so long as (i) immediately after giving effect to such Investment, no Event of Default exists, and (ii) immediately after giving pro forma effect to any such Investment, the Consolidated Debt Ratio shall be less than or equal to 3.25 to 1.00;

(27) to the extent constituting Investments, loans provided by Parent or any Restricted Subsidiary to third parties (and secured by such third party's equipment) consistent with the line of business engaged in by Parent as of the Issue Date; and

(28) (i) Investments in any Person in connection with a Receivables Facility; *provided*, *however*, that such Investment is in the form of a purchase money note, contribution of additional receivables or any equity interest, and (ii) contributions of Receivables Assets to any Person in connection with a Receivables Facility.

"*Permitted Liens*" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent for a period of more than 30 days or (b) are being contested in good faith by appropriate proceedings and as to which Parent or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen and repairmen, construction Liens and other Liens imposed by law (including Liens imposed under laws governing the administration of Canadian pension plans) or pursuant to customary reservations or retentions of title incurred in the ordinary course of business for sums not yet delinquent for a period of more than 30 days or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP has been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, and pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of insurance carriers or to secure the performance of tenders, trade contracts, statutory obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (including those to secure health safety and environmental obligations and exclusive of obligations for the payment of borrowed money);

(4) judgment Liens securing the payment of money (or appeal or other surety bonds relating to such judgments) not giving rise to an Event of Default;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the applicable Person;

(6) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(7) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(8) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of Parent or any of its Restricted Subsidiaries, including rights of offset and set-off;

(9) Liens securing Capitalized Lease Obligations and Purchase Money Indebtedness permitted pursuant to clause (13) of the definition of "Permitted Indebtedness"; *provided*, *however*, that in the case of Purchase Money Indebtedness (a) the Indebtedness shall not be secured by any property or assets of Parent or any Restricted Subsidiary of Parent other than the property and assets so acquired or constructed and the proceeds thereof and (b) the Lien securing such Indebtedness shall be created within 270 days of such acquisition or construction or, in the case of a refinancing of any Purchase Money Indebtedness, within 270 days of such refinancing;

(10) Liens securing Interest Swap Obligations which Interest Swap Obligations relate to Indebtedness that is otherwise permitted under the Secured Notes Indenture;

(11) Liens securing Indebtedness under Currency Agreements;

(12) Liens securing Acquired Indebtedness incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness"; *provided* that:

(a) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by Parent or a Restricted Subsidiary of Parent and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by Parent or a Restricted Subsidiary of Parent; and

(b) such Liens do not extend to or cover any property or assets of Parent or of any of its Restricted Subsidiaries other than the property or assets that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of Parent or a Restricted Subsidiary of Parent and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by Parent or a Restricted Subsidiary of Parent;

(13) Liens on assets of a Restricted Subsidiary of Parent that is not a Guarantor to secure Indebtedness of such Restricted Subsidiary that is otherwise permitted under the Secured Notes Indenture;

(14) leases, subleases, licenses and sublicenses granted to others that do not materially interfere with the ordinary course of business of Parent and its Restricted Subsidiaries;

(15) (i) banker's Liens, rights of netting and/or setoff and similar Liens with respect to cash and Cash Equivalents on deposit in one or more bank accounts in the ordinary course of business (including for the avoidance of doubt under any Cash Pooling Arrangements) and (ii) Liens arising from Cash Pooling Arrangements or granted in support thereof;

(16) any interest of title of a lessor under, and Liens arising from filing UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to leases;

(17) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods;

(18) rights of customers with respect to inventory which arise from deposits and progress payments made in the ordinary course of business;

(19) Liens on assets of International Restricted Subsidiaries (other than Canadian Restricted Subsidiaries) securing Indebtedness permitted pursuant to clause (14) of the definition of "Permitted Indebtedness";

(20) additional Liens in an aggregate amount at the time of incurrence not to exceed the greater of (A) $330.0 million and (B) 30% of Consolidated EBITDA for the Applicable Measurement Period;

(21) at all times prior to the Escrow Release Date, Liens to secure Obligations under the escrow arrangements in respect of the secured notes;

(22) Liens (a) existing as of the Issue Date or (b) solely with respect to IAA and its subsidiaries, existing as of the Escrow Release Date (so long as such Lien was not incurred in contemplation of the Acquisition), to the extent and in the manner such Liens are in effect on the Issue Date or the Escrow Release Date, as applicable;

(23) Liens securing (a) the secured notes, the unsecured notes, the Guarantees and the guarantees of the unsecured notes and (b) Indebtedness that is junior lien in priority (so long as any such Liens are subject to a junior lien intercreditor agreement);

(24) Liens of Parent or the Issuer or a Wholly Owned Restricted Subsidiary of Parent or the Issuer on assets of any Restricted Subsidiary of Parent and Liens on assets of Parent or the Issuer in favor of a Wholly Owned Restricted Subsidiary that is a Guarantor;

(25) Liens deemed to exist in connection with Investments in repurchase agreements;

(26) Liens of a collection bank arising under the UCC, or other applicable law, on items in the course of collection;

(27) reservations, limitations provisos and conditions expressed in any original grants from any governmental authority or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land or detract from the value thereof;

(28) the rights reserved to or vested in governmental authorities by statutory provisions or by the terms of leases, licenses, franchises, grants or permits, which affect any land, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof;

(29) Liens in favor of public utilities or to any municipalities or governmental authorities or other public authorities when required by such utilities, municipalities or governmental authorities or such other public authorities in connection with the supply of services or utilities to Parent or any of its Subsidiaries;

(30) Liens (A) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted under the Secured Notes Indenture to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment or any disposition permitted under the Secured Notes Indenture (including any letter of intent or purchase agreement with respect to such Investment or disposition) or (B) consisting of an agreement to dispose of any property in a disposition permitted under the Secured Notes Indenture, in each case, solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(31) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(32) in the case of Indebtedness permitted under the Secured Notes Indenture issued into escrow, Liens on the proceeds of such Indebtedness and any cash or Cash Equivalents consisting of prefunded accrued interest on, or additional funds or premium in respect of, such Indebtedness, and any investments with respect to such proceeds, in each case for so long as such funds remain in escrow;

(33) Liens securing Refinancing Indebtedness which is incurred to Refinance any Indebtedness that has been secured by a Lien permitted under the Secured Notes Indenture and that has been incurred without violation of the Secured Notes Indenture; *provided*, *however*, that such Liens: (i) are no less favorable to the Holders and are not more favorable to the lienholders, in each case in any material respect, with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced;

and (ii) do not extend to or cover any categories of property or assets of the Issuer or any of its Restricted Subsidiaries not securing the Indebtedness so Refinanced.

(34) Liens securing existing or future borrowings under Credit Facilities incurred pursuant to clause (2) of the definition of Permitted Indebtedness (*provided* that, to the extent such Liens are Liens on Collateral, any such Liens are subject to the Pari Passu Intercreditor Agreement);

(35) Liens securing Indebtedness incurred pursuant to clause (17) of the definition of Permitted Indebtedness;

(36) Liens securing Indebtedness incurred pursuant to clause (19) of the definition of Permitted Indebtedness;

(37) Liens in favor of a consignor encumbering assets delivered to Parent or a Restricted Subsidiary on consignment in the ordinary course of business;

(38) deposits to secure the performance of bids, trade contracts, government contracts and leases (other than Indebtedness), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health safety and environmental obligations) incurred in the ordinary course of business;

(39) Liens on the Capital Stock of Unrestricted Subsidiaries; and

(40) any encumbrance or restriction existing under or by reason of contractual requirements in connection with a Receivables Facility.

"*Person*" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*PPSA*" means the Personal Property Security Act (Ontario), together with any regulations thereto; *provided* that, if the grant, attachment, perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Personal Property Security Act as in effect in a Canadian jurisdiction other than the Province of Ontario, "PPSA" means the Personal Property Security Act as in effect from time to time in such other jurisdiction or, in the case of the Province of Quebec, the Civil Code of Quebec, as applicable, for purposes of the provisions hereof relating to such grant, attachment, perfection, effect of perfection or non-perfection or priority.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"*Purchase Agreement*" means the Purchase Agreement dated , 2023 by and among the Issuer, Parent and Goldman Sachs & Co. LLC, as representative of the several initial purchasers named therein.

"*Purchase Money Indebtedness*" means Indebtedness of Parent and its Restricted Subsidiaries incurred for the purpose of financing all or any part of the acquisition, or the cost of installation, construction, repair, replacement or improvement, of fixed or capital assets, property or equipment.

"*Qualified Capital Stock*" means any Capital Stock that is not Disqualified Capital Stock.

"*Rating Agency*" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the secured notes for reasons outside of the control of the Issuer, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by Parent or the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"*Receivables*" means accounts receivable, royalty or other revenue streams, including contract rights, lockbox accounts, records with respect to such accounts receivable, royalty or other revenue streams and other rights to payment and other assets related thereto created by or arising from sales of goods, leases of goods or the rendition of services rendered no matter how evidenced whether or not earned by performance (whether constituting accounts, general intangibles, chattel paper or otherwise).

"*Receivables Assets*" means Receivables, the proceeds thereof and other revenue streams and other rights to payment customarily sold, transferred, contributed or pledged together with such Receivables.

"*Receivables Facility*" means a public or private transfer, sale, financing or pledge of Receivables Assets by which the Company or any Restricted Subsidiary directly or indirectly securitizes specified Receivables Assets or pledges such specified Receivables Assets in a secured financing.

"*Recovery Event*" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Issuer or any Subsidiary.

"*Refinance*" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness, in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings; *provided* that the principal amount of such Refinancing Indebtedness does not exceed (a) the principal amount of such Indebtedness being refinanced plus (b) the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including, without limitation, tender premiums) and other costs and expenses (including, without limitation, original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

"*Restricted Subsidiary*" of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary. Unless otherwise expressly noted herein, the term "Restricted Subsidiary" of Parent includes the Issuer.

"*Sale and Leaseback Transaction*" means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to Parent or a Restricted Subsidiary of any property, whether owned by Parent or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred Parent or such Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person on the security of such Property.

"*S&P*" means Standard & Poor's Global Ratings, or any successor to the rating agency business thereof.

"*SEC*" means the United States Securities and Exchange Commission.

"*Securities Act*" means the United States Securities Act of 1933, as amended.

"*Secured Foreign Credit Facilities*" means (a) the Chinese Facilities, (b) the Indian Facilities, (c) the Singapore Facilities and (d) any other lines of credit, credit agreements or similar facilities or extensions of credit made to one or more International Restricted Subsidiaries (other than Subsidiaries organized under the laws where Parent, the Issuer and any then-existing Guarantor is organized) in an aggregate principal at any time outstanding not to exceed the greater of $250.0 million and 20% of Consolidated EBITDA for the Applicable Measurement Period.

"*Senior Secured Credit Facilities*" means the Credit Agreement, dated as of October 27, 2016, by and among the Company, the subsidiary borrowers party thereto, the guarantors party thereto, Bank of America, N.A., as administrative agent, U.S. swing line lender and L/C issuer, Royal Bank of Canada, as Canadian swing line lender and L/C issuer, and the other lenders party thereto, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as amended to the date of this Offering Circular and as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder or adding Restricted Subsidiaries of Parent as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders (whether or not such added or substituted parties are banks or other institutional lenders).

"*Series*" means, (a) with respect to the holders of Parity Lien Indebtedness, each of (1) the Notes Collateral Agent, the Trustee and the holders of the secured notes (in their capacities as such), in the case of the secured notes, (2) the Credit Facilities Collateral Agent and the holders of the Credit Facilities Obligations (in their capacities as such), in the case of the Senior Secured Credit Facilities, and (3) the holders of any other Series of Parity Lien Indebtedness that become party to the Pari Passu Intercreditor Agreement and the trustee, agent or representative of the holders of

such Series of Parity Lien Indebtedness who is appointed as a representative of such Series of Parity Lien Indebtedness (for purposes related to the administration of the applicable security documents related thereto) pursuant to the indenture, credit agreement or other agreement governing such Series of Parity Lien Indebtedness (in their capacities as such) and (b) with respect to any Parity Lien Obligations, each of (1) the Obligations in respect of the secured notes, (2) the Credit Facilities Obligations and (3) the Obligations in respect of other Parity Lien Indebtedness which, pursuant to a joinder agreement, are to be represented under the Pari Passu Intercreditor Agreement by a common collateral agent (in its capacity as such for such other Parity Lien Indebtedness).

"*Significant Subsidiary*," with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02(w) of Regulation S-X under the Securities Act.

"*Singapore Facilities*" means the line of credit and other extensions of credit to one or more Wholly Owned Subsidiaries of the Company that are incorporated under the laws of Singapore, in an aggregate principal amount at any time outstanding not to exceed $10.0 million.

"*Specified Property Sales*" means the sale of certain real estate properties with an aggregate purchase price of $200.0 million.

"*Subordinated Indebtedness*" means Indebtedness of Parent, the Issuer or any other Guarantor that is contractually subordinated in right of payment to the secured notes or the Guarantee of such Guarantor, as the case may be.

"*Subsidiary*" with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or through another Subsidiary, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or through another Subsidiary, owned by such Person.

"*Tax Act*" means the Income Tax Act (Canada).

"*Taxes*" means any present or future tax, duty, levy, impost, assessment or other government charge (including penalties, interest and any other liabilities related thereto) imposed or levied by or on behalf of a Taxing Authority.

"Taxing Authority" means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"*Transactions*" means, collectively, (i) the Acquisition, (ii) this offering of the secured notes and the offering of the unsecured notes, (iii) borrowings under the Senior Secured Credit Facilities, (iv) the redemption of the Existing Notes, (v) the issuance of common stock by Parent in connection with the Acquisition and (vi) all other transactions related to or incidental to, or in connection with, any of the foregoing (including, without limitation, the payment of fees and expenses in connection with each of the foregoing).

"*Treasury Securities*" means any investment in obligations issued or guaranteed by the United States government or any agency thereof, in each case, maturing no later than the Escrow End Date.

"*UCC*" means the Uniform Commercial Code as from time to time in effect in the State of New York except as such term may be used in connection with the perfection of Collateral and then the applicable jurisdiction with respect to such affected Collateral shall apply.

"*Unrestricted Subsidiary*" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Parent or the Issuer may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, Parent, the Issuer or any other Subsidiary of Parent or the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided* that:

(1) the Issuer certifies to the Trustee that such designation complies with the covenant described under "—Certain Covenants—Limitation on Restricted Payments" and

(2) each Subsidiary to be so designated and each of 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 Parent or any of its Restricted Subsidiaries.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to such designation, the Issuer is able to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness"; and

(2) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Restricted Subsidiary*" means any Restricted Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

"*unsecured notes*" means the $ million aggregate principal amount of Senior Notes due 20 offered by the Issuer pursuant to the Offering Circular and issued pursuant to the Unsecured Notes Indenture.

"*Unsecured Notes Indenture*" means the indenture, dated as of , 2023 (as supplemented or otherwise modified from time to time) by and among Parent, the Issuer, the guarantors party from time to time thereto and U.S. Bank Trust Company, National Association, as trustee.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"*Wholly Owned Restricted Subsidiary*" of any Person means any Wholly Owned Subsidiary of such Person which at the time of determination is a Restricted Subsidiary of such Person.

"*Wholly Owned Subsidiary*" of any Person means any Subsidiary of such Person of which all the outstanding voting securities (other than in the case of a Restricted Subsidiary that is incorporated in a jurisdiction other than a State in the United States or the District of Columbia, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Subsidiary of such Person.

DESCRIPTION OF UNSECURED NOTES

The following is a summary of the material terms and provisions of the unsecured notes, the Unsecured Notes Indenture and the Unsecured Notes Escrow Agreement (each as defined below). It does not include all of the terms or provisions of the Unsecured Notes Indenture and the Unsecured Notes Escrow Agreement. We urge you to read the Unsecured Notes Indenture because it defines your rights.

You can find definitions of certain capitalized terms used in this description under "—Certain Definitions." In this description (1) the term "*Issuer*" refers to Ritchie Bros. Holdings Inc., a Washington corporation, and not any of its Subsidiaries, (2) the term "*Parent*" refers to Ritchie Bros. Auctioneers Incorporated, a Canadian corporation and the parent of the Issuer, and (3) the terms "*we*," "*our*" and "*us*" each refer to Parent and its Subsidiaries, including the Issuer.

The Issuer does not intend to list the unsecured notes on any securities exchange. The Issuer will not be required to, nor does the Issuer currently intend to, offer to exchange the unsecured notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the unsecured notes for resale under the Securities Act. The Unsecured Notes Indenture will not be qualified under the Trust Indenture Act of 1939, as amended (the "*TIA*"), or subject to the terms of, or incorporate any provision of, the TIA. Accordingly, the terms of the unsecured notes will include only those stated in the Unsecured Notes Indenture. Copies of the Unsecured Notes Indenture and the Unsecured Notes Escrow Agreement may be obtained from the Issuer.

On the Issue Date, the Issuer will issue $ million in aggregate principal amount of % Senior Notes due 2031 (the "*unsecured notes*") under an indenture (the "*Unsecured Notes Indenture*") dated as of the Issue Date among Parent, the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "*Trustee*").

From and after the Escrow Release Date, or on the issue date of the unsecured notes if the Acquisition occurs concurrently with the consummation of this offering:

- the unsecured notes will be senior unsecured obligations of the Issuer, equal in right of payment to all other senior unsecured obligations of the Issuer;

- the unsecured notes and Guarantees will be effectively subordinated to all existing and future secured debt of Parent, the Issuer and the other Guarantors, to the extent of the assets securing such debt, including Indebtedness under the secured notes and the Senior Secured Credit Facilities for so long as the secured notes and the Senior Secured Credit Facilities are secured;

- the unsecured notes and Guarantees will also be structurally subordinated to any debt, preferred stock obligations and other liabilities of Parent's Subsidiaries that are not Guarantors; and

- the unsecured notes and the Guarantees will be senior in right of payment to all future Indebtedness, if any, of Parent, the Issuer and the other Guarantors that is, by its terms, expressly subordinated in right of payment to the unsecured notes and the Guarantees.

We expect that, following consummation of the Acquisition, IAA and each of its subsidiaries that becomes a borrower or guarantor under the Senior Secured Credit Facilities or a guarantor under the Secured Notes Indenture will also become a Guarantor of the unsecured notes. As of December 31, 2022, on a historical basis (without giving effect to the Transactions), (a) our existing subsidiaries that will not be Guarantors of the unsecured notes following the consummation of the Transactions had $72.7 million of liabilities (to which the unsecured notes would have been structurally subordinated) and $256.2 million of assets, excluding intercompany balances, and (b) IAA's existing subsidiaries that will not be Guarantors of the unsecured notes following the consummation of the Transactions had $942.7 million of liabilities (to which the unsecured notes would have been structurally subordinated) and $1,721.9 million of assets, excluding intercompany balances.

If this offering is consummated prior to the consummation of the Acquisition, prior to the Escrow Release Date, the unsecured notes will be senior secured obligations of the Issuer, secured only by the Escrowed Property and senior unsecured obligations of Parent.

The Issuer will issue the unsecured notes in fully registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof. If the unsecured notes are in certificated form, the Trustee will initially act as paying agent and registrar for the unsecured notes. The unsecured notes may be presented for registration or transfer and exchange at the offices of the registrar. The Issuer may change any paying agent and registrar without notice to holders of the unsecured notes (the "*Holders*"). The Issuer will pay principal (and premium, if any) on the unsecured notes at the Trustee's designated corporate office, as provided by the Trustee and updated from time to time in writing. If the unsecured notes are in certificated form, at the Issuer's option, interest may be paid at the Trustee's designated corporate trust office or by check mailed to the registered address of Holders. If the unsecured notes are in registered form, payment will be made via DTC. DTC requires payment by wire in immediately available funds.

Principal, Maturity and Interest

The Issuer is issuing $ million in aggregate principal amount of unsecured notes in this offering (the "*Offering*"). Additional unsecured notes (the "*Additional Notes*") may be issued from time to time, subject to the limitations set forth under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness." The unsecured notes offered hereby and any such Additional Notes will be treated as a single class for all purposes under the Unsecured Notes Indenture; *provided* that any Additional Notes that are not fungible with the unsecured notes offered hereunder for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from such unsecured notes. The unsecured notes will mature on , 2031. Interest on the unsecured notes will accrue at the rate of % per annum and will be payable semiannually in cash on each and , commencing on , 2023, to the persons who are registered Holders at the close of business on the or immediately preceding the applicable interest payment date. Interest on the unsecured notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the date of issuance. Interest on the unsecured notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Solely for purposes of disclosure under the *Interest Act* (Canada), whenever a rate of interest or fee under an unsecured note is calculated on the basis of a year (the "*deemed year*") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year. Furthermore, if there is any obligations for Parent or any subsidiary formed under the laws of any jurisdiction of Canada to make any payment of interest or other amount payable in an amount or calculated at a rate which would be prohibited by applicable law or would result in a receipt by any person of "interest" at a "criminal rate" (as such terms are defined under the Criminal Code (Canada)), then, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so as to result in a receipt of "interest" at a "criminal rate" (as such terms are defined under the Criminal Code (Canada)).

Additional Amounts

All payments made by or on behalf of any successor to the Issuer that is organized or incorporated in a jurisdiction outside the United States or any Guarantor (each a "*Payor*") under or with respect to the unsecured notes or any Guarantee will be made free and clear of and without withholding or deduction for or on account of any Taxes, unless such Payor is required to withhold or deduct an amount for, or on account of, Taxes by law. If a Payor is so required to withhold or deduct any amount for or on account of Taxes imposed or levied by or on behalf of any jurisdiction in which such Payor is incorporated, organized, resident for tax purposes or carrying on a business for tax purposes or from or through which such Payor or its respective agents makes any payment on the unsecured notes or any Guarantee or any department or political subdivision thereof (each, a "*Relevant Taxing Jurisdiction*") from any payment made under or with respect to the unsecured notes or any Guarantee, including, without limitation, payments of principal, redemption price, purchase price, interest or premium, such Payor, subject to the exceptions stated below, will pay such additional amounts ("*Additional Amounts*") as may be necessary such that the net amount received in respect of such payment by each Holder or Beneficial Holder after such withholding or deduction (including withholding or deduction attributable to Additional Amounts payable hereunder) will not be less than the amount the Holder or Beneficial Holder, as the case may be, would have received if such Taxes had not been required to be so withheld or deducted.

A Payor will not, however, pay Additional Amounts to a Holder or Beneficial Holder with respect to:

(i) any United States withholding Taxes imposed, withheld, or deducted on any payment on or in respect of the unsecured notes or any Guarantee;

(ii) Taxes giving rise to such Additional Amounts that would not have been imposed, withheld or deducted but for the existence of any present or former connection between such Holder or Beneficial Holder (or between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or person in possession of power over, such Holder or Beneficial Holder, if such Holder or Beneficial Holder is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the Relevant Taxing Jurisdiction in which such Taxes are imposed (including, without limitation, being or having been, or treated as, a citizen, domiciliary, resident or national of, or carrying on a business or maintaining a permanent establishment in, the Relevant Taxing Jurisdiction but not including any connection resulting solely from the acquisition, ownership, holding or disposition of unsecured notes, the receipt of payments thereunder and/or the exercise or enforcement of rights under any unsecured notes or any Guarantee);

(iii) Taxes giving rise to such Additional Amounts that would not have been imposed, withheld or deducted but for the failure of such Holder or Beneficial Holder, to the extent such Holder or Beneficial Holder is legally eligible to do so, to comply with any written request, made to that Holder or Beneficial Holder in writing at least 45 calendar days before any such withholding or deduction would be payable, by the Payor to satisfy any certification, identification, information, documentation or other reporting requirements concerning such Holder's or Beneficial Holder's nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, which are required by applicable law, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, if applicable, a certification that the Holder or Beneficial Holder is not resident in the Relevant Taxing Jurisdiction);

(iv) any estate, inheritance, gift, value added, goods and services, harmonized sales, sales, transfer, capital gains, personal property or any similar Taxes or any excise tax imposed on the transfer of the unsecured notes;

(v) any Taxes that are imposed, withheld or deducted with respect to any payment on an unsecured note or any Guarantee to any Holder who is a fiduciary, partnership, limited liability company or other fiscally transparent entity or person other than the sole beneficial owner of such payment and to the extent that no Additional Amounts would have been payable had the beneficial owner of the applicable unsecured note been the holder of such unsecured note;

(vi) Taxes imposed on, or deducted or withheld from, payments in respect of the unsecured notes or any Guarantee if such payments could have been made without such imposition, deduction or withholding of such Taxes had such unsecured notes or Guarantee been presented for payment (where presentation is required) within 30 calendar days after the date on which such payments or such unsecured notes or Guarantee became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent such Holder or Beneficial Holder would have been entitled to such Additional Amounts had such unsecured notes or Guarantee been presented on the last day of such 30-calendar day period);

(vii) Taxes giving rise to such Additional Amounts that would not have been imposed but for the presentation of any unsecured note or any Guarantee for payment by or on behalf of a holder of unsecured notes who would have been able to avoid such withholding or deduction by presenting the applicable unsecured note or Guarantee to another paying agent;

(viii) any Tax which is payable otherwise than by deduction or withholding from payments made under or with respect to the unsecured notes or any Guarantee;

(ix) any Taxes imposed, withheld or deducted under FATCA; or

(x) any combination of the foregoing items (i) through (ix).

At least 30 calendar days prior to each date on which any payment under or with respect to the unsecured notes or any Guarantee is due and payable, if a Payor will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 35th day prior to the date on which such payment is due and payable, in which case it will be promptly thereafter), the Payor will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders and/or Beneficial Holders on the payment date. The Trustee may rely conclusively on such Officer's Certificate as conclusive proof that such payments are necessary. The Payor will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Payors will indemnify and hold harmless the Holders and Beneficial Holders of the unsecured notes for the amount of any Taxes under Regulation 803 of the Tax Act, or any similar or successor provision, (other than Taxes described in clauses (i) through (vii) or clause (ix) above or Taxes arising by reason of a transfer of an unsecured note to a person resident in Canada with whom the transferor does not deal at arm's length for the purposes of the Tax Act) levied or imposed on and paid by such a Holder or Beneficial Holder as a result of payments made under or with respect to the unsecured notes or any Guarantee.

In addition, the Payor will pay and indemnify the Holder or Beneficial Holder for any present or future stamp, issue, registration, transfer, court, documentation, excise, property or other similar Taxes, charges and duties, including any interest, penalties and any similar liabilities with respect thereto, imposed by any Relevant Taxing Jurisdiction (and, in the case of enforcement, any jurisdiction) at any time in respect of the execution, issuance, registration, delivery or enforcement of the unsecured notes, any Guarantee or any other document or instrument referred to thereunder, or the receipt of any payments with respect thereto (limited, solely in the case of Taxes, charges or duties attributable to the receipt of any payments with respect thereto, to any such Taxes, charges or duties imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (i)-(vii) or clause (ix) or any combination thereof, above).

The Payor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the applicable Taxing Authority in accordance with applicable law. Upon request, the Payor will provide to the Trustee an official receipt or, if official receipts are not obtainable, other documentation reasonably satisfactory to such Trustee evidencing the payment of any Taxes so deducted or withheld. Upon request, the Trustee will make available to Holders copies of those receipts or other documentation, as the case may be. The Trustee will not be responsible for ensuring that the withholding and deduction of any amount has been properly made. Except as specifically provided above, no Payor shall be required to make a payment with respect to any Tax imposed by any government or any political subdivision or Taxing Authority of or in any government or political subdivision.

The obligations described under this heading will survive any termination, defeasance or discharge of the Unsecured Notes Indenture, any transfer by a Holder or Beneficial Holder of its unsecured notes, and will apply (reflecting the applicable necessary changes) to any successor Person to any Payor and to any jurisdiction in which such successor is incorporated, organized or is otherwise resident or doing business for tax purposes or any jurisdiction from or through which payment is made by such successor or its respective agents or any department or political subdivision thereof.

Whenever this "Description of Unsecured Notes" refers to, in any context, the payment of principal, premium, if any, interest, redemption price, purchase price or any other amount payable under or with respect to any unsecured note or Guarantee, such reference shall include the payment of Additional Amounts or indemnification payments as described hereunder, if applicable.

Escrow Related Provisions

Escrow of Proceeds; Escrow Release Conditions

Pursuant to the Unsecured Notes Indenture, unless the Acquisition shall have been consummated concurrently with the consummation of the offering of the unsecured notes contemplated hereby, on the Issue Date, the Issuer will (x) deposit (or cause to be deposited) the gross proceeds of the offering of the unsecured notes sold on the Issue Date into its escrow account (the "*Unsecured Notes Escrow Account*") and (y) deposit (or cause to be deposited) to the

Unsecured Notes Escrow Account an additional amount of cash that, when taken together with the gross proceeds of the offering of the unsecured notes deposited into the Unsecured Notes Escrow Account (collectively, and together with any other property from time to time held by the Escrow Agent (as defined below) in the Unsecured Notes Escrow Account, the "*Escrowed Property*"), will be sufficient (without taking into account any deduction for any interest payments required to be made on the unsecured notes) to fund a Special Mandatory Redemption (as defined below) of the unsecured notes on , 2023 (the date that is three months following the Issue Date). If any interest payment date for the unsecured notes occurs prior to the disbursement of all funds from the Unsecured Notes Escrow Account, the Issuer shall provide a written direction to the Escrow Agent to disburse to the payment agent (at the time such interest payment is required to be paid to the paying agent for such interest period) a portion of the Escrowed Property equal to the interest payment due with respect to the unsecured notes, and the amount of interest required to be paid on such interest payment date by the Issuer shall be reduced accordingly. If this offering is consummated prior to the consummation of the Acquisition, the Escrow Agreement to be entered into with U.S. Bank Trust Company, National Association, as escrow agent (in such capacity, together with its successors, the "*Escrow Agent*"), on the Issue Date if the gross proceeds of the offering are placed into the Unsecured Notes Escrow Account as described above (the "*Unsecured Notes Escrow Agreement*") shall provide for the Escrow Agent to release a portion of the Escrowed Property in an amount equal to the amount of accrued and unpaid interest from the Issue Date or the most recent interest payment date, as applicable, prior to the Escrow Release in order to satisfy the interest payment obligations in respect of the unsecured notes under the Unsecured Notes Indenture.

In addition, the Unsecured Notes Escrow Agreement will provide that on the date that is five Business Days prior to the last day of each month beginning on , 2023, and ending on , 2023 (in each case, unless the Escrow Release Date has occurred), the Issuer will deposit (or cause to be deposited) to the Unsecured Notes Escrow Account an amount of cash equal to one month of interest accrued on the unsecured notes plus an amount in cash equal to the amount which would be necessary to pay the Special Mandatory Redemption Price if the Escrow End Date were at the end of the applicable month (as calculated in accordance with the terms of the Unsecured Notes Indenture).

The Escrowed Property will be held in the Unsecured Notes Escrow Account until the earliest of (i) the date on which the Issuer delivers to the Escrow Agent the Officer's Certificate referred to in the second succeeding paragraph, (ii) the Escrow End Date, (iii) the date on which the Issuer delivers written notice to the Escrow Agent to the effect set forth in clause (ii) under "—Special Mandatory Redemption" below and (iv) the date that is three Business Days after the Issuer fails to timely deposit (or cause to be timely deposited) any amounts required pursuant to the preceding paragraph on any applicable deposit date.

The Issuer will grant the Trustee, for its benefit and the benefit of the Holders of the unsecured notes, subject to certain liens of the Escrow Agent, a first-priority security interest in the Unsecured Notes Escrow Account and all Escrowed Property to secure the payment of the Special Mandatory Redemption Price and the payment and performance of the other Obligations of the Issuer under the Unsecured Notes Indenture; *provided*, *however*, that such lien and security interest shall automatically be released and terminate at such time as the Escrowed Property is released from the Unsecured Notes Escrow Account pursuant to the terms of the Unsecured Notes Escrow Agreement. The Escrow Agent will invest the Escrowed Property in such Eligible Escrow Investments as the Issuer will from time to time direct in writing. Prior to the Escrow Release Date, the unsecured notes will be secured only by a pledge of the Unsecured Notes Escrow Account and the Escrowed Property. Following the Escrow Release Date, the unsecured notes and the Guarantees will be unsecured.

Other than in connection with the payment of a semi-annual interest payment as set forth under "—Principal, Maturity and Interest," and pursuant to the fourth preceding paragraph, the Issuer will only be entitled to direct the Escrow Agent to release all of the Escrowed Property (in which case the Escrowed Property will be paid to or as directed by the Issuer) (the "*Escrow Release*") upon the delivery to the Escrow Agent and the Trustee, on or prior to the Escrow End Date, of an Officer's Certificate (the date on which such Officer's Certificate is delivered to the Escrow Agent is referred to herein as the "*Escrow Notice Date*"), certifying that substantially concurrently with the release of such Escrowed Property the following conditions will be satisfied (the date of the Escrow Release is hereinafter referred to as the "*Escrow Release Date*"):

(1) all conditions precedent to the Acquisition will have been satisfied or waived in accordance with the Merger Agreement on substantially the same terms as described in this Offering Circular (other than those conditions that by their terms are to be satisfied substantially concurrently with the consummation of the Acquisition);

(2) substantially concurrently with the Escrow Release, the Guarantors will have executed a supplemental indenture pursuant to which the Guarantors will provide the Guarantees of the unsecured notes effective as of the consummation of the Acquisition;

(3) substantially concurrently with the Escrow Release, the Guarantors will have executed a joinder to the Purchase Agreement; and

(4) Parent, the Issuer and the other Guarantors will deliver to the Trustee the opinions of counsel and certificates that are required to be delivered pursuant to the terms of the Unsecured Notes Indenture in connection with the supplemental indenture, and the Initial Purchasers will receive the opinions of counsel and certificates that are required to be delivered to them pursuant to the Purchase Agreement.

For purposes herein, the "*Escrow End Date*" shall mean September 30, 2023.

Notwithstanding anything to the contrary herein or in the offering circular, if this offering is consummated at or following the time of the consummation of the Acquisition, we will forego the escrow procedures described in this "Description of Unsecured Notes" and in the offering circular, in which case there will be no Unsecured Notes Escrow Agreement or Unsecured Notes Escrow Account.

Redemption

Special Mandatory Redemption

If (i) the Escrow Agent has not received the Officer's Certificate described above under "—Escrow of Proceeds; Escrow Release Conditions," prior to the Escrow End Date and does not receive such Officer's Certificate on the Escrow End Date or (ii) the Issuer notifies the Escrow Agent and the Trustee, in writing, that the Issuer will not pursue the consummation of the Acquisition or that the Merger Agreement has been terminated in accordance with its terms (each of the above, a "*Special Mandatory Redemption Event*"), then the Escrow Agent shall, without the requirement of notice to or action by the Issuer, the Trustee or any other person, liquidate and release the Escrowed Property (including investment earnings thereon and proceeds thereof) to the Trustee, the Issuer shall send or cause to be sent a notice of redemption to the Holders of the unsecured notes and the Trustee shall apply (or cause a paying agent to apply) such proceeds to redeem the unsecured notes (the "*Special Mandatory Redemption*") on the third Business Day following the Special Mandatory Redemption Event (the "*Special Mandatory Redemption Date*") or as otherwise required by the applicable procedures of DTC, at a redemption price (the "*Special Mandatory Redemption Price*") equal to 100% of the issue price of the unsecured notes, plus accrued and unpaid interest from the Issue Date, or the most recent date to which interest has been paid, as the case may be, to, but excluding the Special Mandatory Redemption Date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date). On the Special Mandatory Redemption Date, after deduction of its and the Escrow Agent's fees and expenses, if any, the Trustee will pay to the Issuer any Escrowed Property in excess of the amount necessary to affect the Special Mandatory Redemption. If this offering is consummated at or following the time of the consummation of the Acquisition, we will forego the escrow procedures described in this "Description of Unsecured Notes" and in the offering circular.

Optional Redemption

At any time prior to , 2026, the unsecured notes will be redeemable, at the Issuer's option, in whole or in part from time to time, upon not less than 10 nor more than 60 days' written notice, at a price equal to 100% of the principal amount thereof plus the Applicable Premium (as defined below) plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date).

"Applicable Premium" means, with respect to an unsecured note at any redemption date, the greater of (1) 1.0% of the principal amount of such unsecured notes and (2) the excess of (a) the present value at such redemption date of (i) the redemption price of such unsecured notes on , 2026 (such redemption price being that described in the fourth paragraph of this "—Optional Redemption" section) plus (ii) all required remaining scheduled interest payments due on such unsecured note through , 2026, computed using a discount rate equal to the Treasury Rate

(as defined below) plus 50 basis points; over (b) the then principal amount of such unsecured note on such redemption date. Calculation of the Applicable Premium will be made by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; provided, however, that such calculation, confirmation thereof or determination of the Treasury Rate referenced below, shall not be a duty or obligation of the Trustee.

"Treasury Rate" means, with respect to a redemption date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Selected Interest Rates (Daily) - H.15 that has become publicly available at least two Business Days prior to such redemption date (or, if such Selected Interest Rates is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to , 2026; provided, however, that if the period from such redemption date to , 2026 is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such redemption date to , 2026 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

In addition, the Issuer may redeem the unsecured notes at its option, in whole or in part, upon not less than 10 nor more than 60 days' written notice, at the following redemption prices (expressed as percentages of the principal amount thereof) plus accrued and unpaid interest, if any, to, but excluding, the redemption date if redeemed during the 12-month period commencing on of the year set forth below:

Year	**Percentage**
2026	%
2027	%
2028 and thereafter	100.000%

In addition, the Issuer must pay accrued and unpaid interest on the unsecured notes redeemed to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date).

Optional Redemption upon Equity Offerings

At any time, or from time to time, on or prior to , 2026, the Issuer may, at its option, use an amount of cash up to the Net Cash Proceeds of one or more Equity Offerings (as defined below) to redeem, upon not less than 10 nor more than 60 days' written notice up to 40% of the principal amount of the unsecured notes (including any Additional Notes) outstanding under the Unsecured Notes Indenture at a redemption price of % of the principal amount thereof plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date); *provided* that:

(1) at least 50% of the principal amount of unsecured notes (including any Additional Notes) outstanding under the Unsecured Notes Indenture remains outstanding immediately after any such redemption; and

(2) the Issuer makes such redemption not more than 90 days after the consummation of any such Equity Offering.

"*Equity Offering*" means any public or private offering of Qualified Capital Stock of Parent (other than offerings registered on Form S-8 or any successor form).

Optional Redemption for Changes in Withholding Tax

If, as a result of:

(1) any amendment to, or change in, the laws or treaties (or regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction which is announced and becomes effective on or after the Issue Date (or, where a jurisdiction in question does not become a Relevant Taxing Jurisdiction until a later date, such later date); or

(2) any amendment to, or change in, the existing official written position or the introduction of a written official position regarding the application, interpretation, administration or assessing practices of any such laws, regulations or rulings of any Relevant Taxing Jurisdiction, or a judicial decision rendered by a court of competent jurisdiction (whether or not made, taken or reached with respect to Parent, the Issuer or any of the other Guarantors) which is announced on or after, and becomes effective on or after (for the avoidance of doubt, including retroactive implementation with an effective date prior to), the Issue Date (or, where a jurisdiction in question does not become a Relevant Taxing Jurisdiction until a later date, such later date),

any Payor has become or will become obligated to pay, on the next date on which any amount would be payable with respect to the unsecured notes or a Guarantee, as applicable, Additional Amounts or indemnification payments as described above under the heading "—Additional Amounts" with respect to the Relevant Taxing Jurisdiction, which payment the Payor (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Payor without the obligation to pay Additional Amounts) cannot avoid with the use of reasonable measures available to it (including making payment through a paying agent located in another jurisdiction), then the Issuer may, at its option, redeem all but not less than all of the unsecured notes issued by it, upon not more than 60 days' notice prior to the earliest date on which a Payor would be required to pay such Additional Amounts or indemnification payments, at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the applicable record date to receive interest due on the applicable interest payment date). The Issuer will not give any such notice of redemption unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. Prior to the giving of any notice of redemption described in this paragraph, the Issuer will deliver to the Trustee a written opinion of independent legal counsel to the Payor of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld, conditioned or delayed), to the effect that the Payor has or will become obligated to pay such Additional Amounts or indemnification payments as a result of an amendment or change described above.

In addition, prior to the giving of any such notice of redemption, the Issuer will deliver to the Trustee an Officer's Certificate to the effect that the obligation to pay Additional Amounts cannot be avoided by the applicable Payor (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Payor without the obligation to pay Additional Amounts) taking reasonable measures available to it; *provided* that changing the jurisdiction of incorporation or formation of the applicable Payor shall not be considered a reasonable measure.

The Trustee will accept and may rely conclusively on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described above under "—Special Mandatory Redemption," the Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the unsecured notes. However, under certain circumstances, the Issuer may be required to offer to purchase unsecured notes as described under "—Change of Control" and "—Certain Covenants—Limitation on Asset Sales." We may at any time and from time to time purchase unsecured notes in the open market or otherwise.

Selection and Notice of Redemption

If less than all of the unsecured notes are to be redeemed at any time, the Trustee will select such unsecured notes for redemption (1) in compliance with the requirements of the principal securities exchange, if any, on which the unsecured notes are listed, as certified to the Trustee by the Issuer, (2) if the unsecured notes are not so listed or such exchange prescribes no method of selection, in compliance with the requirements of DTC, or (3) if the unsecured notes are not so listed or such exchange prescribes no method of selection, and the unsecured notes are not held through DTC or DTC prescribes no method of selection, on a pro rata basis, by round lot, subject to adjustments so that no unsecured note in an unauthorized denomination remains outstanding after such redemption; *provided, however,* that no unsecured note of $2,000 in aggregate principal amount or less shall be redeemed in part.

Except as described above under "—Special Mandatory Redemption," notice of redemption will be sent electronically or mailed by first-class mail at least 10 but not more than 60 days before the redemption date to each Holder of unsecured notes to be redeemed at its registered address. On and after the redemption date, interest will cease to accrue on unsecured notes or portions thereof called for redemption as long as the Issuer has deposited with the paying agent funds in satisfaction of the applicable redemption price.

Notwithstanding the foregoing, in connection with any Change of Control Offer or Net Proceeds Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding unsecured notes validly tender and do not validly withdraw such unsecured notes in such Change of Control Offer or Net Proceeds Offer and the Issuer, or any third party making a such Change of Control Offer or Net Proceeds Offer in lieu of the Issuer, purchases all of the unsecured notes validly tendered and not withdrawn by such Holders, all of the Holders will be deemed to have consented to such Change of Control Offer or Net Proceeds Offer and accordingly, the Issuer or such third party will then have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all unsecured notes that remain outstanding following such purchase at a redemption price equal to the price offered to each other Holder in such Change of Control Offer or Net Proceeds Offer plus, to the extent not included, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date.

Notice of any redemption of the unsecured notes in connection with a corporate transaction (including an Equity Offering, an incurrence of Indebtedness, an amalgamation, consolidation or merger or a Change of Control) may, at the Issuer's discretion, be given prior to the completion thereof and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived by the Issuer (in its sole discretion), or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date as so delayed. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the unsecured note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose unsecured notes will be subject to redemption by the Issuer.

Guarantees

If this offering is consummated prior to the consummation of the Acquisition, from and after the Issue Date, the unsecured notes will be guaranteed by Parent. On the Escrow Release Date, if the Acquisition is consummated, or on the issue date of the unsecured notes if the Acquisition occurs concurrently with the consummation of this offering, Parent and each of Parent's other subsidiaries that is a borrower, or guarantees indebtedness, under the Senior Secured Credit Facilities or the Secured Notes Indenture (the "*Guarantors*") will, jointly and severally, fully and unconditionally guarantee (the "*Guarantees*"), on a senior unsecured basis, all of the Issuer's obligations under the Unsecured Notes Indenture and the unsecured notes and execute a supplemental indenture. The obligations of each Guarantor under its Guarantee will be limited to prevent the Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. See "Risk Factors—Risks Related to the Notes and Our Indebtedness—Fraudulent transfer and conveyance laws, and similar laws in applicable foreign jurisdictions, permit a court, under certain circumstances, to void the notes and the guarantees, and, if that occurs, you may not receive any payments on the notes." Notwithstanding the foregoing, any entity that is (a) a CFC, (b) a U.S. Person all or substantially all of the assets of which consist of the Equity Interests of one or more CFCs or (c) a U.S. Person that is a Subsidiary of a CFC, will not provide a Guarantee except in each case to the extent as agreed under the Senior Secured Credit Facilities (each such entity not required to provide a Guarantee under clause (a), (b) or (c), an "*Excluded CFC Entity*"); *provided*, that none of Ironplanet Mexico, S. de R.L. de C.V., IAA International Holdings Limited and Synetiq Holdings Limited shall be considered an Excluded CFC Entity. Under this "Description of Unsecured Notes," (x) a "CFC" means any controlled foreign corporation for U.S. federal income tax purposes that is owned (within the meaning of Section 958(a) of the Code) by either the Issuer or any Affiliate of the Issuer that is a U.S. Person and a corporation for U.S. federal income tax purposes, and (y) a "U.S. Person" means any United States person (within the meaning of Section 7701(a)(30) of the Code).

Each Guarantor may amalgamate or consolidate with or merge into or sell its assets to Parent, the Issuer or another Guarantor without limitation, or with other Persons, upon the terms and conditions set forth in the Unsecured Notes Indenture. See "Certain Covenants—Merger, Consolidation and Sale of Assets." In the event all of the Capital Stock of a Guarantor that is owned by Parent or any of its Subsidiaries is sold and the sale complies with the provisions set forth in "—Certain Covenants—Limitation on Asset Sales" or a Restricted Subsidiary that is a Guarantor is properly designated as an Unrestricted Subsidiary, the Guarantor's Guarantee will be automatically released. Further, the Unsecured Notes Indenture will provide that a Guarantor's Guarantee will be automatically released upon the earlier of (1) such Guarantor being released from, or discharged of, its guarantee of, and all pledges and security, if any, granted by such Guarantor in connection with, the Senior Secured Credit Facilities, the Secured Notes Indenture or such other guarantee that resulted in the creation of such Guarantee (except, in the case of the Senior Secured Credit Facilities and the Secured Notes Indenture, a release by or as a result of a payment thereon), and (2) Legal Defeasance with respect to the unsecured notes or satisfaction and discharge of the Unsecured Notes Indenture as described below under the sections titled "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge." Not all of Parent's Subsidiaries will guarantee the unsecured notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, these non-guarantor Subsidiaries will pay the holders of their debts and their trade creditors before they will be able to distribute any of their assets to us. As of December 31, 2022, on a historical basis (without giving effect to the Transactions), (a) our existing subsidiaries that will not be Guarantors of the unsecured notes following the consummation of the Transactions had $72.7 million of liabilities (to which the unsecured notes would have been structurally subordinated) and $256.2 million of assets, excluding intercompany balances, and (b) IAA's existing subsidiaries that will not be Guarantors of the unsecured notes following the consummation of the Transactions had $942.7 million of liabilities (to which the unsecured notes would have been structurally subordinated) and $1,721.9 million of assets, excluding intercompany balances.

Holding Company Structure

The Issuer is a holding company for its Subsidiaries, with no material operations of its own and only limited assets. Accordingly, the Issuer is dependent upon the distribution of the earnings of its Subsidiaries, whether in the form of dividends, advances or payments on account of intercompany obligations, to service its debt obligations. In addition, the claims of the Holders are subject to the prior payment of all liabilities (whether or not for borrowed money) and to any preferred stock interest of such Subsidiaries other than the Guarantors. We cannot assure you that, from and after the Escrow Release Date, after providing for all prior claims, there would be sufficient assets available from Parent, the Issuer and the other Guarantors to satisfy the claims of the Holders of unsecured notes. See "Risk Factors—Risks Related to the Notes and Our Indebtedness—If Ritchie Bros.' subsidiaries do not make sufficient distributions to the Issuer, the Issuer will not be able to make payments on its debt, including the notes."

Change of Control

Upon the occurrence of a Change of Control, the Issuer will offer to purchase all or a portion of such Holder's unsecured notes pursuant to the offer described below (a "*Change of Control Offer*"), at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the date of purchase.

Within 30 days following the date upon which the Change of Control occurred, the Issuer must send a written notice to each Holder, with a copy to the Trustee, which notice shall govern the terms of the Change of Control Offer. Such notice shall state, among other things, the purchase date, which (unless otherwise required by law) must be no earlier than 30 days nor later than 60 days from the date such notice is sent (the "*Change of Control Payment Date*"). Holders electing to have an unsecured note purchased pursuant to a Change of Control Offer will be required to surrender the unsecured note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the unsecured note completed, to the paying agent at the address specified in the notice prior to the close of business on the third Business Day prior to the Change of Control Payment Date. If the unsecured note is in global form, Holders will be required to follow applicable DTC procedures.

If a Change of Control Offer is made, we cannot assure you that the Issuer will have available funds sufficient to pay the Change of Control purchase price for all the unsecured notes that might be delivered by Holders seeking to accept the Change of Control Offer. In the event the Issuer is required to purchase outstanding unsecured notes pursuant to a Change of Control Offer, the Issuer may seek third party financing to the extent it does not have available funds to meet its purchase obligations. However, we cannot assure you that the Issuer would be able to obtain such financing.

Neither the Board of Directors of the Issuer nor the Trustee may waive the covenant relating to the Issuer's obligation to make a Change of Control Offer upon the occurrence of a Change of Control. The Issuer's obligation to make a Change of Control Offer upon the circumstances described herein, and restrictions in the Unsecured Notes Indenture described herein on the ability of the Issuer, Parent and Parent's Restricted Subsidiaries to incur additional Indebtedness, to grant liens on its property, to make Restricted Payments and to make Asset Sales may make more difficult or discourage a takeover of the Issuer, whether favored or opposed by the management of the Issuer. Consummation of any such transaction in certain circumstances may require redemption or repurchase of the unsecured notes, and we cannot assure you that the Issuer or the acquiring party will have sufficient financial resources to effect such redemption or repurchase. Such restrictions and the restrictions on transactions with Affiliates may, in certain circumstances, make more difficult or discourage any leveraged buyout of the Issuer or any of its Subsidiaries by the management of the Issuer. While such restrictions cover a wide variety of arrangements which have traditionally been used to effect highly leveraged transactions, the Unsecured Notes Indenture may not afford the Holders protection in all circumstances from the adverse aspects of a highly leveraged transaction, reorganization, restructuring, amalgamation, merger or similar transaction.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of unsecured notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of the Unsecured Notes Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the "Change of Control" provisions of the Unsecured Notes Indenture by virtue thereof.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Unsecured Notes Indenture applicable to a Change of Control Offer made by the Issuer and purchases all unsecured notes validly tendered and not withdrawn under such Change of Control Offer or (2) a notice of redemption of all outstanding unsecured notes has been given pursuant to the Unsecured Notes Indenture as described above under the caption "—Optional Redemption," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of Parent to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of unsecured notes may require the Issuer to make an offer to repurchase the unsecured notes as described above.

Certain Covenants

Changes in Covenants When Unsecured Notes Rated Investment Grade

Beginning on the date following the Issue Date that:

(1) the unsecured notes have an Investment Grade Rating; and

(2) no Default or Event of Default shall have occurred and be continuing,

and ending on the date (the "*Reversion Date*") that either Rating Agency ceases to have an Investment Grade Rating on the unsecured notes (such period of time, the "*Suspension Period*"), the covenants specifically listed under the following captions in this "Description of Unsecured Notes" will no longer be applicable to the unsecured notes:

(1) "—Limitation on Incurrence of Additional Indebtedness";

(2) "—Limitation on Restricted Payments";

(3) "—Limitation on Asset Sales";

(4) "—Limitation on Dividend and Other Payment Restrictions Affecting Guarantors";

(5) "—Limitations on Transactions with Affiliates";

(6) clause (2) of the covenant listed under "—Merger, Consolidation and Sale of Assets."

During a Suspension Period, the Issuer's or Parent's Board of Directors may not designate any of Parent's Subsidiaries as Unrestricted Subsidiaries under the Unsecured Notes Indenture.

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred pursuant to and permitted under the first paragraph of "—Limitation on Incurrence of Additional Indebtedness" or one of the clauses set forth in the definition of Permitted Indebtedness (to the extent such Indebtedness would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to Indebtedness incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent any Indebtedness would not be permitted to be incurred pursuant to the first paragraph of "—Limitation on Incurrence of Additional Indebtedness" or any of the clauses set forth in the definition of Permitted Indebtedness, such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as Permitted Indebtedness under clause (3) of the definition of Permitted Indebtedness and permitted to be refinanced under clause (16) of the definition of Permitted Indebtedness.

Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under the covenant described under "—Limitation on Restricted Payments" will be made as though the covenant described under "—Limitation on Restricted Payments" had been in effect during the entire period of time after the Issue Date and prior to, but not during, the Suspension Period and, accordingly, all Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under clause (iii) of the first paragraph of such covenant.

In addition, for purposes of the covenant described under "—Limitations on Transactions with Affiliates," all Affiliate Transactions entered into by Parent or any of its Restricted Subsidiaries with an Affiliate of Parent during the applicable Suspension Period prior to such Reversion Date will be deemed to have been entered into on or prior to the Issue Date, and for purposes of the covenant described under "—Limitation on Dividend and Other Payment Restrictions Affecting Guarantors," all contracts entered into during the applicable Suspension Period prior to such Reversion Date that contain any of the restrictions contemplated by such covenant will be deemed to have been existing on the Issue Date. For purposes of the "—Limitation on Asset Sales" covenant, on the Reversion Date, the unutilized Net Cash Proceeds amount will be reset to zero.

Notwithstanding the fact that covenants suspended during a Suspension Period may be reinstated, (1) no Default or Event of Default or breach of any kind will be deemed to have occurred, and none of Parent, the Issuer or any of Parent's Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period or any actions taken at any time pursuant to any contractual obligation arising during any Suspension Period, in each case as a result of a failure to comply with such covenants during the Suspension Period or at the time such covenants are reinstated and (2) following a Reversion Date, Parent, the Issuer and each of Parent's Restricted Subsidiaries will be permitted, without causing a Default or Event of Default, to honor, comply with or otherwise perform any contractual commitments or obligations arising during any Suspension Period and to consummate the transactions contemplated thereby.

The Issuer shall give the Trustee written notice of any Suspension Event and in any event not later than five (5) Business Days after such Suspension Event has occurred. The Issuer shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date.

There can be no assurances that the unsecured notes will ever achieve or maintain an Investment Grade Rating.

Limitation on Incurrence of Additional Indebtedness

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "*incur*") any Indebtedness (including, without limitation, Acquired Indebtedness); *provided, however*, that Parent and its Restricted Subsidiaries may incur Indebtedness (including, without limitation, Acquired Indebtedness) if on the date of the incurrence of such Indebtedness, after giving pro forma effect to the incurrence thereof, the Consolidated Fixed Charge Coverage Ratio is at least 2.0 to 1.0; *provided, further,* that any Restricted Subsidiary of Parent that is not or will not, upon such incurrence, become a Guarantor may not incur Indebtedness under this paragraph if, after giving pro forma effect to such incurrence (including a pro forma application of the net proceeds therefrom), more than an aggregate principal amount equal to the greater of (A) $110.0 million and (B) 10% of Consolidated EBITDA for the Applicable Measurement Period of Indebtedness of such non-Guarantor Subsidiary would be outstanding under this paragraph at such time.

The foregoing limitations will not apply to each of the following, without duplication (collectively, "*Permitted Indebtedness*"):

(1) Indebtedness under the unsecured notes issued on the Issue Date (including the related Guarantees);

(2) (a) Indebtedness incurred pursuant to Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the sum of $3,415 million and (b) an additional aggregate principal amount of Consolidated Total Secured Indebtedness in an amount such that, on a pro forma basis after giving effect to the incurrence of such Indebtedness (and application of the net proceeds therefrom), the Consolidated Secured Debt Ratio would be no greater than 3.50 to 1.00;

(3) (x) Indebtedness represented by the secured notes, including any guarantee thereof, and (y) Indebtedness of Parent and its Restricted Subsidiaries outstanding on the Issue Date (other than Indebtedness under clause (1) and (2) above) (including any amendments or replacements thereof that do not increase the principal amount);

(4) Interest Swap Obligations of Parent or any of its Restricted Subsidiaries covering Indebtedness of Parent or such Restricted Subsidiary; *provided, however*, that (a) such Interest Swap Obligations are entered into for the purpose of mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by Parent or such Restricted Subsidiary, or changes in the value of securities issued by Parent or such Restricted Subsidiary, and not for purposes of speculation or taking a "market view";

(5) Indebtedness under Currency Agreements; *provided* that in the case of Currency Agreements which relate to Indebtedness, such Currency Agreements do not increase the Indebtedness of Parent and its Restricted Subsidiaries outstanding other than as a result of fluctuations in currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(6) Indebtedness of Parent owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary of Parent owing to and held by Parent or any other Restricted Subsidiary of Parent; *provided, however*, that: (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than Parent or a Restricted Subsidiary of Parent, and (b) any sale or other transfer (excluding Permitted Liens) of any such Indebtedness to a Person other than Parent or a Restricted Subsidiary of Parent, shall be deemed, in each case, to be the incurrence of Indebtedness by Parent or such Restricted Subsidiary, as the case may be, not permitted by this clause (6);

(7) (a) obligations pursuant to any Cash Management Agreement and other Indebtedness in respect of netting services, overdraft protections and similar arrangements, (b) 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 and (c) Cash Pooling Arrangements (including for the avoidance of doubt any Indebtedness arising vis a vis the Cash Pooling Arrangements

providers and/or between any of Parent and/or Subsidiaries of Parent as a whole by reason of the implementation of such Cash Pooling Arrangements);

(8) Indebtedness of Parent or any of its Restricted Subsidiaries (a) represented by letters of credit, pledges or deposits for the account of Parent or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance, the purchase of goods or other requirements in the ordinary course of business or (b) owing to any insurance company in connection with the financing of any insurance premiums permitted by such insurance company in the ordinary course of business;

(9) Indebtedness represented by guarantees by Parent or its Restricted Subsidiaries of Indebtedness otherwise permitted to be incurred under the Unsecured Notes Indenture; *provided* that, in the case of a guarantee by a Restricted Subsidiary, such Restricted Subsidiary complies with the covenant described under "—Additional Subsidiary Guarantees" to the extent applicable;

(10) Indebtedness of Parent or any of its Restricted Subsidiaries in respect of bid, payment and performance bonds, bankers' acceptances, workers' compensation claims, surety or appeal bonds, payment obligations in connection with insurance or similar obligations, and bank overdrafts (and letters of credit in respect thereof) in the ordinary course of business;

(11) Indebtedness of Parent or any Restricted Subsidiary consisting of guarantees, earn-outs, incentives, non-competes, consulting, indemnities or other similar arrangements or obligations (contingent or other) in respect of purchase price adjustments in connection with the acquisition (including the Acquisition and related transactions) or disposition of assets;

(12) Indebtedness of (x) Parent or any Restricted Subsidiary incurred or issued to finance an acquisition or (y) Persons that are acquired by Parent or any Restricted Subsidiary or merged into or amalgamated or consolidated with Parent or a Restricted Subsidiary in accordance with the terms of the Unsecured Notes Indenture; *provided* that after giving effect to such acquisition, merger, amalgamation or consolidation, either: (a) Parent would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant; (b) the Consolidated Fixed Charge Coverage Ratio of Parent and its Restricted Subsidiaries would not be lower than immediately prior to such acquisition, merger, amalgamation or consolidation; or (c) such Indebtedness constitutes Acquired Indebtedness; *provided* that, with respect to this clause (c), the only obligors with respect to such Acquired Indebtedness shall be those Persons who were obligors of such Acquired Indebtedness prior to such acquisition, merger, amalgamation or consolidation; *provided, further*, that any Restricted Subsidiary of Parent (other than the Issuer) that is not or will not, upon such incurrence, become a Guarantor may not incur Indebtedness under clause (x) of this clause (12) if, after giving pro forma effect to such incurrence (including a pro forma application of the net proceeds therefrom), more than an aggregate principal amount equal to $150.0 million of Indebtedness of such non-Guarantor Subsidiary would be outstanding under clause (x) of this clause (12) at such time.

(13) Indebtedness represented by Capitalized Lease Obligations and Purchase Money Indebtedness of Parent and its Restricted Subsidiaries in an aggregate principal amount at any time outstanding, including any Refinancing Indebtedness in respect thereof, not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA for the Applicable Measurement Period;

(14) Indebtedness of International Restricted Subsidiaries (other than Canadian Restricted Subsidiaries) of Parent in connection with letters of credit and bank guarantees in an aggregate principal amount at any time outstanding not to exceed the greater of (A) $150.0 million and (B) 15% of Consolidated EBITDA for the Applicable Measurement Period;

(15) Indebtedness of Parent evidenced by commercial paper issued by Parent; *provided* that the aggregate outstanding principal amount of Indebtedness incurred pursuant to clause (2) above and this clause (15) does not exceed the maximum amount of Indebtedness permitted under clause (2) above;

(16) Refinancing Indebtedness in respect of Indebtedness described in clauses (1), (2), (3), (4), (5), (12) and (14) above, this clause (16) and clause (18) below;

(17) Indebtedness represented by Secured Foreign Credit Facilities;

(18) additional unsecured Indebtedness in the form of one or more revolving credit facilities with one or more commercial banks in an aggregate principal amount at any time outstanding not to exceed $200.0 million;

(19) additional Indebtedness of Parent and the Restricted Subsidiaries in an aggregate principal amount at any time outstanding, including any Refinancing Indebtedness in respect thereof, not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA for the Applicable Measurement Period; and

(20) Indebtedness incurred pursuant to a Receivables Facility.

For purposes of determining compliance with this covenant:

(a) in determining any particular amount of Indebtedness under this covenant, guarantees, Liens or letter of credit obligations supporting Indebtedness otherwise included in the determination of such particular amount shall not be included;

(b) in the event that all or a portion of an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (20) above or is permitted to be incurred pursuant to the Consolidated Fixed Charge Coverage Ratio provisions of such covenant, the Issuer shall, in its sole discretion, divide, classify and reclassify such item or portion of such item of Indebtedness in any manner that complies with such covenant, including under the first paragraph of such covenant if such reclassified Indebtedness could then be incurred under such test, except that Indebtedness outstanding under the Senior Secured Credit Facilities on the Issue Date or the Escrow Release Date shall be deemed to have been incurred on the Issue Date or the Escrow Release Date under clause (2) above and may not be reclassified;

(c) accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of this covenant;

(d) in connection with Parent, the Issuer or a Restricted Subsidiary of Parent's entry into an instrument containing a binding commitment in respect of any revolving Indebtedness, the Issuer may elect, pursuant to an Officer's Certificate delivered to the Trustee, to treat all or any portion of such commitment (any such amount elected until revoked as described below, an "*Elected Amount*") under any Indebtedness which is to be incurred (or any commitment in respect thereof) or secured by a Lien, as the case may be, as being incurred as of such election date, and (i) any subsequent incurrence of Indebtedness under such commitment (so long as the total amount under such Indebtedness does not exceed the Elected Amount) shall not be deemed, for purposes of any calculation under the Unsecured Notes Indenture, to be an incurrence of additional Indebtedness or an additional Lien at such subsequent time, (ii) the Issuer may revoke an election of an Elected Amount at any time pursuant to an Officer's Certificate delivered to the Trustee and (iii) for purposes of all subsequent calculations of the Consolidated Debt Ratio and the Consolidated Secured Debt Ratio, the Elected Amount (if any) shall be deemed to be outstanding, whether or not such amount is actually outstanding, so long as the applicable commitment remains outstanding; and

(e) the principal amount of Indebtedness outstanding under any clause of this covenant shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of Parent as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under this covenant, the Issuer shall be in default of this covenant).

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt, and the amount of such debt will not be deemed to change as a result of fluctuations in currency exchange rates after such date of incurrence or commitment; *provided*, that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (a) the principal amount of such Indebtedness being refinanced plus (b) the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including, without limitation, tender premiums) and other costs and expenses (including, without limitation, original issue discount, upfront fees or similar fees) Incurred in connection with such refinancing.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that Parent or a Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Issuer and Parent will not, and will not permit any other Guarantor to, directly or indirectly, incur any Indebtedness which by its terms (or by the terms of any agreement governing such Indebtedness) is expressly subordinated in right of payment to any other Indebtedness of the Issuer, Parent or such Guarantor, as the case may be, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinate to the unsecured notes or the applicable Guarantee, as the case may be, to the same extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Issuer, Parent or such Guarantor, as the case may be. For purposes of the foregoing all other purposes under the Unsecured Notes Indenture, no Indebtedness will be deemed to be subordinated or junior in right of payment to any other Indebtedness of the Issuer, Parent or any other Guarantor solely by virtue of such Indebtedness being unsecured or by virtue of the fact that the holders of such Indebtedness have entered into one or more intercreditor agreements or similar arrangements giving one or more of such holders priority over the other holders in the collateral securing such Indebtedness.

Limitation on Restricted Payments

Parent will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution (other than (A) dividends or distributions payable in Qualified Capital Stock of Parent or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, Parent or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Capital Stock in such class or series of securities) on or in respect of shares of Parent's Capital Stock to holders of such Capital Stock;

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of Parent or any warrants, rights or options to purchase or acquire shares of any class of such Capital Stock (other than Disqualified Capital Stock within 365 days of the Stated Maturity thereof);

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, earlier than one year prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than Subordinated Indebtedness held by Parent or any of its Restricted Subsidiaries); or

(4) make any Investment (other than Permitted Investments)

(each of the foregoing actions set forth in clauses (1), (2), (3) and (4) being referred to as a "*Restricted Payment*"), if at the time of such Restricted Payment or immediately after giving effect thereto,

(i) a Default or an Event of Default shall have occurred and be continuing; or

(ii) Parent is not able to incur at least $1.00 of additional Indebtedness in compliance with the first paragraph of the covenant described under "—Limitation on Incurrence of Additional Indebtedness"; or

(iii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the first day of the fiscal quarter of Parent during which the Issue Date occurs (the amount expended for such purposes, if other than in cash, being the fair market value of such property as determined in good faith by the Board of Directors of Parent or the Issuer) shall exceed the sum, without duplication, of:

(w) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income shall be a loss, minus 100% of such loss) of Parent earned subsequent to the first day of the fiscal quarter of the Issuer during which the Issue Date occurs and on or prior to the date the Restricted Payment occurs (the "*Reference Date*") (treating such period as a single accounting period); *plus*

(x) 100% of the aggregate net cash proceeds and the fair market value of readily marketable securities or other property received by Parent from any Person (other than a Subsidiary of Parent) from (i) the issuance and sale subsequent to the Issue Date and on or prior to the Reference Date of Qualified Capital Stock of Parent or (ii) from the issue and sale subsequent to the Issue Date and on or prior to the Reference Date of Disqualified Capital Stock or convertible or exchangeable debt securities of Parent, in the case of this clause (ii), that has been converted into or exchange for Qualified Capital Stock; *plus*

(y) without duplication of any amounts included in clause (iii)(x) above, 100% of the aggregate net cash proceeds and fair market value of readily marketable securities or other property, of any equity contribution received by Parent subsequent to the Issue Date (excluding, in the case of clauses (iii)(x) and (y), any such net cash proceeds to the extent used to (I) redeem the unsecured notes in compliance with the provisions set forth under "—Redemption—Optional Redemption upon Equity Offerings" or (II) to make a Restricted Payment pursuant to clauses (2) or (3) of the immediately succeeding paragraph); *plus*

(z) the sum of:

(1) the aggregate amount in cash and fair market value of other property returned on or with respect to Investments (other than Permitted Investments) made subsequent to the Issue Date whether through interest payments, principal payments, dividends, by merger, consolidation amalgamation or other distribution, payment or transfer;

(2) the net cash proceeds received by Parent or any of its Restricted Subsidiaries subsequent to the Issue Date from the disposition of all or any portion of such Investments (other than to Parent or a Subsidiary of Parent); and

(3) upon redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary (except to the extent the Investment constituted a Permitted Investment), the fair market value of such Subsidiary;

provided, however, that the sum of subclauses (z)(1), (z)(2) and (z)(3) above shall not exceed the aggregate amount of all such Investments made subsequent to the Issue Date; and *provided, further*,

that the issuance of Capital Stock of Parent to provide consideration for the Acquisition will not increase the capacity for Restricted Payments as set forth in this clause (iii); *plus*

(aa) $650.0 million.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of such dividend or distribution or giving of the redemption notice, as the case may be, if the dividend, distribution or redemption payment would have been permitted on the date of declaration or giving of the redemption notice;

(2) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any shares of Capital Stock of Parent, either (i) solely in exchange for shares of Qualified Capital Stock of Parent or (ii) through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of Parent) of shares of Qualified Capital Stock of Parent;

(3) if no Default or Event of Default shall have occurred and be continuing, the acquisition of any Indebtedness of the Issuer, Parent or a Guarantor that is subordinate or junior in right of payment to the unsecured notes or such Guarantor's Guarantee, as the case may be, or the acquisition of Disqualified Capital Stock, in each case, either (i) solely in exchange for shares of Qualified Capital Stock of Parent, or (ii) in exchange for, or by conversion into, or through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of Parent), of (a) shares of Qualified Capital Stock of Parent or (b) Refinancing Indebtedness;

(4) if no Default or Event of Default shall have occurred and be continuing, repurchases, redemptions or other acquisitions by Parent of Common Stock of Parent (or options or warrants to purchase such Common Stock) from directors, officers, employees and consultants of Parent or any of its Subsidiaries or their authorized representatives upon the death, disability, retirement or termination of employment of such directors, officers, employees or consultants, in an aggregate amount not to exceed the sum of (x) $5.0 million and (y) the amount of Restricted Payments permitted but not made pursuant to this clause (4) in prior fiscal years; *provided* that no more than $5.0 million may be carried forward to any succeeding fiscal year; *provided, further, however*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by Parent or any of its Restricted Subsidiaries from the sale of Qualified Capital Stock of Parent to directors, officers, employees or consultants of Parent or its Restricted Subsidiaries subsequent to the Issue Date (provided that the amount of cash proceeds utilized for any such repurchase, redemption or other acquisition or dividend will not increase the amount available for Restricted Payments under clause (4)(iii) of the preceding paragraph); plus

(b) the cash proceeds of key man life insurance policies received by Parent or its Restricted Subsidiaries after the Issue Date;

provided that cancellation of Indebtedness owing to Parent or any of its Restricted Subsidiary from any present or former directors, officers, employees or consultants of Parent or any of its Restricted Subsidiaries in connection with a repurchase of Capital Stock of Parent will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Unsecured Notes Indenture;

(5) if no Event of Default shall have occurred and be continuing, other Restricted Payments in an amount not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA for the Applicable Measurement Period in any fiscal year; *provided* that any unused portion of the preceding basket for any fiscal year (commencing with the fiscal year in which the Issue Date occurred) may be carried forward to the succeeding fiscal years;

(6) additional Restricted Payments; *provided, however*, that (i) after giving *pro forma* effect to any such Restricted Payment, the Consolidated Debt Ratio shall be less than or equal to 3.00 to 1.00 and (ii) no Event of Default shall have occurred and be continuing;

(7) in the event of a Change of Control, and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer, Parent or any other Guarantor, in each case at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness, plus accrued and unpaid interest thereon; *provided, however*, that prior to, or concurrently with, such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer (or a third party to the extent permitted by the Unsecured Notes Indenture) has made a Change of Control Offer with respect to the unsecured notes as a result of such Change of Control and has repurchased all unsecured notes validly tendered and not withdrawn in connection with such Change of Control Offer;

(8) in the event of an Asset Sale that requires the Issuer to offer to repurchase unsecured notes pursuant to the covenant described under "—Limitation on Asset Sales," and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness of the Issuer, Parent or any other Guarantor, in each case at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness, plus accrued and unpaid interest thereon; *provided, however*, that (A) prior to, or concurrently with, such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer has made an offer with respect to the unsecured notes pursuant to the provisions of the covenant described under "—Limitation on Asset Sales" and has repurchased all unsecured notes validly tendered and not withdrawn in connection with such offer and (B) the aggregate amount of all such payments, purchases, redemptions, defeasances or other acquisitions or retirements of all such Subordinated Indebtedness may not exceed the amount of the Net Cash Proceeds Amount remaining after the Issuer has complied with clause (3) of the covenant described under "—Limitation on Asset Sales";

(9) (a) repurchases of Common Stock deemed to occur upon the exercise of stock options, warrants, rights or other Equity Interests if the Common Stock represents a portion of the exercise price thereof or withholding taxes payable in connection with the exercise thereof and (b) Restricted Payments by Parent or any Restricted Subsidiary of Parent to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of stock options, warrants, rights or other Equity Interests or upon the conversion or exchange of Capital Stock of such Person;

(10) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Parent or a Restricted Subsidiary of Parent by, Unrestricted Subsidiaries;

(11) (a) any Restricted Payment used to consummate the Transactions and to fund the payment of fees and expenses incurred in connection with the Transactions or owed by Parent or any Restricted Subsidiary of Parent, and any other payments made, including any such payments made to any direct or indirect parent of the Issuer to enable it to make payments in connection with the consummation of the Transactions, prior to or on or about the Escrow Release Date, in each case to the extent not materially inconsistent with the description of the Acquisition in the Offering Circular and (b) any Restricted Payment made under the Merger Agreement or otherwise in connection with the Transactions;

(12) the payment of any dividend or distribution by a Restricted Subsidiary that is a member of a consolidated, combined, or similar group (for this purpose, including a Restricted Subsidiary that is an entity disregarded from any such member for relevant tax purposes), in an amount necessary for the parent of the group filing consolidated, combined, or similar returns with such Restricted Subsidiary to pay taxes with respect to the net income of such Restricted Subsidiary or its Subsidiaries; *provided* that the amount of such payments in respect of any tax year shall not exceed the amount that such Subsidiaries would have been required to pay in respect of such taxes if such Subsidiaries paid such taxes directly on a separate company basis or as a standalone consolidated,

combined, affiliated or unitary tax group; *provided*, *further*, that to the extent such dividend or distribution relates to the net income of an Unrestricted Subsidiary, only to the extent cash is received from such Unrestricted Subsidiary for purposes of such dividend or distribution; and

(13) the declaration and payment of any dividends on, any redemptions or repurchases of, and any payments of cash in lieu of shares upon conversion of, Parent's Series A preferred stock outstanding as of the Issue Date.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (iii) of the immediately preceding paragraph, amounts expended pursuant to clause (1) shall be included in such calculation.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (13) above or the criteria of a Permitted Investment, or is entitled to be incurred pursuant to the first paragraph of this covenant, Parent and the Issuer will be entitled to divide, classify or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or portion thereof in any manner that complies with this covenant and such Restricted Payment will be treated as having been made pursuant to only such clause or clauses, as a Permitted Investment or the first paragraph of this covenant.

Limitation on Asset Sales

Parent will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Parent or the applicable Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at or prior to the time of such Asset Sale at least equal to the fair market value of the assets sold or otherwise disposed of (as determined in good faith by the Issuer's or Parent's Board of Directors);

(2) at least 75% of the consideration received by Parent or the Restricted Subsidiary, as the case may be, from such Asset Sale shall be in the form of cash or Cash Equivalents and shall be received at or prior to the time of such disposition. For purposes of this clause (2), each of the following shall be deemed to be cash:

(a) (i) any liabilities, as shown on the most recent consolidated balance sheet (or in the notes thereto) of Parent or any Restricted Subsidiary (or would be shown on such consolidated balance sheet (or in the notes thereto) as of the date of such Asset Sale), other than contingent liabilities and liabilities that are by their terms subordinated to the unsecured notes or any Guarantee or (ii) any Guarantees of Indebtedness of Persons other than Parent or any Restricted Subsidiary, in each case, that are assumed by the person acquiring such assets to the extent that Parent and its Restricted Subsidiaries have no further liability with respect to such liabilities;

(b) any securities, notes or other obligations received by Parent or any such Restricted Subsidiary from such transferee that are converted by Parent or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days after receipt; and

(c) any Designated Non-Cash Consideration received by Parent or 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 (c) that is at that time outstanding, in the aggregate, not to exceed the greater of $25.0 million and 1.0% of Consolidated Total Assets at the time of receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration measured at the time received and without giving effect to subsequent changes in value;

(3) upon the consummation of an Asset Sale, Parent shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale within 540 days of receipt thereof either:

(a) to (x) repay Indebtedness of Parent and its Restricted Subsidiaries under any Credit Facility and in the case of any such Indebtedness under any revolving credit facility effect a permanent reduction in the availability under such revolving credit facility (*provided, however,* that, if there shall not be any term loan indebtedness outstanding under any Credit Facility, in the case of such Indebtedness under any revolving credit facility such prepayment shall not be required to effect a permanent reduction in the availability under such revolving credit facility) or (y) repay or reduce Indebtedness of a Restricted Subsidiary of Parent that does not guarantee the unsecured notes;

(b) to make an investment in, including in properties or assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets (including Capital Stock) that will be used or are useful, in the good faith judgment of the Board of Directors of the Issuer or Parent, in, the business of Parent and its Restricted Subsidiaries as they are engaged in on the Issue Date or the Escrow Release Date or in businesses reasonably related, incidental, synergistic, ancillary or complementary thereto ("*Replacement Assets*"); *provided* that, in the case of this clause (b), a binding commitment within 540 days of the date of the receipt of such Net Cash Proceeds shall be treated as a permanent application of the Net Cash Proceeds from the date of such commitment so long as Parent or such other Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an "*Acceptable Commitment*") and, in the event that any Acceptable Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds are applied, Parent or such other Restricted Subsidiary enters into another Acceptable Commitment (a "*Second Commitment*") within 180 days of such cancellation or termination; *provided further* that if any Second Commitment is later cancelled or terminated for any reason before such Net Cash Proceeds are applied, then such Net Cash Proceeds shall constitute part of the Net Proceeds Offer Amount if not otherwise applied as provided above within 540 days of the receipt of such Net Cash Proceeds; or

(c) a combination of prepayment and investment permitted by the foregoing clauses (3)(a) and (3)(b).

Pending the final application of any such Net Cash Proceeds, Parent or such Restricted Subsidiary may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Cash Proceeds in any manner not prohibited by the Unsecured Notes Indenture. Subject to the immediately succeeding paragraph, if any Net Cash Proceeds have not been applied as provided in clauses (3)(a), (3)(b) and (3)(c) of the preceding paragraph within the applicable time period or the last provision of this sentence, such Net Cash Proceeds shall be applied by the Issuer, Parent or such Restricted Subsidiary to make an offer to purchase (the "*Net Proceeds Offer*") to all Holders and, to the extent required by the terms of any Pari Passu Indebtedness, to holders of such Pari Passu Indebtedness, on a date (the "*Net Proceeds Offer Payment Date*") not less than 30 nor more than 60 days following the date that triggered the Issuer's obligation to make such Net Proceeds Offer, from all Holders (and holders of any such Pari Passu Indebtedness) on a pro rata basis based upon the respective outstanding aggregate principal amounts (or accreted value, as applicable) of the unsecured notes and Pari Passu Indebtedness on the date the Net Proceeds Offer is made, the maximum amount (or accreted value, as applicable) of unsecured notes and Pari Passu Indebtedness that may be purchased with the Net Proceeds Offer Amount at a price equal to 100% of the principal amount (or accreted value, as applicable) of the unsecured notes and Pari Passu Indebtedness to be purchased, plus accrued and unpaid interest thereon, if any, to the date of purchase; *provided, however*, that if at any time any non-cash consideration received by Parent or any Restricted Subsidiary of Parent, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this covenant.

The Issuer may make a Net Proceeds Offer at any time and from time to time in advance of its obligation to make a Net Proceeds Offer pursuant to the immediately preceding paragraph. The Issuer may also defer the Net Proceeds

Offer until there is an aggregate unutilized Net Proceeds Offer Amount equal to or in excess of $50.0 million resulting from one or more Asset Sales (at which time, the entire unutilized Net Proceeds Offer Amount, and not just the amount in excess of $50.0 million, shall be applied as required pursuant to this paragraph). Upon completion of each Net Proceeds Offer, the amount of unutilized Net Proceeds Offer Amount will be reset at zero.

Notwithstanding the first two paragraphs of this covenant, Parent and its Restricted Subsidiaries will be permitted to consummate an Asset Sale without complying with such paragraphs to the extent that:

(1) at least 75% of the consideration for such Asset Sale constitutes Replacement Assets; and

(2) such Asset Sale is for Fair Market Value; *provided* that any consideration not constituting Replacement Assets received by Parent or any of its Restricted Subsidiaries in connection with any Asset Sale permitted to be consummated under this paragraph shall constitute Net Cash Proceeds subject to the provisions of the first two paragraphs of this covenant.

Each Net Proceeds Offer will be sent to the record Holders as shown on the register of Holders within 25 days following the date triggering the Issuer's obligation to make such Net Proceeds Offer, with a copy to the Trustee, and shall comply with the procedures set forth in the Unsecured Notes Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their unsecured notes in whole or in part in integral multiples of $2,000 in exchange for cash. To the extent Holders properly tender unsecured notes in an amount exceeding the pro rata portion of the Net Proceeds Offer Amount applicable to the unsecured notes, the tendered unsecured notes will be purchased on a pro rata basis (based on amounts tendered) subject to the minimum denominations of the unsecured notes.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of unsecured notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Asset Sale" provisions of the Unsecured Notes Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "Asset Sale" provisions of the Unsecured Notes Indenture by virtue thereof.

Limitation on Dividend and Other Payment Restrictions Affecting Guarantors

Each of the Issuer and Parent will not, and will not cause or permit any other Guarantor to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any other Guarantor to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer, Parent or any other Guarantor;

(2) make loans or advances or to pay any Indebtedness or other obligation owed to the Issuer, Parent or any other Guarantor; or

(3) transfer any of its property or assets to the Issuer, Parent or any other Guarantor,

in each case except for such encumbrances or restrictions existing under or by reason of:

(a) applicable law, rule regulation, decree or order;

(b) the unsecured notes and the related Guarantees, the Unsecured Notes Indenture and the Unsecured Notes Escrow Agreement;

(c) customary subletting and non-assignment provisions of any contract or any lease governing a leasehold interest of Parent, the Issuer or any other Guarantor;

(d) any agreement or instrument (including those governing Indebtedness (including Acquired Indebtedness) or Capital Stock) of a Person acquired by Parent, the Issuer or any other Guarantor as in effect at the time of such acquisition (except to the extent such Indebtedness

or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the properties or assets of the Person, or the Equity Interests of the Person, so acquired;

(e) contractual encumbrances or restrictions (i) in effect on the Issue Date or (ii) solely with respect to IAA and its subsidiaries, in effect on the Escrow Release Date so long as such encumbrances or restrictions were not entered into in contemplation of the Acquisition;

(f) the Senior Secured Credit Facilities, the Secured Notes Indenture and any related documentation or an agreement governing other Indebtedness permitted to be incurred under the Unsecured Notes Indenture; *provided* that, with respect to any agreement governing such other Indebtedness, the provisions relating to such encumbrance or restriction, taken as a whole, are no less favorable to Parent or the Issuer in any material respect as determined by the Board of Directors of Parent or the Issuer, as applicable, in its reasonable and good faith judgment than the provisions contained in the Senior Secured Credit Facilities, the Secured Notes Indenture or the Unsecured Notes Indenture as in effect on the Issue Date;

(g) restrictions on the transfer of assets subject to any Lien permitted under the Unsecured Notes Indenture imposed by the holder of such Lien;

(h) restrictions and conditions imposed by any agreement to sell assets or Capital Stock permitted under the Unsecured Notes Indenture to any Person pending the closing of such sale;

(i) restrictions imposed by agreements governing obligations of International Restricted Subsidiaries that are Guarantors which are permitted under the Unsecured Notes Indenture;

(j) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(k) customary provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity or the equity interests therein) entered into in the ordinary course of business;

(l) customary restrictions under agreements relating to Cash Pooling Arrangements;

(m) customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted under the Unsecured Notes Indenture;

(n) customary restrictions arising in connection with cash or other deposits in connection with Liens permitted under the Unsecured Notes Indenture;

(o) any document or instruments governing Indebtedness permitted pursuant to clause (13) of the definition of "Permitted Indebtedness"; and

(p) customary provisions restricting assignment of any agreement entered into in the ordinary course of business;

(q) restrictions imposed by any agreement governing Indebtedness not restricted by covenant described under "—Limitation on Incurrence of Additional Indebtedness" so long as the Issuer shall have determined in good faith that such restrictions will not affect its obligation or ability to make any payments required under the Unsecured Notes Indenture or the unsecured notes or otherwise perform its obligations thereunder; and

(r) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, restructurings, replacements or

refinancings of those agreements, instruments or obligations referred to in clauses (a) through (n) above; *provided, however*, that the provisions relating to such encumbrance or restriction contained in any such agreements, taken as a whole, are no less favorable to Parent or the Issuer in any material respect as determined by the Board of Directors of Parent or the Issuer, as applicable, in their reasonable and good faith judgment than the provisions relating to such encumbrance or restriction contained in agreements referred to in such clause (a) through (n) above.

Nothing contained in this covenant shall prevent Parent, the Issuer or any other Guarantor from (1) creating, incurring, assuming or suffering to exist any Liens otherwise permitted by the covenant described under the caption "—Liens" or (2) restricting the sale or other disposition of property or assets of Parent, the Issuer or any other Guarantor that secure Indebtedness of Parent, the Issuer or any other Guarantor.

For purposes of determining compliance with this covenant, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to Parent, the Issuer or any other Guarantor to other Indebtedness incurred by Parent, the Issuer or any such Guarantor shall not be deemed a restriction on the ability to make loans or advances.

Limitation on Liens

Parent will not, and will not cause or permit the Issuer or any other Guarantor to, directly or indirectly, create, incur or assume any Liens of any kind against or upon any property or assets of Parent, the Issuer or any such Guarantor, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, or assign or otherwise convey any right to receive income or profits therefrom (other than Permitted Liens) (such Lien, the "*Initial Lien*"), securing Indebtedness of Parent, the Issuer or a Guarantor, unless:

(1) in the case of Liens securing Subordinated Indebtedness, the unsecured notes or the Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; and

(2) in all other cases, the unsecured notes or Guarantees, as the case may be, are equally and ratably secured.

Any Lien created for the benefit of the Holders of the unsecured notes pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

For purposes of determining compliance with this covenant, (A) a Lien securing an item of Indebtedness need not be permitted solely by reference to one category of permitted Liens described in clauses (1) through (39) of the definition of "Permitted Liens" or pursuant to the first paragraph of this covenant but may be permitted in part under any combination thereof and (B) in the event that a Lien securing an item of Indebtedness meets the criteria of one or more of the categories of permitted Liens described in clauses (1) through (39) of the definition of "Permitted Liens" or pursuant to the first paragraph of this covenant, the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such Lien securing such item of Indebtedness (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Lien or such item of Indebtedness secured by such Lien in one of the clauses of the definition of "Permitted Liens" and such Lien securing such item of Indebtedness will be treated as being incurred or existing pursuant to only one of such clauses or pursuant to the first paragraph hereof.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "*Increased Amount*" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on preferred stock in the form of additional shares of preferred stock of the same class, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of

fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness described in subclause (7) of the second paragraph of the definition of "Indebtedness."

Merger, Consolidation and Sale of Assets

(A) Parent will not, in a single transaction or series of related transactions, amalgamate, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of Parent to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of Parent's assets (determined on a consolidated basis for Parent and Parent's Restricted Subsidiaries), whether as an entirety or substantially as an entirety, to any Person unless:

(1) either:

(a) Parent shall be the surviving or continuing corporation; or

(b) the Person (if other than Parent) formed by such consolidation or into which Parent is amalgamated, merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of Parent and of Parent's Restricted Subsidiaries substantially as an entirety (the "*Surviving Parent*"):

(x) shall be an entity organized or validly existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia; and

(y) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), all of the obligations of Parent on its Guarantee;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), Parent or such Surviving Parent, as the case may be, (a) would be able to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Incurrence of Additional Indebtedness" or (b) the Consolidated Fixed Charge Coverage Ratio of Parent and its Restricted Subsidiaries would not be lower than it was immediately prior to such transaction;

(3) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above, if applicable (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) Parent or the Surviving Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such amalgamation, consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with the applicable provisions of the Unsecured Notes Indenture and that all conditions precedent in the Unsecured Notes Indenture relating to such transaction have been satisfied.

(B) The Issuer will not, in a single transaction or series of related transactions, amalgamate, consolidate or merge with or into any Person unless:

(1) either:

(a) the Issuer shall be the surviving or continuing corporation; or

(b) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is amalgamated, merged or the Person which acquires by sale, assignment, transfer, lease,

conveyance or other disposition the properties and assets of the Issuer and of the Issuer's Restricted Subsidiaries substantially as an entirety (the "*Surviving Entity*"):

(x) shall be an entity organized or validly existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom or any member state of the European Union; *provided* that in the case where the Surviving Entity is not a corporation, a co-obligor of the unsecured notes is a corporation shall be an entity organized or validly existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom or any member state of the European Union; and

(y) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the unsecured notes and the performance of every covenant of the unsecured notes and the Unsecured Notes Indenture on the part of the Issuer to be performed or observed;

(3) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above, if applicable (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) the Issuer or the Surviving Entity shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such amalgamation, consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with the applicable provisions of the Unsecured Notes Indenture and that all conditions precedent in the Unsecured Notes Indenture relating to such transaction have been satisfied.

For purposes of the foregoing covenant, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of Parent (other than the Issuer), the Capital Stock of which constitutes all or substantially all of the properties and assets of Parent or the Issuer, shall be deemed to be the transfer of all or substantially all of the properties and assets of Parent or the Issuer.

The Unsecured Notes Indenture will provide that upon any amalgamation, consolidation, combination or merger or any transfer of all or substantially all of the assets of Parent or the Issuer in accordance with the foregoing, in which Parent or the Issuer, as applicable, is not the continuing corporation, the successor Person formed by such consolidation or into which Parent or the Issuer is amalgamated or merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, Parent or the Issuer, as applicable, under the Unsecured Notes Indenture and the unsecured notes with the same effect as if such surviving entity had been named as such and all financial information and reports required by the Unsecured Notes Indenture shall be provided by and for such surviving entity.

Clause (A) of the above covenant will not apply to any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among Parent and the Restricted Subsidiaries (including the Issuer). Clause (B) of the above covenant will not apply to any merger or consolidation of the Issuer (x) with or into Parent or one of its Restricted Subsidiaries for any purpose so long as the Surviving Entity becomes a primary obligor of the unsecured notes or (y) with or into an Affiliate solely for the purpose of reorganizing the Issuer in another jurisdiction so long as the Surviving Entity becomes a primary obligor of the unsecured notes; *provided*, *however*, if such Person is not a corporation, a co-obligor of the unsecured notes is a corporation organized or existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom or any member state of the European Union.

(C) Each Guarantor (other than any Guarantor whose Guarantee is to be released in accordance with the terms of its Guarantee and the Unsecured Notes Indenture in connection with any transaction complying with the provisions of the covenant described under "—Limitation on Asset Sales") will not, and Parent and the Issuer will not cause or permit any Guarantor to, amalgamate or consolidate with or merge with or into any Person other than Parent or the Issuer or any other Guarantor unless:

(1) the entity formed by or surviving any such amalgamation, consolidation or merger (if other than such Guarantor) or to which such sale, lease, conveyance or other disposition shall have been made is an entity organized or existing under the laws of Canada (or any province or territory thereof), laws of the United States or any State thereof or the District of Columbia, the United Kingdom, any member state of the European Union or such other jurisdiction as such Guarantor was organized or existing under (such Guarantor or Person, as the case may be, the "*Surviving Guarantor*");

(2) the Surviving Guarantor (if other than such Guarantor) assumes by supplemental indenture all of the obligations of the Guarantor on its Guarantee; and

(3) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing.

Any amalgamation, merger or consolidation of, or sale, assignment, transfer, lease, conveyance or other disposition of assets by, a Guarantor with Parent or the Issuer (with Parent or the Issuer being the surviving entity in case of an amalgamation, merger of consolidation) or another Guarantor that is a Wholly Owned Restricted Subsidiary of the Issuer need only comply with clause (4) of the first paragraph of this covenant or clause (4) of the second paragraph of this covenant, as applicable.

Limitations on Transactions with Affiliates

Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates involving aggregate value in excess of $10.0 million (each an "*Affiliate Transaction*"), other than:

(a) Affiliate Transactions permitted under the second succeeding paragraph below and

(b) Affiliate Transactions on terms, taken as a whole, that are no less favorable to Parent or the applicable Restricted Subsidiary than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of Parent or such Restricted Subsidiary.

If any such Affiliate Transaction (or a series of related Affiliate Transactions which are similar or part of a common plan) (a) involves aggregate payments or other property with a fair market value in excess of $25.0 million, Parent or such Restricted Subsidiary, as the case may be, shall file with the Trustee an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and (b) involves aggregate payments or other property with a fair market value in excess of $50.0 million, Parent or such Restricted Subsidiary, as the case may be, shall file with the Trustee a resolution of the Board of Directors of Parent or such Restricted Subsidiary, as the case may be, set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of Parent or such Restricted Subsidiary.

The restrictions set forth in the first paragraph of this covenant shall not apply to:

(1) indemnification, employment, consultancy, advisory, services or separation agreements or arrangements and benefit plans or arrangements and any transactions contemplated by any of the foregoing, including the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses, in each case, in respect of or provided on behalf of, current or former directors, officers, consultants or employees of Parent or any Restricted Subsidiary (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers

or employees) as determined in good faith by Parent's or the Issuer's Board of Directors or senior management;

(2) transactions exclusively between or among Parent and any of its Restricted Subsidiaries or exclusively between or among such Restricted Subsidiaries (including any entity that becomes a Restricted Subsidiary of Parent as a result of such transaction); *provided* such transactions are not otherwise prohibited by the Unsecured Notes Indenture;

(3) (A) any agreement or arrangement as in effect as of the Issue Date (or transactions pursuant thereto), (B) any other agreements or arrangements pursuant to or in connection with the Transactions or (C) any amendment, modification or supplement to the agreements referenced in clause (A) or (B) above or any replacement thereof, so long as the terms of such agreement or arrangement, as so amended, modified, supplemented or replaced, are not more disadvantageous to the Holders when taken as a whole in any material respect compared to the applicable agreements or arrangements as in effect on the Issue Date or as described in this Offering Circular, as applicable, as determined in good faith by Parent or the Issuer;

(4) Restricted Payments (or transfers or issuances that would constitute Restricted Payments but for the exclusions from the definition thereof) or Permitted Investments not prohibited by the Unsecured Notes Indenture;

(5) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practice, which are fair to Parent or the applicable Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of Parent or the applicable Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(6) issuances or sales of Capital Stock (other than Disqualified Stock) of Parent or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights in connection therewith or any contribution to capital of Parent or any Restricted Subsidiary;

(7) transactions in which Parent or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to Parent or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (b) of the first paragraph of this covenant;

(8) payments to or the receipt of payments from, and the entry into and the consummation of transactions with, joint ventures (to the extent any such joint venture is only an Affiliate as a result of Investments by Parent and the Restricted Subsidiaries in such joint venture) in the ordinary course of business to the extent otherwise permitted by the Unsecured Notes Indenture, so long as such payments or transactions are on terms that are not materially less favorable to Parent or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction;

(9) the Transactions, in each case as disclosed in this Offering Circular, and the payment of all fees, expenses, bonuses and awards related thereto;

(10) transactions with a Person that is an Affiliate of Parent solely because Parent or one of its Restricted Subsidiaries owns an equity interest in such Person;

(11) the pledge of Equity Interests of Unrestricted Subsidiaries or joint ventures to support the Indebtedness thereof;

(12) transactions between Parent or any Restricted Subsidiary of Parent and any Person, a director of which is also a director of Parent or the Issuer; *provided*, that such director abstains from voting as a director of Parent or the Issuer on any matter involving such other Person;

(13) transactions with a Person who is not an Affiliate immediately before the consummation of such transaction that becomes an Affiliate as a result of such transaction;

(14) any incurrence of Indebtedness permitted by the covenant described under "—Limitation on Additional Indebtedness";

(15) transactions undertaken for the purpose of improving the consolidated tax efficiency of Parent or its Subsidiaries as determined in good faith by Parent; and

(16) Permitted Intercompany Activities, Cash Pooling Arrangements and related transactions.

Additional Subsidiary Guarantees

If any existing or future Restricted Subsidiary of Parent shall guarantee any Indebtedness of Parent, the Issuer or any other Guarantor under (i) a Credit Facility or (ii) Capital Markets Indebtedness, in each case, in an aggregate principal amount with respect to clauses (i) and (ii) exceeding $100.0 million, then Parent and the Issuer shall, within 30 days of such event, cause such Restricted Subsidiary to:

(1) execute and deliver to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee pursuant to which such Restricted Subsidiary shall unconditionally guarantee all of the Issuer's obligations under the unsecured notes and the Unsecured Notes Indenture on the terms set forth in the Unsecured Notes Indenture; and

(2) deliver to the Trustee an Officer's Certificate and an Opinion of Counsel that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and, only with respect to such Opinion of Counsel, that such supplemental indenture constitutes a legal, valid, binding and enforceable obligation of such Restricted Subsidiary.

Thereafter, such Restricted Subsidiary shall be a Guarantor for all purposes of the Unsecured Notes Indenture until such Restricted Subsidiary is released from its Guarantee as provided in the Unsecured Notes Indenture.

Designation of Restricted and Unrestricted Subsidiaries

Parent or the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by Parent and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments" or under one or more clauses of the definition of Permitted Investments, as determined by Parent or the Issuer. The designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Subsidiary of Parent as an Unrestricted Subsidiary will be evidenced to the Trustee by an Officer's Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described above under the caption "—Limitation on Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Unsecured Notes Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of Parent as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption "—Limitations on Incurrence of Additional Indebtedness," the Issuer will be in default of such covenant.

Parent or the Issuer may at any time redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary of Parent; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Parent of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—Limitations on Incurrence of Additional Indebtedness," calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Any such designation by Parent shall be evidenced to the Trustee by an Officer's Certificate certifying that such designation complies with the preceding conditions.

Reports to Holders

References in this "—Reports to Holders" to "Parent" shall be to, following the Issue Date, Ritchie Bros. Auctioneers Incorporated, a Canadian corporation.

Notwithstanding that Parent may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, from and after the Issue Date, Parent will furnish to the Trustee, within 15 days after the time periods specified below:

(1) within 90 days after the end of each fiscal year, all financial information (including audited financial statements) of Parent that would be required to be contained in an annual report on Form 10-K, or any successor or comparable form, filed with the SEC, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a report on the annual financial statements by Parent's independent registered public accounting firm;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, all financial information of Parent that would be required to be contained in a quarterly report on Form 10-Q, or any successor or comparable form, filed with the SEC; and

(3) promptly after the occurrence of any of the following events (but in no event later than an registrant would be required to report such event on a Form 8-K), all current reports to the extent relating to such event that would be required to be filed with the SEC on Form 8-K or any successor or comparable form (if Parent had been a reporting company under Section 15(d) of the Exchange Act):

(a) the entry into or termination of material agreements;

(b) significant acquisitions or dispositions;

(c) the sale of equity securities;

(d) bankruptcy;

(e) cross-default under direct material financial obligations;

(f) a change in Parent's certifying independent auditor;

(g) the appointment or departure of directors or executive officers;

(h) non-reliance on previously issued financial statements; and

(i) change of control transactions,

in each case, in a manner that complies in all material respects with the requirements specified in such form, except as described above or below and subject to exceptions consistent with the presentation of information in the Offering Circular; provided, that the foregoing shall not obligate Parent to (i) make available any information otherwise required to be included on a Form 8-K regarding the occurrence of any such events if Parent determines in its good faith judgment that such event that would otherwise be required to be disclosed is not material to the Holders of the unsecured notes or the business, assets, operations, financial positions or prospects of Parent and its Restricted Subsidiaries taken as a whole or (ii) make available copies of any agreements, financial statements or other items that would be required to be filed as exhibits to such report.

In addition, Parent shall not be required to (i) comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K with respect to any "non-GAAP" financial information contained in any report required by clauses (1), (2) and (3) above, (ii) provide any information that is not otherwise similar to information currently included in

the Offering Circular or (iii) provide the type of information contemplated by Rule 3-16 of Regulation S-X with respect to financial statements of affiliates whose securities collateralize certain securities or Rule 3-10 of Regulation S-X with respect to separate financial statements for Guarantors or any financial statements for unconsolidated subsidiaries or 50% or less owned persons contemplated by Rule 3-09 of Regulation S-X or any schedules required by Regulation S-X, or in each cash any successor provisions; provided that, Parent shall provide the revenues, "EBITDA", "Adjusted EBITDA", assets and liabilities of (i) Parent, the Issuer and the other Guarantors, collectively and (ii) the Non-Guarantors, collectively, separately in a manner consistent with the presentation thereof in the Offering Circular, to the extent required in such form. In addition, notwithstanding the foregoing, Parent will not be required to (i) comply with Sections 302, 906 and 404 of the Sarbanes-Oxley Act of 2002, as amended, or (ii) otherwise furnish any information, certificates or reports required by Items 307 or 308 of Regulation S-K. To the extent any such information is not so filed or furnished, as applicable, within the time periods specified above and such information is subsequently filed or furnished, as applicable, Parent will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured. In addition, to the extent not satisfied by the foregoing, Parent will agree that, for so long as any unsecured notes are outstanding, it will furnish to Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

At any time that any of Parent's Subsidiaries are Unrestricted Subsidiaries and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary, then the annual and quarterly financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the financial condition and results of operations of Parent and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries.

Substantially concurrently with the furnishing or making such information available to the applicable Trustee pursuant to this covenant, Parent shall also post copies of such information required by this covenant on a website (which may be nonpublic and may be maintained by Parent or a third party) to which access will be given to Holders, prospective investors in the unsecured notes (which prospective investors shall be limited to "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act or non-U.S. persons (as defined in Regulation S under the Securities Act) that certify their status as such to the reasonable satisfaction of Parent), and securities analysts and market making financial institutions that are reasonably satisfactory to Parent.

The Trustee shall have no obligation to determine if and when Parent's financial statements or reports are publicity available and accessible electronically. Delivery of these reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of them will not constitute constructive notice of any information contained therein or determinable from information contained therein, including Parent's compliance with any of its covenants hereunder (as to which the Trustee may rely exclusively on Officer's Certificates).

Parent will also hold quarterly conference calls for the Holders of unsecured notes to discuss financial information for the previous quarter (it being understood that such quarterly conference call may be the same conference call as with Parent's equity investors and analysts). The conference call will be following the last day of each fiscal quarter of Parent and not later than 15 Business Days from the time that Parent distributes the financial information as set forth in the fourth preceding paragraph. No fewer than two days prior to the conference call, Parent will issue a press release announcing the time and date of such conference call and providing instructions for Holders, securities analysts and prospective investors to obtain access to such call provided however that such press release can be distributed solely to certified users of the website described in the immediately preceding paragraph.

Notwithstanding anything to the contrary set forth above, if Parent has furnished or filed the reports described in the preceding paragraphs with respect to Parent with the SEC via EDGAR (or any successor platform), Parent shall be deemed to be in compliance with the provisions of this covenant; provided that the Trustee shall not have any responsibility to determine if any documents have been so filed.

In addition, to the extent that, after taking into account applicable no-action and other interpretative releases, applicable U.S. securities laws or regulations (including Exchange Act Rule 15c2-11) require the disclosure, provision, availability or filing of information in order for broker-dealers to publish or submit quotations for the unsecured notes, Parent or the Issuer will disclose, provide, make available or file such information.

Limited Condition Transactions; Financial Calculations

When calculating the availability under any threshold based on a dollar amount, percentage of Consolidated Total Assets or other financial measure (a "basket") or ratio under the Unsecured Notes Indenture, in each case, in connection with a Limited Condition Transaction, the date of determination of such basket or ratio and of any requirement that there be no Default or Event of Default may, at the option of Parent, be the date the definitive agreement(s) for such Limited Condition Transaction is entered into. Any such ratio or basket shall be calculated on a pro forma basis, including with such adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definitions of Consolidated Fixed Charge Coverage Ratio or Consolidated Total Assets, after giving effect to such Limited Condition Transaction and other transactions related thereto (including any incurrence or issuance of Indebtedness or preferred stock and the use of proceeds thereof) as if they had been consummated at the beginning of the applicable period (in the case of Consolidated EBITDA), as of the date of determination and at the end of the applicable period (in the case of Consolidated Total Assets) for purposes of determining the ability to consummate any such Limited Condition Transaction and any such related transactions; provided that if Parent elects to make such determination as of the date of such definitive agreement(s), then (i) if any of such ratios are no longer complied with or baskets are exceeded as a result of fluctuations in such ratio or basket (including due to fluctuations in Consolidated EBITDA, Consolidated Net Income or Consolidated Total Assets of Parent or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Transaction and any such related transactions, such ratios or baskets will not be deemed to have been no longer complied with or exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction and such related transactions are permitted under the Unsecured Notes Indenture, (ii) such ratios or baskets shall not be tested at the time of consummation of such Limited Condition Transaction and such related transactions, and (iii) during the period on and following the date of any such election by Parent with respect to a given Limited Condition Transaction and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement(s) for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, for purposes of determining whether any unrelated subsequent transaction (including, without limitation, the incurrence of Indebtedness or Liens, the making of Restricted Payments, the making of any Investment, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of Parent, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary) is permitted under the Unsecured Notes Indenture, any applicable ratio or basket shall be required to be satisfied (i) on a pro forma basis as set forth above, assuming such Limited Condition Transaction and other related transactions (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated and (ii) assuming such Limited Condition Transaction and other related transactions (including any incurrence of Indebtedness and the use of proceeds thereof) have not been consummated.

Events of Default

The following events are defined in the Unsecured Notes Indenture as "Events of Default":

(1) the failure to pay interest on any unsecured notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal on any unsecured notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase unsecured notes tendered pursuant to a Change of Control Offer or a Net Proceeds Offer and the failure to make a payment upon a required redemption as described under "—Redemption—Special Mandatory Redemption") on the date specified for such payment in the applicable offer to purchase;

(3) a default in the observance or performance of any other covenants or agreements which default continues for a period of 60 days after the Issuer receives written notice specifying the default (and demanding that such default be remedied) from the Trustee or the Holders of at least 25% of the outstanding principal amount of the unsecured notes (except, in the case of a default with respect to the covenant described under "—Merger, Consolidation and Sale of Assets," which will constitute an Event of Default with such notice requirement but without such passage of time requirement);

(4) the failure to pay at final stated maturity (giving effect to any applicable grace periods and any extensions thereof) the principal amount of any Indebtedness of Parent or any Restricted Subsidiary of Parent (other than Indebtedness owing to Parent or any Restricted Subsidiary), including the secured notes, or the acceleration of the final stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 20 days of receipt by Parent or such Restricted Subsidiary of notice of any such acceleration), including the secured notes, if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness, including the secured notes, in default for failure to pay principal at final stated maturity or which has been accelerated (in each case with respect to which the 20-day period described above has passed), aggregates $75.0 million or more at any time;

(5) one or more final judgments in an aggregate amount of $75.0 million or more (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers, to the extent such coverage has not been denied) shall have been rendered against Parent or any of its Significant Subsidiaries and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable;

(6) certain events of bankruptcy affecting Parent or any of its Significant Subsidiaries; or

(7) any Guarantee of a Significant Subsidiary ceases to be in full force and effect or any Guarantee of a Significant Subsidiary is declared to be null and void and unenforceable or any Guarantee of a Significant Subsidiary is found to be invalid or any Guarantor that is a Significant Subsidiary denies its liability under its Guarantee (other than by reason of release of a Guarantor in accordance with the terms of the Unsecured Notes Indenture).

The Trustee shall not be charged with knowledge of any Default or Event of Default with respect to the unsecured notes unless a written notice of such Default or Event of Default shall have been given to an officer of the Trustee with direct responsibility for the administration of the Unsecured Notes Indenture and the unsecured notes, by Parent, the Issuer or any Holder of unsecured notes.

If an Event of Default (other than an Event of Default specified in clause (6) above with respect to Parent or the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding unsecured notes may declare the principal of and accrued interest on all the unsecured notes to be due and payable by notice in writing to the Issuer and the Trustee specifying the applicable Event of Default and that it is a "notice of acceleration" (the "Acceleration Notice"), and the same shall become immediately due and payable.

If an Event of Default specified in clause (6) above with respect to Parent or the Issuer occurs and is continuing, then all unpaid principal of, and premium, if any, plus accrued and unpaid interest on all of the outstanding unsecured notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the unsecured notes, if within 20 days after such Event of Default arose Parent delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the requisite number of holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the unsecured notes as described above be annulled, waived or rescinded upon the happening of any such events.

Notwithstanding anything herein to the contrary, to the extent any information is not provided within the time periods specified in "—Reports to Holders" above and such information is subsequently provided within 30 days following such time periods, Parent will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

The Unsecured Notes Indenture will provide that, at any time after a declaration of acceleration with respect to the unsecured notes as described in the preceding paragraphs, the Holders of a majority in aggregate principal amount of the unsecured notes then outstanding may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;

(4) if the Issuer has paid the Trustee compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in clause (6) of the description above of Events of Default, the Trustee shall have received an Officer's Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

The Holders of a majority in principal amount of the unsecured notes may waive any existing Default or Event of Default under the Unsecured Notes Indenture, and its consequences, except a default in the payment of the principal of or interest on any unsecured notes.

Holders of the unsecured notes may not enforce the Unsecured Notes Indenture or the unsecured notes except as provided in the Unsecured Notes Indenture. Subject to the provisions of the Unsecured Notes Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under the Unsecured Notes Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee indemnity satisfactory to it. Subject to all provisions of the Unsecured Notes Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding unsecured notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction or take any action that conflicts with law, the Unsecured Notes Indenture or the unsecured notes, or that, subject to the terms of the Unsecured Notes Indenture, the Trustee determines may be unduly prejudicial to the rights of other Holders or may involve the Trustee in liability (it being expressly understood that the Trustee shall not have an affirmative duty to ascertain whether such action is prejudicial), unless the Trustee is offered security and indemnity satisfactory to it against any loss, claim, liability, cost or expense to the Trustee that may result from the Trustee following such direction.

Under the Unsecured Notes Indenture, the Issuer is required to provide an Officer's Certificate to the Trustee promptly upon any such officer obtaining knowledge of any Default or Event of Default (provided that such officers shall provide such certification at least annually whether or not they know of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have its Obligations and the Obligations of the Guarantors discharged with respect to the outstanding unsecured notes ("*Legal Defeasance*"). Such Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire indebtedness represented by the outstanding unsecured notes, except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the unsecured notes when such payments are due;

(2) the Issuer's Obligations with respect to the unsecured notes concerning issuing temporary unsecured notes, registration of unsecured notes, mutilated, destroyed, lost or stolen unsecured notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust duties and immunities of the Trustee and the Issuer's Obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Unsecured Notes Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to any or all of certain covenants that are described in the Unsecured Notes Indenture ("Covenant Defeasance") and thereafter any omission to comply with such Obligations shall not constitute a Default or Event of Default with respect to the unsecured notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under "—Events of Default" will no longer constitute an Event of Default with respect to the unsecured notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash (in U.S. dollars), Government Securities, rated AAA or better by S&P and Aaa by Moody's, or a combination thereof (or, in each case, if such Rating Agency ceases to rate such securities, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency), in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, investment bank or appraisal firm, to pay the principal of, premium, if any, and interest on the unsecured notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(2) in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that: (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or (ii) since the date of the Unsecured Notes Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders and Beneficial Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders and Beneficial Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or an Event of Default resulting from transaction occurring contemporaneously with the borrowing of funds, or the borrowing of funds, to be applied to such deposit and the grant of any Lien securing such borrowings);

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, the Unsecured Notes Indenture (other than a Default or an Event of Default resulting from transaction occurring contemporaneously with the borrowing of funds, or the borrowing of funds, to be applied to such deposit and the grant of any Lien securing such borrowings) or any other material agreement or instrument (including, without limitation, the Senior Secured Credit Facilities and the secured notes) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(6) the Issuer shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(7) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with; and

(8) certain other customary conditions precedent are satisfied.

Satisfaction and Discharge

The Unsecured Notes Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the unsecured notes at the designated corporate trust office, as expressly provided for in the Unsecured Notes Indenture) as to all outstanding unsecured notes when:

(1) either:

(a) all the unsecured notes theretofore authenticated and delivered (except lost, stolen or destroyed unsecured notes that have been replaced or paid and unsecured notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all unsecured notes not theretofore delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year (or are to be called for redemption within one year), and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient (in the opinion of a nationally recognized firm of independent certified public accountants) to pay and discharge the entire Indebtedness on the unsecured notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the unsecured notes to the date of maturity or redemption, as the case may be, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuer has paid all other sums payable under the Unsecured Notes Indenture by the Issuer; and

(3) the Issuer, upon request for written acknowledgement of such satisfaction and discharge, have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under the Unsecured Notes Indenture relating to the satisfaction and discharge of the Unsecured Notes Indenture have been complied with.

In the case of satisfaction and discharge, upon any redemption that requires the payment of the Applicable Premium, the amount deposited with the Trustee shall be sufficient for purposes of clause (1)(b) above and the Unsecured Notes Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of three Business Days prior to the date of such deposit, with any deficit as of the date of redemption (any such amount, the "*Applicable Premium Deficit*") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption.

Modification of the Unsecured Notes Indenture

Subject to certain exceptions, modifications and amendments of the Unsecured Notes Indenture may be made with the consent of the Holders of a majority in aggregate principal amount of the then outstanding unsecured notes issued under the Unsecured Notes Indenture. However, without the consent of each Holder affected thereby, no amendment may:

(1) reduce the amount of unsecured notes whose Holders must consent to an amendment;

(2) reduce the rate of, or change the time for payment of, interest, including defaulted interest, on any unsecured notes;

(3) reduce the principal of, or change the fixed maturity of, any unsecured notes, or change the date on which any unsecured notes may be subject to redemption or reduce the redemption price therefor;

(4) make any unsecured notes payable in money other than that stated in the unsecured notes;

(5) make any change in the contractual provisions of the Unsecured Notes Indenture protecting the legal right of each Holder to receive payment of principal of and interest on such unsecured note on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in aggregate principal amount of unsecured notes outstanding to waive Defaults or Events of Default;

(6) after the Issuer's obligation to purchase unsecured notes arises thereunder, amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in the event of a Change of Control or make and consummate a Net Proceeds Offer with respect to any Asset Sale that has been consummated or, after such Change of Control has occurred or such Asset Sale has been consummated, modify any of the provisions or definitions with respect thereto;

(7) release any Guarantor that is a Significant Subsidiary from any of its obligations under its Guarantee or the Unsecured Notes Indenture otherwise than in accordance with the terms of the Unsecured Notes Indenture;

(8) make any change in the provisions of the Unsecured Notes Indenture described under "—Additional Amounts" that adversely affects the right of any Holder or Beneficial Holder in any material respect or amends the terms of the unsecured notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(9) modify or change the amendment provisions of the unsecured notes or the Unsecured Notes Indenture; or

(10) expressly subordinate the unsecured notes or any Guarantee to any other Indebtedness of Parent, the Issuer or any other Guarantor.

Without the consent of the Holders of such unsecured notes, the Issuer and the Trustee may amend the Unsecured Notes Indenture, the unsecured notes and the Guarantees: (1) to cure any ambiguity, omission, mistake, defect or inconsistency; (2) to provide for the assumption by a Surviving Entity (with respect to the Issuer) of the obligations of the Issuer under the Unsecured Notes Indenture and the unsecured notes; (3) to provide for the assumption by a Surviving Guarantor (with respect to any Guarantor), as the case may be, of the obligations of a Guarantor under the Unsecured Notes Indenture and its Guarantee; (4) to provide for uncertificated notes in addition to or in place of certificated notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Code); (5) to add a Guarantee with respect to the unsecured notes; (6) to conform the text of the Unsecured Notes Indenture, Guarantees or the unsecured notes to any provision of this "Description of Unsecured Notes" to the extent that such provision in this "Description of Unsecured Notes" was intended by the Issuer to be a verbatim recitation of a provision of the Unsecured Notes Indenture, the Guarantees or the unsecured notes, as applicable, as stated in an Officer's Certificate; or (7) to make certain changes to the Unsecured Notes Indenture to provide for the issuance of additional unsecured notes. In formulating its opinion on such matters, the Trustee may conclusively rely on such evidence as it deems appropriate, including, without limitation, solely on an Opinion of Counsel.

The consent of the Holders of the unsecured notes is not necessary under the Unsecured Notes Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

No Opinion of Counsel will be required for the Trustee to execute any amendment or supplement entered into in connection with adding or releasing a Guarantor; *provided* that the Trustee shall be entitled to conclusively rely on an

Officer's Certificate in executing such amendment or supplement or delivering such release and shall have no liability to any person for so relying.

Notwithstanding anything to the contrary herein, prior to the Escrow End Date, any modifications, waivers, amendments, consents or eliminations of any provision under the Unsecured Notes Indenture or the Unsecured Notes Escrow Agreement related to any matters described under "—Escrow Related Provisions" or "—Redemption—Special Mandatory Redemption" will require the consent of each Holder affected thereby (except for modifications or amendments that (i) cure any ambiguity, omission, mistake, defect, error or inconsistency, (ii) provide additional rights or benefits to the holders of the unsecured notes or do not materially adversely affect the legal rights under the Unsecured Notes Indenture or the Unsecured Notes Escrow Agreement of the holders of the unsecured notes, (iii) evidence or provide for the acceptance and appointment of a successor Escrow Agent, or (iv) conform the text of the Unsecured Notes Indenture or the Unsecured Notes Escrow Agreement to any provision of this "Description of Notes" as set forth in an Officer's Certificate, which may be made by the Issuer and the Trustee or Escrow Agent, as applicable).

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer, as such, will have any liability for any obligations of the Issuer under the unsecured notes, the Unsecured Notes Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of unsecured notes by accepting an unsecured note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the unsecured notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Governing Law

The Unsecured Notes Indenture, the unsecured notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

The Trustee

Except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Unsecured Notes Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Unsecured Notes Indenture, and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The Unsecured Notes Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided* that if the Trustee acquires any conflicting interest, it shall eliminate such conflict or resign.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Unsecured Notes Indenture. Reference is made to the Unsecured Notes Indenture for the full definition of all such terms, as well as any other terms used herein for which no definition is provided.

"*Acquired Indebtedness*" means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of Parent or at the time it amalgamates, merges or consolidates with or into Parent or any of its Restricted Subsidiaries or that is assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of Parent or such acquisition, amalgamation, merger or consolidation.

"*Acquisition*" means the acquisition of IAA pursuant to the Merger Agreement.

"*Acquisition Closing Date*" means the date that the Acquisition is consummated.

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term

"control", means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"*Applicable Calculation Date*" means the applicable date of the transaction giving rise to the need to calculate Consolidated EBITDA, Consolidated Fixed Charge Coverage Ratio, Consolidated Debt Ratio and Consolidated Secured Debt Ratio.

"*Applicable Measurement Period*" means the most recently completed four consecutive fiscal quarters of Parent immediately preceding the Applicable Calculation Date for which internal financial statements are available.

"*Asset Acquisition*" means (1) an Investment by Parent or any Restricted Subsidiary of Parent in any other Person pursuant to which such Person shall become a Restricted Subsidiary of Parent or any Restricted Subsidiary of Parent, or shall be amalgamated or merged with or into Parent or any Restricted Subsidiary of Parent, or (2) the acquisition by Parent or any Restricted Subsidiary of Parent of the assets of any Person (other than a Restricted Subsidiary of Parent) that constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business.

"*Asset Sale*" means any direct or indirect sale, issuance, conveyance, transfer, lease, assignment or other transfer for value by Parent or any of its Restricted Subsidiaries (including any Sale and Leaseback Transaction) to any Person other than Parent or a Restricted Subsidiary of Parent of: (1) any Capital Stock of any Restricted Subsidiary of Parent (other than directors' qualifying shares and shares issued to foreign nationals as required under applicable law); or (2) any other property or assets of Parent or any Restricted Subsidiary of Parent other than in the ordinary course of business; *provided*, *however*, that Asset Sales or other dispositions shall not include:

(a) a transaction or series of related transactions for which Parent or its Restricted Subsidiaries receive aggregate consideration of less than $25.0 million;

(b) the sale, lease, conveyance, disposition or other transfer of all or substantially all of the assets of Parent or the Issuer as permitted under the covenant described under "—Certain Covenants—Merger, Consolidation and Sale of Assets";

(c) the sale, discount or other disposition of inventory;

(d) the sale or discount of accounts receivable in connection with the compromise or collection thereof or in the ordinary course of business;

(e) disposals or replacements of obsolete, worn-out or no longer useful equipment or machinery;

(f) the sale or other disposition of cash or Cash Equivalents;

(g) any Restricted Payment that is not prohibited by the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any Restricted Payment that constitutes a Permitted Investment;

(h) the abandonment of Intellectual Property Rights no longer used or useful in the conduct of the business of Parent or any of its Subsidiaries;

(i) licenses, sublicenses, leases or subleases granted to others (including licenses of Intellectual Property Rights), and terminations thereof not interfering in any material respect with the business of Parent and its Subsidiaries;

(j) Dispositions 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 Disposition are reasonably promptly applied to the purchase price of such replacement property;

(k) the surrender or waiver of contractual rights and settlement or waiver of contractual or litigation claims by Parent or any Subsidiary;

(l) the unwinding of any Interest Swap Obligation or Currency Agreements pursuant to its terms;

(m) Dispositions of Investments 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;

(n) Dispositions of property or assets subject to a Recovery Event;

(o) Dispositions made in connection with the consummation of the Acquisition that are necessary or advisable to comply with applicable law or to avoid any impediment to the consummation of the Acquisition under any applicable law;

(p) Dispositions of real property so long as the aggregate net book value of all real property sold or otherwise disposed of by Parent and its Restricted Subsidiaries pursuant to this clause (p) in any fiscal year of Parent shall not exceed $200.0 million, and during the term of the Unsecured Notes Indenture shall not exceed $400.0 million;

(q) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary to Parent or the Issuer or by Parent or the Issuer to a Restricted Subsidiary or a Restricted Subsidiary to a Restricted Subsidiary;

(r) the granting of, and dispositions in connection with, Permitted Liens;

(s) foreclosure, condemnation, expropriation or any similar action with respect to any property or other asset of Parent or any of its Restricted Subsidiaries;

(t) any disposition of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(u) any surrender, expiration or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind;

(v) Permitted Intercompany Activities, Cash Pooling Arrangements and related transactions;

(w) a transaction or series of related transactions for which Parent or its Restricted Subsidiaries receive aggregate consideration not to exceed $200.0 million in any fiscal year and $400.0 million during the term of the Unsecured Notes Indenture;

(x) Specified Property Sales; and

(y) a sale, assignment or other transfer of Receivables or Receivables Assets.

In the event that a transaction (or a portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, Parent or the Issuer, in its sole discretion, will be entitled to divide and classify and reclassify such transaction (or a portion thereof) as an Asset Sale and/or one or more the types of permitted Restricted Payments or Permitted Investments.

"*Attributable Indebtedness*" means, with respect to any Person on any date, in respect of any finance lease, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"*Beneficial Holders*" means any person who holds a beneficial interest in unsecured notes as shown on the books of the Depository or a participant of such Depository.

"*Board of Directors*" means, as to any Person, the board of directors of such Person or any duly authorized committee thereof or, with respect to any Person that is not a corporation, the Person or Persons performing corresponding functions.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"*Business Day*" means any day other than a Saturday, Sunday or other day on which commercial banks or financial institutions are authorized to close under the laws of, or are in fact closed in, the State of New York, the Province of Ontario or the place of payment.

"*Canadian Restricted Subsidiary*" means any Restricted Subsidiary that is organized under the laws of Canada or any province or territory thereof.

"*Capital Markets Indebtedness*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act, (b) a private placement to institutional investors that is resold in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC or (c) a private placement to institutional accredited investors.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person; and

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

"*Capitalized Lease Obligation*" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as a finance lease under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"*Cash Equivalents*" means:

(1) United States dollars, Canadian dollars, Euros, British Pounds or any national currency of any participating member state of the European Union or such local currencies held by Parent and its Subsidiaries from time to time in the ordinary course of business;

(2) marketable direct obligations issued by, or unconditionally guaranteed by, the United States, any Canadian Governmental Authority, Canadian crown corporations, the Netherlands, the United Kingdom, Germany, Spain, France or Australia;

(3) marketable direct obligations issued by any agency of the United States or any Canadian Governmental Authority and backed by the full faith and credit of the United States or Canada, in each case maturing within one year from the date of acquisition thereof;

(4) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's (or, in each case, if such Rating Agency ceases to rate such securities, from any Rating Agency selected by the Issuer as a replacement Rating Agency);

(5) commercial paper or corporate bonds maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's (or, in each case, if such Rating Agency ceases to rate such securities, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency);

(6) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any U.S. branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250.0 million;

(7) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (2) above entered into with any bank meeting the qualifications specified in clause (6) above;

(8) securities issued or directly and fully guaranteed or insured by any state, commonwealth or territory of the United States of America or any province or territory of Canada or any agency, subdivision or instrumentality thereof or by any foreign government (and that at the time of acquisition have an investment grade rating from S&P or Moody's (or, in each case, if such Rating Agency ceases to rate such securities, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency)) having maturities of not more than two years after the date of acquisition;

(9) marketable short term money market and similar securities having the highest rating obtainable from S&P or Moody's (or, in each case, if such Rating Agency ceases to rate such securities, any Rating Agency selected by the Issuer as a replacement Rating Agency) at the time of acquisition and in each case maturing within two years after the date of acquisition;

(10) Investments in money market funds that invest substantially all their assets in securities of the types described in clauses (1) through (9) above; and

(11) Foreign Cash Equivalents.

"*Cash Management Agreement*" means any agreement to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p-cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"*Cash Pooling Arrangements*" means any cash pooling arrangements (including, without limitation, cash concentration arrangements and notional cash pooling arrangements and any replacement thereof from time to time) maintained by Subsidiaries of Parent organized outside of the United States or Canada (or by Parent or Subsidiaries of Parent organized in the United States or Canada to the extent relating solely to the accounts of Parent or such Subsidiaries located outside of the United States or Canada) arising under the terms of a customary agreement with a financial institution in order to facilitate the efficient deployment of cash.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Parent to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "*Group*"), together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the Unsecured Notes Indenture);

(2) the approval by the holders of Capital Stock of Parent of any plan or proposal for the liquidation or dissolution of Parent (whether or not otherwise in compliance with the provisions of the Unsecured Notes Indenture);

(3) any Person or Group shall become the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding Capital Stock of Parent; or

(4) Parent ceases to own, directly or indirectly, 100% of the Capital Stock of the Issuer (other than director qualifying shares).

"*Chinese Facilities*" means the line of credit and other extensions of credit to one or more Wholly Owned Subsidiaries of Parent that are incorporated under the laws of the People's Republic of China, in an aggregate principal amount at any time outstanding not to exceed $10.0 million.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Common Stock*" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, and includes, without limitation, all series and classes of such common stock.

"*Consolidated Debt Ratio*" as of any date of determination means, the ratio of (1) Consolidated Total Indebtedness of Parent and its Restricted Subsidiaries as of the end of the Applicable Measurement Period to (2) Parent's Consolidated EBITDA for the Applicable Measurement Period, in each case with such *pro forma* adjustments to Consolidated Total Indebtedness and Consolidated EBITDA as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Consolidated EBITDA*" means, for any period, for Parent and its Restricted Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period; *plus*

(b) the following to the extent deducted in calculating such Consolidated Net Income (other than clauses (iv) and (v)):

(i) Consolidated Interest Expense for such period;

(ii) federal, state, local and foreign income tax expense for such period;

(iii) depreciation and amortization expense for such period;

(iv) expected cost savings, operating expense reductions and synergies for such period related to the consummation of the Acquisition projected by Parent in good faith to result from actions with respect to which substantial steps have been taken, will be taken, or are expected to be taken; *provided* that (A) such cost savings, operating expense reductions and synergies are expected to be realized (in the good faith determination of Parent) within 24 months after the closing date of the Acquisition, which are reasonably identifiable and factually supportable and (B) amounts added-back for any period pursuant to this clause (iv) shall not exceed $125.0 million during the term of the Unsecured Notes Indenture (it being understood that no addbacks pursuant to this clause (iv) shall be permitted subsequent to 24 months after the closing date of the Acquisition);

(v) expected cost savings, operating expense reductions and synergies for such period related to mergers and other business combinations, acquisitions, Dispositions, restructuring, or cost savings initiatives which are reasonably identifiable and factually supportable and other similar initiatives and projected by Parent in good faith to result from actions with respect to which substantial steps have been taken, will be taken, or are expected to be taken; *provided* that (A) such cost savings, operating expense reductions and synergies are expected to be realized (in the good faith determination of Parent) within 24 months after such transaction or initiative is consummated and (B) amounts added-back for any period pursuant to this clause (v) shall not exceed 10% of Consolidated EBITDA for such period (calculated prior to giving effect to this clause (v)) (it being understood that no addbacks pursuant to this clause (v) with respect to any specific merger, business combination, acquisition, Disposition, restructuring or cost savings initiative shall be permitted subsequent to 24 months after the applicable merger, business combination, acquisition, Disposition, restructuring or cost savings initiative);

(vi) non-cash losses, charges and expenses (including non-cash compensation charges but excluding (A) losses, charges and expenses to the extent representing an accrual of or reserve for cash losses, charges or expenses in any future period and (B) write-downs or reserves of account receivables or inventory);

(vii) unusual or non-recurring losses, charges and expenses in an aggregate amount not to exceed $50.0 million during such period;

(viii) cash restructuring and related charges and business optimization expenses in an aggregate amount not to exceed $50.0 million during such period;

(ix) unrealized losses due to foreign exchange adjustments (including, without limitation, losses and expenses in connection with currency and exchange rate fluctuations);

(x) costs and expenses in connection with the Senior Secured Credit Facilities, the Secured Notes Indenture, the Unsecured Notes Indenture, the proposed acquisition of Euro Auctions and the Acquisition (including, without limitation, one-time expenses associated with vested and unvested options);

(xi) expenses or charges related to any offering of equity interests, Permitted Investment, acquisition (other than the Acquisition), Disposition, recapitalization or incurrence of permitted Indebtedness (whether or not consummated), including non-operating or non-recurring professional fees, costs and expenses related thereto in an aggregate amount not to exceed $50.0 million during such period; and

(xii) losses from discontinued operations and non-ordinary course Dispositions; *minus*

(c) the following to the extent included in calculating such Consolidated Net Income: (i) non-cash income or gains, (ii) unrealized gains due to foreign exchange adjustments (including, without limitation, gains in connection with currency and exchange rate fluctuations) and (iii) income or gains from discontinued operations and non-ordinary course Dispositions.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to any Person, the ratio of Consolidated EBITDA of such Person during the Applicable Measurement Period to Consolidated Fixed Charges paid in cash for the Applicable Measurement Period.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to:

(1) the incurrence or repayment of any Indebtedness of such Person or any of its Restricted Subsidiaries (and the application of the proceeds thereof) giving rise to the need to make such calculation and any incurrence or repayment of other Indebtedness (and the application of the proceeds thereof), other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to working capital facilities, occurring during the Applicable Measurement Period or at any time subsequent to the last day of the Applicable Measurement Period and on or prior to the Applicable Calculation Date, as if such incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Applicable Measurement Period; and

(2) any asset sales or Asset Acquisitions, including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such Person or one of its Restricted Subsidiaries (including any Person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness and also including any Consolidated EBITDA (including any *pro forma* expense and cost reductions calculated on a basis consistent with Regulation S-X promulgated under the Exchange Act attributable to the assets that are the subject of the Asset Acquisition or asset sale during the

Applicable Measurement Period) occurring during the Applicable Measurement Period or at any time subsequent to the last day of the Applicable Measurement Period and on or prior to the Applicable Calculation Date, as if such asset sale or Asset Acquisition (including the incurrence or assumption of any such Acquired Indebtedness) occurred on the first day of the Applicable Measurement Period. If such Person or any of its Restricted Subsidiaries directly or indirectly guarantees Indebtedness of a third Person, the preceding sentence shall give effect to the incurrence of such guaranteed Indebtedness as if such Person or any Restricted Subsidiary of such Person had directly incurred or otherwise assumed such other Indebtedness that was so guaranteed.

Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of the Consolidated Fixed Charge Coverage Ratio:

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the Applicable Calculation Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Applicable Calculation Date; and

(2) notwithstanding clause (1) of this paragraph, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Swap Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreements.

"*Consolidated Fixed Charges*" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense; *plus*

(2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary; *plus*

(3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Capital Stock.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum of, without duplication:

(1) the aggregate of the interest expense of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, including, without limitation: (a) any amortization of debt discount and amortization or write off of deferred financing costs; (b) the net costs under Interest Swap Obligations; (c) all capitalized interest; and (d) the interest portion of any deferred payment obligation; and

(2) the interest component of Capitalized Lease Obligations paid and/or scheduled to be paid by such Person and its Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP;

provided, that, notwithstanding anything herein to the contrary, interest in connection with the unsecured notes and the secured notes shall not constitute Consolidated Interest Expense to the extent (and for so long as) the unsecured notes and the secured notes have been funded into escrow to fund the Acquisition and remain in escrow.

"*Consolidated Net Income*" means, for any period, for Parent and its Subsidiaries on a consolidated basis, net income (or loss) for such period; *provided* that Consolidated Net Income shall exclude:

(a) extraordinary gains and extraordinary losses for such period,

(b) solely for the purpose of determining the amount available for Restricted Payments under clause (iii)(w) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any net income (loss) of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer, Parent or

a Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than restrictions that have been waived or otherwise released), except that Parent's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary to the Issuer, Parent or another Restricted Subsidiary as a dividend or other distribution (subject in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause); and

(c) any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that Parent's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to Parent or a Subsidiary as a dividend or other distribution.

"*Consolidated Secured Debt Ratio*" as of any date of determination means, the ratio of (1) Consolidated Total Secured Indebtedness of Parent and its Restricted Subsidiaries as of the end of the Applicable Measurement Period to (2) Parent's Consolidated EBITDA for the Applicable Measurement Period, in each case with such *pro forma* adjustments to Consolidated Total Indebtedness and Consolidated EBITDA as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Consolidated Total Assets*" means the total consolidated assets of Parent and its Restricted Subsidiaries, as shown on the most recent consolidated balance sheet of Parent and its Restricted Subsidiaries, calculated on a pro forma basis after giving effect to any subsequent acquisition or Disposition of a Person or business.

"*Consolidated Total Indebtedness*" means, as at any date of determination, an amount equal to the sum of (1) the aggregate amount of all outstanding Indebtedness of Parent and its Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, obligations in respect of purchase money Indebtedness and Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments; (2) all direct or contingent obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties and similar instruments; (3) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business) solely to the extent such obligation is evidenced by a note or similar instrument and such obligation is included as a liability on the balance sheet of Parent and its Subsidiaries in accordance with GAAP; and (4) all Guarantees with respect to Indebtedness of the types specified in clauses (1) through (3) above of another Person.

"*Consolidated Total Secured Indebtedness*" means, as of any date of determination means, the aggregate amount of all outstanding Consolidated Total Indebtedness of Parent and its Restricted Subsidiaries that is secured by Liens as of the end of the Applicable Measurement Period.

"*Credit Facilities*" means one or more debt facilities, including the Senior Secured Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, receivables financing, bankers acceptances, letters of credit, debt securities or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, replacements or refinancings thereof and any indentures or credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof, whether or not by the same or any other agent, investor, lender or group of lenders (whether or not such added or substituted parties are banks or other institutional lenders), in each case, whether or not any such amendment, supplement, modification, extension, renewal, restatement, refunding, replacement or refinancing occurs simultaneously with the termination or repayment of a prior Credit Facility.

"*Currency Agreement*" means any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect Parent or any Restricted Subsidiary of Parent against fluctuations in currency values.

"*Default*" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Depository*" means Cede & Co. and such other Person as is designated in writing by Parent or the Issuer and acceptable to the Trustee to act as depository in respect of one or more unsecured notes.

"*Designated Non-Cash Consideration*" means the Fair Market Value of non-cash consideration received by Parent or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-Cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration.

"*Disqualified Capital Stock*" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change of Control), matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case, upon the occurrence of a Change of Control or fundamental change) on or prior to the final maturity date of the unsecured notes; *provided, however*, only the portion of Capital Stock which is so redeemable or repurchasable prior to such date will be deemed to be Disqualified Capital Stock. For the avoidance of doubt, Parent's Series A preferred stock shall not be considered Disqualified Capital Stock.

"*Disposition*" or "*Dispose*" means the sale, transfer, license, lease or other disposition of any property by Parent or any Subsidiary, including any Sale and Leaseback Transaction and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding any Recovery Event.

"*Eligible Escrow Investments*" means (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include certificates of deposit, bankers' acceptances or interest-bearing time deposits that are made with the Trustee or with any member of the Federal Deposit Insurance Corporation, provided that such investments are: (A) fully insured by the Federal Deposit Insurance Corporation; (B) made with any bank (including the Trustee or any Affiliate thereof) having undivided capital and surplus of at least $100.0 million, the debt obligations (or in the case of the principal bank holding company, debt obligations of the bank holding company) of which are rated in the top 2 tier categories by at least one of the recognized rating agencies at the time of purchase; or (C) continuously secured as to principal, to the extent not insured by the Federal Deposit Insurance Corporation, by items listed in clause (A) or (B) above, or other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States of America, having a market value (exclusive of accrued interest) not less than the amount of such deposit.

"*Equity Interests*" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, and all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person.

"*Euro Auctions*" means Euro Auctions Limited, William Keys & Sons Holdings Limited, Equipment & Plant Services Ltd and Equipment Sales Ltd, each being a private limited company incorporated in Northern Ireland.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Existing Notes*" means Parent's existing 5.375% Senior Notes due 2025.

"*Fair Market Value*" means, with respect to any asset or property, the price which could be negotiated in an arm's-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value shall be determined by the Board of Directors of Parent or the Issuer acting reasonably and in good faith and shall be evidenced by a Board Resolution of the Board of Directors of Parent or the Issuer.

"*FATCA*" means (a) Sections 1471 through 1474 of the Code, as of the Issue Date (including regulations and guidance thereunder), (b) any amended or successor version thereof that is substantively comparable and not materially more onerous to comply with, (c) any agreement (including any intergovernmental agreement) entered into in connection therewith, including pursuant to Section 1471(b)(1) of the Code or (d) any law, regulation, rule or practice implementing an intergovernmental agreement or approach thereto or therewith.

"*Foreign Cash Equivalents*" means certificates of deposit or bankers acceptances of any bank organized under the laws of the United Kingdom, Canada, Singapore, Australia, China or any country that is a member of the European Union, whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof, in each case with maturities of not more than one year from the date of acquisition.

"*GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession of the United States, which were in effect as of the Issue Date.

"*Government Securities*" means direct obligations of, or obligations guaranteed by, the United States, Canada or the United Kingdom (including, in each case, any agency or instrumentality thereof) for the payment of which obligations or guarantees the full faith and credit of the United States, Canada or the United Kingdom is pledged and which are not callable or redeemable at the issuer's option.

"*Governmental Authority*" means the government of the United States, Canada or any other nation, or of any political subdivision thereof, whether state, provincial, territorial 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 (including the Financial Conduct Authority, the Prudential Regulation Authority, any supra-national bodies such as the European Union or the European Central Bank).

"*IAA*" means IAA, Inc., a Delaware corporation.

"*Indebtedness*" means, with respect to any Person, without duplication:

(1) all Obligations of such Person for borrowed money;

(2) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business and any earn-out obligation until such obligation becomes a liability on the balance sheet of Parent and its Restricted Subsidiaries in accordance with GAAP and if not paid when due and payable);

(5) all Obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction which is issued in respect of Indebtedness referred to in clauses (1) through (4) above and clause (8) below;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) below;

(7) all Obligations of any other Person of the type referred to in clauses (1) through (6) above that are secured by any Lien on any property or asset of such Person, the amount of such Obligation being deemed to be the lesser of the fair market value of such property or asset or the amount of the Obligation so secured;

(8) all net Obligations under Currency Agreements and interest swap agreements of such Person; and

(9) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Unsecured Notes Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Capital Stock, such fair market value shall be determined reasonably and in good faith by Parent or the Issuer. In addition, the term "Indebtedness" shall not include (i) deferred or prepaid revenue, (ii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller, (iii) accrued expenses and (iv) obligations in respect of operating leases. For all purposes hereof, the Indebtedness of Parent and its Wholly Owned Subsidiaries shall exclude intercompany liabilities arising from their cash management and accounting operations and intercompany loans, advances or Indebtedness among Parent and its Wholly Owned Subsidiaries having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) and made in the ordinary course of business.

"*Independent Financial Advisor*" means a firm: (1) that does not, and whose directors, officers and employees or Affiliates do not, have a direct or indirect financial interest in Parent or the Issuer and (2) that, in the judgment of the Board of Directors of Parent or the Issuer, is otherwise independent and qualified to perform the task for which it is to be engaged.

"*Indian Facilities*" means the line of credit and other extensions of credit to one or more Wholly Owned Subsidiaries of Parent that are incorporated under the laws of India, in an aggregate principal amount at any time outstanding not to exceed $5.0 million.

"*Initial Purchasers*" means the initial purchasers party to the Purchase Agreement.

"*Interest Swap Obligations*" means the obligations of any Person pursuant to any arrangement with any other Person, whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other Person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"*International Restricted Subsidiary*" means any Restricted Subsidiary that is not a U.S. Restricted Subsidiary.

"*Investment*" means, with respect to any Person, any direct or indirect loan or other extension of credit (including, without limitation, a guarantee) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person. "Investment" shall exclude extensions of trade credit by Parent and its Restricted Subsidiaries on commercially reasonable terms. If Parent or any Restricted Subsidiary of Parent sells or otherwise disposes of any Common Stock of any direct or indirect Wholly Owned Restricted Subsidiary of Parent such that, after giving effect to any such sale or disposition, Parent no longer owns, directly or indirectly, 100% of the outstanding Common Stock of such Restricted Subsidiary, Parent shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Common Stock of such Restricted Subsidiary not sold or disposed of.

For purposes of "—Certain Covenants—Limitation on Restricted Payments" and "—Designation of Restricted and Unrestricted Subsidiaries":

(1) "Investment" will include the portion (proportionate to Parent's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of Parent at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Parent will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) Parent's "Investment" in such

Subsidiary at the time of such redesignation less (b) the portion (proportionate to Parent's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined by the Board of Directors of Parent or the Issuer in good faith) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of Parent or the Issuer.

"*Intellectual Property Rights*" mean, collectively the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights.

"*Investment Grade Rating*" means a rating of Baa3 or better by Moody's and BBB- or better by S&P (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate the unsecured notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any Rating Agency selected by the Issuer as a replacement Rating Agency).

"*Issue Date*" means , 2023.

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest).

"*Limited Condition Transaction*" means (1) any acquisition or other Investment, including by way of merger, amalgamation or consolidation, by Parent or one or more of its Restricted Subsidiaries, with respect to which Parent or such Restricted Subsidiaries have entered into an agreement or are otherwise contractually committed to consummate and the consummation of which is not expressly conditioned upon the availability of, or on obtaining, financing from a third party non-Affiliate, (2) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock, (3) any Restricted Payment requiring irrevocable notice in advance thereof and (4) any Asset Sale or a disposition excluded from the definition of "Asset Sale."

"*Merger Agreement*" means the Agreement and Plan of Merger and Reorganization by and among Parent, the Issuer, Impala Merger Sub I, LLC, Impala Merger Sub II, LLC and IAA (together with all exhibits and schedules thereto, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Acquisition Closing Date).

"*Moody's*" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof.

"*Net Cash Proceeds*" means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (other than the portion of any such deferred payment constituting interest) received by Parent or any of its Restricted Subsidiaries from such Asset Sale net of:

(1) out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, brokerage and sales commissions, and survey, title and recording expenses, transfer taxes and expenses incurred for preparing such asset for sale, payments made in order to obtain a necessary consent or required by applicable law, any relocation expenses incurred as a result of the Asset Sale and other fees and expenses, including title and recordation expenses);

(2) taxes paid or payable, or estimated in good faith to be payable as a result of the Asset Sale, after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

(3) repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale; and

(4) appropriate amounts to be provided by Parent or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by Parent or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale.

"*Obligations*" means all obligations for principal, premium, interest, penalties, fees, indemnification, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Circular*" means this offering circular, dated , 2023, pursuant to which the unsecured notes are being offered to potential purchasers.

"*Officer*" means, with respect to any Person, any of the following: the Chairman of the Board of Directors, Vice Chairman of the Board of Directors, Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, General Counsel, Vice President, Treasurer, Secretary, Assistant Secretary or Assistant Treasurer (including interim officers).

"*Officer's Certificate*" means, with respect to any Person, a certificate signed on behalf of such Person by an Officer of such Person, which meets the requirements set forth in the Unsecured Notes Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel, who may be an employee of or counsel to Parent or the Issuer, or other counsel who is reasonably acceptable to the Trustee.

"*Pari Passu Indebtedness*" means any Indebtedness of Parent, the Issuer or any other Guarantor that is equal in right of payment with the unsecured notes or the Guarantee of such Guarantor, as applicable.

"*Permitted Intercompany Activities*" means any transactions between or among Parent and its Restricted Subsidiaries that are entered into in the ordinary course of business of Parent and its Restricted Subsidiaries and, in the good faith judgment of Parent are necessary or advisable in connection with the ownership or operation of the business of Parent and its Restricted Subsidiaries, including, but not limited to, (i) payroll, cash management, cash pooling, purchasing, tax, accounting, insurance and hedging arrangements; and (ii) management, technology and licensing arrangements.

"*Permitted Investments*" means:

(1) Investments by Parent or any Restricted Subsidiary of Parent in any Person that is or will become after such Investment a Restricted Subsidiary of Parent or that will merge, amalgamate or consolidate into Parent or a Restricted Subsidiary of Parent;

(2) Investments in Parent by any Restricted Subsidiary of Parent;

(3) Investments in cash and Cash Equivalents;

(4) loans and advances to employees and officers of Parent and its Subsidiaries in the ordinary course of business for reasonable and customary business-related purposes not in excess of $30.0 million at any one time outstanding;

(5) Currency Agreements and Interest Swap Obligations entered into in the ordinary course of Parent's or its Restricted Subsidiaries' businesses and otherwise in compliance with the Unsecured Notes Indenture;

(6) additional Investments in an aggregate principal amount at any time outstanding not to exceed the greater of (A) $550.0 million and (B) 50% of Consolidated EBITDA of the Applicable Measurement Period;

(7) Investments received (x) pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditors, suppliers or customers or in good faith settlement of delinquent obligations of such trade creditors, suppliers or customers; (y) as a result of the

foreclosure by Parent or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title, or (z) as a result of litigation, or other disputes with Persons who are not Affiliates of Parent;

(8) Investments made by Parent or its Restricted Subsidiaries as a result of consideration received in connection with an Asset Sale made in compliance with the covenant described under "—Certain Covenants—Limitation on Asset Sales";

(9) Investments represented by guarantees that are otherwise permitted under the Unsecured Notes Indenture;

(10) Investments the payment for which is Qualified Capital Stock of Parent;

(11) Investments by Parent consisting of obligations of one or more officers, directors or other employees of Parent or any of its Subsidiaries in connection with such officers', directors' or employees' acquisition of shares of capital stock of the Issuer so long as no cash is paid by the Issuer or any of its Subsidiaries to such officers, directors or employees in connection with the acquisition of any such obligations;

(12) any Investment (x) existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date, (y) solely with respect to IAA and its subsidiaries, existing on the Escrow Release Date, so long as such Investment was not made in contemplation of the Acquisition or (z) consisting of any replacement, refinancing, extension, modification or renewal of any Investment existing on the Issue Date (or, with respect to IAA and its subsidiaries, the Escrow Release Date); *provided* that the amount of any such Investment may only be increased (i) as required by the terms of such Investment as in existence on the Issue Date (or, with respect to IAA and its subsidiaries, the Escrow Release Date) or (ii) as otherwise permitted under the Unsecured Notes Indenture;

(13) stock, obligations or securities received in satisfaction of judgments;

(14) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business;

(15) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(16) securities issued by the World Bank or Federal Bank for Reconstruction and Development;

(17) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(18) (i) intercompany advances among Parent and its Subsidiaries arising from their cash management and accounting operations, (ii) intercompany loans, advances, or Indebtedness among Parent and its Subsidiaries having a term not exceeding 364 days (inclusive of any rollover or extensions of terms) and (iii) to the extent constituting Investments, obligations permitted under clause (7)(c) under the second paragraph of "Certain Covenants— Limitation on Incurrence of Additional Indebtedness";

(19) advances of payroll payments to employees in the ordinary course of business;

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease and utility and worker's compensation deposits provided to third parties in the ordinary course of business;

(21) (i) Investments made in accordance with Parent's investment policy as in effect from time to time, and (ii) Investments funded with net proceeds of any issuance of Capital Stock by Parent;

(22) Investments in connection with or related to the Transactions;

(23) promissory notes and other noncash consideration received in connection with any Disposition permitted by the Unsecured Notes Indenture;

(24) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices;

(25) Investment made in connection with Permitted Intercompany Activities, Cash Pooling Arrangements and related transactions;

(26) additional Investments so long as (i) immediately after giving effect to such Investment, no Event of Default exists, and (ii) immediately after giving *pro forma* effect to any such Investment, the Consolidated Debt Ratio shall be less than or equal to 3.25 to 1.00;

(27) to the extent constituting Investments, loans provided by Parent or any Restricted Subsidiary to third parties (and secured by such third party's equipment) consistent with the line of business engaged in by Parent as of the Issue Date; and

(28) (i) Investments in any Person in connection with a Receivables Facility; *provided, however*, that such Investment is in the form of a purchase money note, contribution of additional receivables or any equity interest, and (ii) contributions of Receivables Assets to any Person in connection with a Receivables Facility.

"*Permitted Liens*" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent for a period of more than 30 days or (b) are being contested in good faith by appropriate proceedings and as to which Parent or its Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;

(2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen and repairmen, construction Liens and other Liens imposed by law (including Liens imposed under laws governing the administration of Canadian pension plans) or pursuant to customary reservations or retentions of title incurred in the ordinary course of business for sums not yet delinquent for a period of more than 30 days or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by GAAP has been made in respect thereof;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, and pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of insurance carriers or to secure the performance of tenders, trade contracts, statutory obligations, surety, stay, customs and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (including those to secure health safety and environmental obligations and exclusive of obligations for the payment of borrowed money);

(4) judgment Liens securing the payment of money (or appeal or other surety bonds relating to such judgments) not giving rise to an Event of Default;

(5) easements, rights-of-way, zoning restrictions and other similar charges or encumbrances in respect of real property not interfering in any material respect with the ordinary conduct of the business of the applicable Person;

(6) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(7) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(8) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of Parent or any of its Restricted Subsidiaries, including rights of offset and set-off;

(9) Liens securing Capitalized Lease Obligations and Purchase Money Indebtedness permitted pursuant to clause (13) of the definition of "Permitted Indebtedness"; *provided*, *however*, that in the case of Purchase Money Indebtedness (a) the Indebtedness shall not be secured by any property or assets of Parent or any Restricted Subsidiary of Parent other than the property and assets so acquired or constructed and the proceeds thereof and (b) the Lien securing such Indebtedness shall be created within 270 days of such acquisition or construction or, in the case of a refinancing of any Purchase Money Indebtedness, within 270 days of such refinancing;

(10) Liens securing Interest Swap Obligations which Interest Swap Obligations relate to Indebtedness that is otherwise permitted under the Unsecured Notes Indenture;

(11) Liens securing Indebtedness under Currency Agreements;

(12) Liens securing Acquired Indebtedness incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness"; *provided* that:

(a) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by Parent or a Restricted Subsidiary of Parent and were not granted in connection with, or in anticipation of, the incurrence of such Acquired Indebtedness by Parent or a Restricted Subsidiary of Parent; and

(b) such Liens do not extend to or cover any property or assets of Parent or of any of its Restricted Subsidiaries other than the property or assets that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of Parent or a Restricted Subsidiary of Parent and are no more favorable to the lienholders than those securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by Parent or a Restricted Subsidiary of Parent;

(13) Liens on assets of a Restricted Subsidiary of Parent that is not a Guarantor to secure Indebtedness of such Restricted Subsidiary that is otherwise permitted under the Unsecured Notes Indenture;

(14) leases, subleases, licenses and sublicenses granted to others that do not materially interfere with the ordinary course of business of Parent and its Restricted Subsidiaries;

(15) (i) banker's Liens, rights of netting and/or setoff and similar Liens with respect to cash and Cash Equivalents on deposit in one or more bank accounts in the ordinary course of business (including for the avoidance of doubt under any Cash Pooling Arrangements) and (ii) Liens arising from Cash Pooling Arrangements or granted in support thereof;

(16) any interest of title of a lessor under, and Liens arising from filing UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to leases;

(17) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods;

(18) rights of customers with respect to inventory which arise from deposits and progress payments made in the ordinary course of business;

(19) Liens on assets of International Restricted Subsidiaries (other than Canadian Restricted Subsidiaries) securing Indebtedness permitted pursuant to clause (14) of the definition of "Permitted Indebtedness";

(20) additional Liens in an aggregate amount at the time of incurrence not to exceed the greater of (A) $330.0 million and (B) 30% of Consolidated EBITDA for the Applicable Measurement Period;

(21) at all times prior to the Escrow Release Date, Liens to secure Obligations under the escrow arrangements in respect of the unsecured notes;

(22) Liens (a) existing as of the Issue Date or (b) solely with respect to IAA and its subsidiaries, existing as of the Escrow Release Date (so long as such Lien was not incurred in contemplation of the Acquisition), to the extent and in the manner such Liens are in effect on the Issue Date or the Escrow Release Date, as applicable;

(23) Liens securing the unsecured notes, the secured notes, the Guarantees and the guarantees of the secured notes;

(24) Liens of Parent or the Issuer or a Wholly Owned Restricted Subsidiary of Parent or the Issuer on assets of any Restricted Subsidiary of Parent and Liens on assets of Parent or the Issuer in favor of a Wholly Owned Restricted Subsidiary that is a Guarantor;

(25) Liens deemed to exist in connection with Investments in repurchase agreements;

(26) Liens of a collection bank arising under the UCC, or other applicable law, on items in the course of collection;

(27) reservations, limitations provisos and conditions expressed in any original grants from any governmental authority or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land or detract from the value thereof;

(28) the rights reserved to or vested in governmental authorities by statutory provisions or by the terms of leases, licenses, franchises, grants or permits, which affect any land, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof;

(29) Liens in favor of public utilities or to any municipalities or governmental authorities or other public authorities when required by such utilities, municipalities or governmental authorities or such other public authorities in connection with the supply of services or utilities to Parent or any of its Subsidiaries;

(30) Liens (A) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted under the Unsecured Notes Indenture to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment or any disposition permitted under the Unsecured Notes Indenture (including any letter of intent or purchase agreement with respect to such Investment or disposition) or (B) consisting of an agreement to dispose of any property in a disposition permitted under the Unsecured Notes Indenture, in each case, solely to the extent such Investment or disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(31) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(32) in the case of Indebtedness permitted under the Unsecured Notes Indenture issued into escrow, Liens on the proceeds of such Indebtedness and any cash or Cash Equivalents consisting of prefunded accrued interest on, or additional funds or premium in respect of, such Indebtedness, and any investments with respect to such proceeds, in each case for so long as such funds remain in escrow;

(33) Liens securing Refinancing Indebtedness which is incurred to Refinance any Indebtedness that has been secured by a Lien permitted under the Unsecured Notes Indenture and that has been incurred without violation of the Unsecured Notes Indenture; *provided, however*, that such Liens: (i) are no less favorable to the Holders and are not more favorable to the lienholders, in each case in any material respect, with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and (ii) do not extend to or cover any categories of property or assets of the Issuer or any of its Restricted Subsidiaries not securing the Indebtedness so Refinanced.

(34) Liens securing existing or future borrowings under Credit Facilities incurred pursuant to clause (2) of the definition of Permitted Indebtedness;

(35) Liens securing Indebtedness incurred pursuant to clause (17) of the definition of Permitted Indebtedness;

(36) Liens securing Indebtedness incurred pursuant to clause (19) of the definition of Permitted Indebtedness;

(37) Liens in favor of a consignor encumbering assets delivered to Parent or a Restricted Subsidiary on consignment in the ordinary course of business;

(38) deposits to secure the performance of bids, trade contracts, government contracts and leases (other than Indebtedness), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health safety and environmental obligations) incurred in the ordinary course of business;

(39) Liens on the Capital Stock of Unrestricted Subsidiaries; and

(40) any encumbrance or restriction existing under or by reason of contractual requirements in connection with a Receivables Facility.

"*Person*" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"*Purchase Agreement*" means the Purchase Agreement dated , 2023 by and among the Issuer, Parent and Goldman Sachs & Co. LLC, as representative of the several initial purchasers named therein.

"*Purchase Money Indebtedness*" means Indebtedness of Parent and its Restricted Subsidiaries incurred for the purpose of financing all or any part of the acquisition, or the cost of installation, construction, repair, replacement or improvement, of fixed or capital assets, property or equipment.

"*Qualified Capital Stock*" means any Capital Stock that is not Disqualified Capital Stock.

"*Rating Agency*" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the unsecured notes for reasons outside of the control of the Issuer, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by Parent or the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"*Receivables*" means accounts receivable, royalty or other revenue streams, including contract rights, lockbox accounts, records with respect to such accounts receivable, royalty or other revenue streams and other rights to payment and other assets related thereto created by or arising from sales of goods, leases of goods or the rendition of services rendered no matter how evidenced whether or not earned by performance (whether constituting accounts, general intangibles, chattel paper or otherwise).

"*Receivables Assets*" means Receivables, the proceeds thereof and other revenue streams and other rights to payment customarily sold, transferred, contributed or pledged together with such Receivables.

"*Receivables Facility*" means a public or private transfer, sale, financing or pledge of Receivables Assets by which the Company or any Restricted Subsidiary directly or indirectly securitizes specified Receivables Assets or pledges such specified Receivables Assets in a secured financing.

"*Recovery Event*" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Issuer or any Subsidiary.

"*Refinance*" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness, in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings; provided that the principal amount of such Refinancing Indebtedness does not exceed (a) the principal amount of such Indebtedness being refinanced plus (b) the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including, without limitation, tender premiums) and other costs and expenses (including, without limitation, original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

"*Restricted Subsidiary*" of any Person means any Subsidiary of such Person which at the time of determination is not an Unrestricted Subsidiary. Unless otherwise expressly noted herein, the term "Restricted Subsidiary" of Parent includes the Issuer.

"*Sale and Leaseback Transaction*" means any direct or indirect arrangement with any Person or to which any such Person is a party, providing for the leasing to Parent or a Restricted Subsidiary of any property, whether owned by Parent or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred Parent or such Restricted Subsidiary to such Person or to any other Person from whom funds have been or are to be advanced by such Person on the security of such Property.

"*S&P*" means Standard & Poor's Global Ratings, or any successor to the rating agency business thereof.

"*SEC*" means the United States Securities and Exchange Commission.

"*Securities Act*" means the United States Securities Act of 1933, as amended.

"*Secured Foreign Credit Facilities*" means (a) the Chinese Facilities, (b) the Indian Facilities, (c) the Singapore Facilities and (d) any other lines of credit, credit agreements or similar facilities or extensions of credit made to one or more International Restricted Subsidiaries (other than Subsidiaries organized under the laws where Parent, the Issuer and any then-existing Guarantor is organized) in an aggregate principal at any time outstanding not to exceed the greater of $250.0 million and 20% of Consolidated EBITDA for the Applicable Measurement Period.

"*secured notes*" means the $ million aggregate principal amount of Senior Secured Notes due 20 offered by the Issuer pursuant to the Offering Circular and issued pursuant to the Secured Notes Indenture.

"*Secured Notes Indenture*" means the indenture, dated as of , 2023 (as supplemented or otherwise modified from time to time) by and among Parent, the Issuer, the guarantors party from time to time thereto and U.S. Bank Trust Company, National Association, as trustee and as notes collateral agent.

"*Senior Secured Credit Facilities*" means the Credit Agreement, dated as of October 27, 2016, by and among the Company, the subsidiary borrowers party thereto, the guarantors party thereto, Bank of America, N.A., as administrative agent, U.S. swing line lender and L/C issuer, Royal Bank of Canada, as Canadian swing line lender and L/C issuer, and the other lenders party thereto, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as amended to the date of this Offering Circular and as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, refinancing, replacing or otherwise restructuring (including increasing the amount of available borrowings thereunder or adding Restricted Subsidiaries of Parent as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders (whether or not such added or substituted parties are banks or other institutional lenders).

"*Significant Subsidiary*," with respect to any Person, means any Restricted Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02(w) of Regulation S-X under the Securities Act.

"*Singapore Facilities*" means the line of credit and other extensions of credit to one or more Wholly Owned Subsidiaries of the Company that are incorporated under the laws of Singapore, in an aggregate principal amount at any time outstanding not to exceed $10.0 million.

"*Specified Property Sales*" means the sale of certain real estate properties with an aggregate purchase price of $200.0 million.

"*Subordinated Indebtedness*" means Indebtedness of Parent, the Issuer or any other Guarantor that is contractually subordinated in right of payment to the unsecured notes or the Guarantee of such Guarantor, as the case may be.

"*Subsidiary*" with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or through another Subsidiary, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or through another Subsidiary, owned by such Person.

"*Tax Act*" means the *Income Tax Act* (Canada).

"*Taxes*" means any present or future tax, duty, levy, impost, assessment or other government charge (including penalties, interest and any other liabilities related thereto) imposed or levied by or on behalf of a Taxing Authority.

"*Taxing Authority*" means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"*Transactions*" means, collectively, (i) the Acquisition, (ii) this offering of the unsecured notes and the offering of the secured notes, (iii) borrowings under the Senior Secured Credit Facilities, (iv) the redemption of the Existing Notes, (v) the issuance of common stock by Parent in connection with the Acquisition and (vi) all other transactions related to or incidental to, or in connection with, any of the foregoing (including, without limitation, the payment of fees and expenses in connection with each of the foregoing).

"*Treasury Securities*" means any investment in obligations issued or guaranteed by the United States government or any agency thereof, in each case, maturing no later than the Escrow End Date.

"*UCC*" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"*Unrestricted Subsidiary*" of any Person means:

(1) any Subsidiary of such Person that at the time of determination shall be or continue to be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Parent or the Issuer may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, Parent, the Issuer or any other Subsidiary of Parent or the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided* that:

(1) the Issuer certifies to the Trustee that such designation complies with the covenant described under "—Certain Covenants—Limitation on Restricted Payments" and

(2) each Subsidiary to be so designated and each of 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 Parent or any of its Restricted Subsidiaries.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary only if:

(1) immediately after giving effect to such designation, the Issuer is able to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness"; and

(2) immediately before and immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*U.S. Restricted Subsidiary*" means any Restricted Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof, by the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"*Wholly Owned Restricted Subsidiary*" of any Person means any Wholly Owned Subsidiary of such Person which at the time of determination is a Restricted Subsidiary of such Person.

"*Wholly Owned Subsidiary*" of any Person means any Subsidiary of such Person of which all the outstanding voting securities (other than in the case of a Restricted Subsidiary that is incorporated in a jurisdiction other than a State in the United States or the District of Columbia, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Subsidiary of such Person.

BOOK-ENTRY, DELIVERY AND FORM

The notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). The notes also may be offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, the notes will be issued in registered, global form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Rule 144A Global Notes"). Regulation S Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Global Notes will be deposited upon issuance with the trustee as custodian for The Depository Trust Company ("DTC"), in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Restricted Period"), beneficial interests in the Regulation S Global Notes may be held only through Euroclear Bank S.A./N.V ("Euroclear") and Clearstream Banking, S.A. ("Clearstream") (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "—Exchanges between Regulation S Notes and Rule 144A Notes."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form ("Certificated Notes") except in the limited circumstances described below. See "Depository Procedures–DTC, Euroclear and Clearstream—Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Notice to Investors." Regulation S Notes will also bear the legend as described under "Notice to Investors." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream) and Euroclear and Clearstream, which may change from time to time.

Depository Procedures – DTC, Euroclear and Clearstream

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between its participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to indirect participants such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through its Participants or Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of its Participants and Indirect Participants.

DTC has also advised us that, pursuant to procedures established by it:

1. upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

2. ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the indentures for any purpose.

Payments in respect of the principal of, premium on, if any, and interest, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indentures, we and the trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither we nor any agent of ours nor the trustee nor its agents has or will have any responsibility or liability for:

1. any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

2. any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the trustee or us. Neither we nor the trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the notes, and we and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Notice to Investors," transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither we nor any agent of ours nor the trustee nor its agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

1. DTC (a) notifies us that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, we fail to appoint a successor depositary;

2. we, at our option, notify the trustee in writing that we elect to cause the issuance of the Certificated Notes; or

3. there has occurred and is continuing a Default or Event of Default with respect to the notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures), will bear the applicable restrictive legend referred to in "Notice to Investors," unless that legend is not required by applicable law, and will be maintained in registered form under Section 5f.103-1(c) of the U.S. Treasury Regulations (and may be transferred only in accordance with such provisions).

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Notice to Investors."

Exchanges Between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Restricted Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if:

1. such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and

2. the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that the notes are being transferred to a Person:

   (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

   (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

   (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period.

Same Day Settlement and Payment

We will make payments in respect of the notes represented by the Global Notes, including principal, premium, if any, and interest, if any, by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. We will make all payments of principal, premium, if any, and interest, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

CERTAIN ERISA AND RELATED CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the notes (or any interest in a note) by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a "Covered Plan") and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the Covered Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary must determine, among other things, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Laws relating to a fiduciary's duties to the Plan including but not limited to applicable prudence, diversification, delegation of control, conflict of interest and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving "Plan Assets" of any Covered Plan with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. Among other possibilities, the acquisition and/or holding of notes (or any interest in a note) by a Covered Plan with respect to which we, the initial purchasers, or the guarantors or any of our or their respective affiliates, agents or representatives ("Transaction Parties") are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the DOL has issued prohibited transaction class exemptions ("PTCEs") that potentially may apply to the acquisition and holding of the notes by a Covered Plan. The class exemptions which the DOL has issued include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions between a Covered Plan and a person who is a party in interest or disqualified person as a result of providing services to such Covered Plan (or as a result of being related to a person who provides services to such Covered plan), in general if neither the party in interest or disqualified person nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the Covered Plan involved in the transaction and the Covered Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions, or any other exception or exemption, will be satisfied.

There can be no assurance that any of the foregoing exemptions or any other exemption will be available with respect to an otherwise prohibited transaction arising in connection with an investment in notes or that all of the conditions of any such exemptions will be satisfied or that any exemption would cover all potential prohibited transactions that may arise in connection with such an investment. Accordingly, notes (including interests therein) may not be acquired by

any person investing "plan assets" of any Plan, unless such investment will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a similar violation of any applicable Similar Laws.

Representation

By acceptance of any notes (and any interests in the notes) each investor will be deemed to represent and warrant that either (1) no portion of the assets used by such investor or transferee to acquire or hold any note or any interest in a note constitutes or will constitute assets of any Plan, or (2) the acquisition, holding and disposition of a note or interest in a note by such investor will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions or other violations of these rules, it is particularly important that any fiduciary of a Plan or other person who proposes to use assets of any Plan to invest in the notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA, Section 4975 of the Code, and any applicable Similar Laws, to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA, the Code, or any applicable Similar Laws. Investors in notes (including any interest in a note) that are Plans have the exclusive responsibility for ensuring that their purchase, holding and disposition of the notes (or such interest) complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or any applicable Similar Laws. Plans should consider the fact that none of the Transaction Parties is acting as a fiduciary to any Plan with respect to the decision to invest in the notes in connection with the offer and sale hereunder, and are not undertaking to provide investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to such decision.

The sale of the notes (including any interest in a note) to a Plan or to a person using assets of any Plan to effect its acquisition of the notes, is in no respect a representation or recommendation by any Transaction Party that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan or that such an investment is appropriate for Plans generally or any particular Plan. Neither this discussion nor anything provided in this offering circular is, or is intended to be, investment advice directed at any Plan, or at Plans generally, and fiduciaries of such Plans should consult and rely on their own counsel and advisers as to whether an investment in units is suitable for the Plan.

U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion summarizes the U.S. federal income tax considerations generally applicable to the ownership and disposition of the notes by a Non-U.S. Holder (as defined below) that acquires the notes for cash pursuant to this offering at the "issue price" for such notes (the first price at which a substantial amount of the applicable series of notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and hold the notes as capital assets (generally, property held for investment purposes) for U.S. federal income tax purposes. This discussion does not apply to holders subject to special rules, including brokers, dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, tax-exempt organizations, insurance companies, banks, thrifts and other financial institutions, real estate investment trusts, regulated investment companies, persons liable for alternative minimum tax, partnerships or other pass-through entities or arrangements (and any investors thereof), persons that hold the notes as part of a hedging, integration, conversion or constructive sale transaction or a straddle, certain U.S. expatriates, "controlled foreign corporations," "passive foreign investment companies," persons required to accelerate the recognition of any item of gross income with respect to the notes as a result of such income being recognized on an applicable financial statement, persons that are resident in or have a permanent establishment in a jurisdiction outside the United States to which the income from the notes is attributable, or persons whose functional currency is not the U.S. dollar.

This discussion does not purport to be a complete analysis of all of the potential U.S. federal income tax considerations that may be relevant to a Non-U.S. Holder in light of their particular circumstances. Furthermore, it does not address any aspect of other U.S. federal tax laws, such as estate or gift tax laws or the 3.8% tax on certain net investment income, or any applicable state, local or non-U.S. tax laws. Each prospective investor should consult its own tax adviser as to the U.S. federal, state, local, non-U.S. and any other tax consequences of the ownership and disposition of the notes. This discussion is based on the Code, its legislative history, existing and proposed Treasury regulations, published Internal Revenue Service ("IRS") rulings and other administrative pronouncements and court decisions, all as in effect as of the date hereof, and any of which may be repealed, revoked or modified (possibly with retroactive effect) so as to result in U.S. federal income tax consequences different from those discussed below.

A "Non-U.S. Holder" is a beneficial owner of the notes who, for U.S. federal income tax purposes, is not a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes and is not (i) a citizen or individual resident of the United States, (ii) a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any State thereof, any political subdivision thereof, or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust (A) if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons, within the meaning of Section 7701(a)(30) of the Code, are authorized to control all substantial decisions of the trust, or (B) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the notes, the U.S. federal income tax treatment of a partner, beneficiary, or other stakeholder will generally depend on the status of that person and the tax treatment of the partnership. A partner, beneficiary, or other stakeholder in a partnership or other pass-through entity or arrangement holding the notes should consult its own tax adviser with regard to the U.S. federal income tax treatment of its investment in the notes.

Interest on the Notes

Interest on the notes will be treated as domestic source for U.S. federal income tax purposes and thus potentially subject to U.S. income and withholding tax. However, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on payments of interest on the notes provided that (1) such interest is not effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder (and, if a tax treaty applies, such interest is not attributable to a permanent establishment or fixed base maintained within the United States by the Non-U.S. Holder) and (2) the Non-U.S. Holder (a) does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the issuer entitled to vote, (b) is not a controlled foreign corporation related to the issuer (within the meaning of the Code), and (c) certifies, under penalties of perjury, to the applicable withholding agent on IRS Form W-8BEN or W-8BEN-E (or appropriate substitute form) that it is not a U.S. person and that no withholding is required pursuant to the Foreign Account Tax Compliance Act ("FATCA")

(discussed below), and provides its name, address and certain other required information or certain other certification requirements are satisfied.

If interest on the notes is not effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Holder but such Non-U.S. Holder cannot satisfy the other requirements outlined in the preceding paragraph, interest on the notes generally will be subject to U.S. federal withholding tax (currently imposed at a 30% rate), unless the withholding tax rate is reduced or eliminated by an applicable income tax treaty, and such Non-U.S. Holder is a qualified resident of the treaty country and complies with certain certification requirements.

The certifications described in this section "Interest on the Notes" and the below section "Interest or Gain Effectively Connected with a Trade or Business in the United States" must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may be entitled to obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of the Notes

Except with respect to accrued but unpaid interest, which generally will be taxed as described above under "—Interest on the Notes," or below under "—Interest or Gain Effectively Connected with a Trade or Business in the United States," a Non-U.S. Holder generally will not be subject to U.S. federal income tax (or any withholding thereof) with respect to gain, if any, recognized upon the sale, exchange, retirement, redemption or other taxable disposition of the notes unless (1) the gain is effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder and, if a tax treaty applies, is attributable to a permanent establishment or fixed base of the Non-U.S. Holder within the United States, or (2) in the case of a Non-U.S. Holder that is an individual, such holder is present in the United States for 183 or more days in the taxable year in which the sale, exchange, retirement or other disposition occurs and certain other conditions are satisfied.

An individual Non-U.S. Holder who is subject to U.S. federal income tax because the Non-U.S. Holder was present in the United States for 183 days or more during the year of sale, exchange, retirement, redemption or other taxable disposition of the notes generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the gain derived from such sale, exchange, retirement, redemption or other taxable disposition, which may be offset by certain U.S.-source capital losses, provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Interest or Gain Effectively Connected with a Trade or Business in the United States

Interest on a note or gain from a sale, exchange, retirement, redemption or other taxable disposition of a note that is effectively connected with the conduct of a trade or business in the United States (and, if a tax treaty applies, such interest is attributable to a permanent establishment or fixed base within the United States) generally will be subject to U.S. federal income tax on a net income basis (but not U.S. withholding tax), in the same manner as if the Non-U.S. Holder were a U.S. person, and, in the case of a Non-U.S. Holder that is a foreign corporation, may also be subject to an additional branch profits tax (currently imposed at a rate of 30%, or a lower applicable treaty rate) on its effectively connected earnings and profits, subject to adjustments. In order to avoid U.S. federal withholding tax on interest on the notes, the Non-U.S. Holder should deliver to the applicable withholding agent a properly executed IRS Form W-8ECI in order to claim an exemption from U.S. federal withholding tax.

Foreign Account Tax Compliance Act

Under FATCA, withholding (currently at a rate of 30%) generally will be required in certain circumstances on interest payable on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, the notes held by or through certain "foreign financial institutions" (within the meaning of the Code) (including investment funds), unless such institution (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (ii) if required under an intergovernmental agreement between the United States

and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country, or other guidance, may modify these requirements. Accordingly, the entity through which the notes are held will affect the determination of whether such withholding is required. Similarly, interest payable on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, the notes held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions generally will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any "substantial United States owners" (within the meaning of the Code) or (ii) provides certain information regarding the entity's "substantial United States owners," (within the meaning of the Code) which will in turn be provided to the United States Department of the Treasury.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of interest on a note. Although withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of a note, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors are urged to consult their tax advisors regarding the possible implications of these rules on an investment in the notes.

NOTICE TO INVESTORS

The notes have not been registered under the Securities Act or any securities laws of any jurisdiction, and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as such terms are defined under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act and such other securities laws. Accordingly, the notes are being offered hereby only (1) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (2) outside of the U.S., in compliance with Regulation S under the Securities Act, to non-U.S. persons who will be required to make certain representations to us and others prior to an investment in the notes.

The notes have not been, and will not be, qualified for distribution to the public under the securities laws of any province or territory of Canada and as such to the extent the notes are offered or sold to or for the benefit of persons located in or resident of Canada, such offers or sales will only be made in Canada to accredited investors on a private placement basis in reliance on certain exemptions available pursuant to the securities laws of Canada. For details about deemed representations and agreements by purchasers required under applicable Canadian securities laws, see "Notice regarding Canadian Securities Law Matters" below.

Each purchaser of the notes that is purchasing in a sale made in reliance on Rule 144A or Regulation S will be deemed to have represented and agreed as follows:

(1) The purchaser

   (a) (i) is a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A and (ii) is acquiring the notes for its own account or for the account of another qualified institutional buyer, or

   (b) is not a U.S. person, as such term is defined in Rule 902 under the Securities Act, and is purchasing the notes in accordance with Regulation S.

(2) The purchaser understands that the notes are being offered in transactions not involving any public offering in the U.S. within the meaning of the Securities Act, that the notes have not been registered under the Securities Act or any securities laws of any jurisdiction and that

   (a) the notes may be offered resold, pledged or otherwise transferred only (i) to a person who is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in a transaction meeting the requirements of Rule 144, outside the U.S. to a non-U.S. person in a transaction meeting the requirements of Rule 904 under the Securities Act, or in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel, if we so request), (ii) to us or (iii) pursuant to an effective registration statement and, in each case, in accordance with any applicable securities laws of any state of the U.S. or any other applicable jurisdiction, and

   (b) the purchaser will, and each subsequent noteholder is required to, notify any subsequent purchaser from it of the resale restrictions set forth in (a) above.

(3) The purchaser confirms that

   (a) such purchaser has such knowledge and experience in financial and business matters, that it is capable of evaluating the merits and risks of purchasing the notes and that such purchaser and any accounts for which it is acting are each able to bear the economic risks of its or their investment,

   (b) such purchaser is not acquiring the notes with a view towards any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the U.S. or any other applicable jurisdiction; *provided* that the disposition of its property and the property of any accounts for which such purchaser is acting as fiduciary will remain at all times within its control, and

   (c) such purchaser has received a copy of this offering circular and acknowledges that such purchaser has had access to such financial and other information and has been afforded an opportunity to ask such

questions of our representative and receive answers thereto as it has deemed necessary in connection with its decision to purchase the notes.

(4) The purchaser understands that the certificates evidencing the notes will, unless otherwise agreed by us and the noteholder thereof, bear a legend substantially to the following effect:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN COMPLIANCE WITH REGULATION S, ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF SECURITIES OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. BY ITS ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE FURTHER AGREES THAT IT WILL GIVE EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

BY ITS ACQUISITION OF THIS SECURITY OR ANY INTEREST HEREIN, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE OR HOLD THIS

SECURITY CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS"), OR OF AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT, OR (2) THE ACQUISITION AND HOLDING OF THIS SECURITY OR ANY INTEREST HEREIN WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS."

(5) By acceptance of a note or any interest in a note, each holder thereof shall be deemed to have represented and warranted that either (1) no portion of the assets used by such purchaser or transferee to purchase or hold any note or any interest in a note constitutes or will constitute assets of any employee benefit plan subject to Title I of ERISA, any plan, account or other arrangement subject to Section 4975 of the Code or provisions under any Similar Laws, or including any entity whose underlying assets are considered to include "plan assets" (within the meaning of Section 3(42) of ERISA and DOL Regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) of any such plan, account or arrangement or (2) the purchase and holding and disposition of a note or interest in a note by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

(6) The purchaser acknowledges that we and the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the foregoing acknowledgements, representations and agreements deemed to have been made by it are no longer accurate, it will promptly notify the initial purchasers. If such purchaser is acquiring the notes as a fiduciary or agent for one or more investor accounts, such purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

NOTICE REGARDING CANADIAN SECURITIES LAW MATTERS

Resale Restrictions

The distribution of the notes in Canada is being made only on a private basis exempt from the requirement that the Issuer prepare and file a prospectus with the securities regulatory authorities in each province or territory where trades of notes are made. Any resale of the notes in Canada must be made under applicable securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. **Purchasers are advised to seek legal advice prior to any resale of the Notes.**

Acknowledgements, Representations and Agreements of Canadian Purchasers

Each purchaser of the notes located in, or resident of Canada will be deemed to have represented to the Issuer and the initial purchasers and agreed that:

- it is not an individual and, is either located in or resident of one of the provinces or territory of Canada;
- it is entitled under applicable Canadian securities laws to purchase the notes with the benefit of the prospectus exemption provided by Section 2.3 of National Instrument 45-106 – *Prospectus Exemptions* ("NI 45-106") that is, such purchaser is an "accredited investor" as defined in Section 1.1 of NI 45-106 or Section 73.3(1) of the *Securities Act* (Ontario), as applicable, which includes, among other things: (i) a person, other than an individual or investment fund, that has net assets of at least C$5 million as shown on its most recently prepared financial statements, and that was not created and is not being used solely to purchase or hold securities as an "accredited investor"; (ii) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of any jurisdiction; (iii) a bank or other financial institution; (iv) any national, federal, state, provincial, territorial or municipal government of or in any jurisdiction, or any agency of that government; or (v) an entity all of the owners of interests in which, direct, indirect or beneficial, are persons that are accredited investors; and it further represents that it is purchasing as principal, or is deemed to be purchasing as principal by applicable law, or that it is purchasing as agent for the account of a purchaser that is, or is deemed to be, purchasing as principal and is also an "accredited investor";
- it is a "permitted client" as such term is defined in Section 1.1 of National Instrument 31-103 — *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103");
- it has reviewed and acknowledges the terms referred to above under the heading "Resale Restrictions" and agrees not to resell the notes except in compliance with applicable Canadian resale restrictions and in accordance with their terms;
- it is hereby notified by way of this document (and it acknowledges such notification) of the following legend and that the certificates evidencing the notes may bear or be subject to a legend substantially to the following effect:

  "IN ACCORDANCE WITH NATIONAL INSTRUMENT 45-102 – RESALE OF SECURITIES, UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THESE NOTES MUST NOT TRADE THE NOTES IN CANADA BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) THE DATE OF THE DISTRIBUTION OF SUCH NOTES, AND (ii) THE DATE RITCHIE BROS. HOLDINGS INC. BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

- it is either purchasing notes as principal for its own account, or is deemed to be purchasing notes as principal in accordance with applicable Canadian securities laws in which the purchaser is located or resident, and not as agent for the benefit of another person;
- it is purchasing the notes for investment purposes only and not with a view to resale or distribution that would contravene the prospectus requirements of Canadian securities laws;

- it has not received and has not been provided with documents that may be construed as an "offering memorandum" under applicable Canadian securities laws, other than this offering circular (including any amendment thereto);

- if required by applicable securities laws, regulations or rules, including applicable stock exchange rules, the purchaser will execute, deliver and file or assist the Issuer in obtaining and filing such reports, undertakings and other documents relating to the purchase of the notes by the purchaser as may be required by applicable securities laws, regulations or rules, any securities commission, stock exchange or other regulatory authority; and

- the purchaser acknowledges that we and the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the foregoing acknowledgements, representations and agreements deemed to have been made by it are no longer accurate, it will promptly notify the initial purchasers. If such purchaser is acquiring the notes as a fiduciary or agent for one or more investor accounts, such purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Conflicts of Interest

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"), the initial purchasers and their broker-dealer affiliates are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Enforcement of Legal Rights

The Issuer is incorporated and a resident outside of Canada. Certain of the Issuer's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon such Issuer or those persons. All or a substantial portion of such Issuer's assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgement against the Issuer or those persons in Canada or to enforce a judgement obtained in Canadian courts against the Issuer or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the notes in their particular circumstances and about the eligibility of the notes for investment by the purchaser under relevant Canadian legislation.

Language of Documents

Each purchaser of notes in Canada hereby agrees that it is the purchaser's express wish that all documents evidencing or relating in any way to the sale of the notes be drafted in the English language only. *Chaque acheteur au Canada des billets reconnaît que c'est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des billets soient rédigés uniquement en anglais.*

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES

Set out below is a summary of certain limitations on the enforceability of the guarantees in each of the jurisdictions in which guarantees are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the notes offered hereby. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply, and could adversely affect your ability to enforce your rights and to collect payment in full under the notes offered hereby and the guarantees.

Also set out below is a brief description of certain aspects of insolvency law, in force as of the date hereof, in the EU, Australia, Canada, the Netherlands, Japan, the UK, the United States, Mexico and Ireland. In the event that any one or more of the guarantors experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

European Union

Several of the guarantors are organized under the laws of Member States of the European Union.

Pursuant to the Regulation (EU) 2015/848 of the European Parliament and of the Council dated May 20, 2015 on insolvency proceedings (recast), as amended (the "E.U. Insolvency Regulation"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) where the company concerned has its "centre of main interests" (which according to Article 3(1) of the E.U. Insolvency Regulation is "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties") is situated shall have jurisdiction to commence main insolvency proceedings relating to such debtor. The determination of where a debtor has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

There is a rebuttable presumption under Article 3(1) of the E.U. Insolvency Regulation, that the centre of main interests of a company or legal person is to be located in the Member State of the registered office in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another Member State within a three-month period prior to the request for the opening of insolvency proceedings. Specifically, it should be possible to rebut this presumption where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. In this regard, special consideration should be given to creditors and their perception as to where a debtor conducts the administration of its interests. In the event of a shift in the centre of main interests, this may require informing the creditors of the new location from which the debtor is carrying out its activities in due course (e.g., by drawing attention to the change of address in commercial correspondence or otherwise making the new location public through other appropriate means).

If the centre of main interests of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the E.U. Insolvency Regulation would be commenced in such jurisdiction, and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the E.U. Insolvency Regulation, with these proceedings governed by the lex fori concursus, i.e., the local laws of the court opening such main insolvency proceeding. Insolvency proceedings opened in one Member State under the E.U. Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State.

The effects of those main proceedings, however, do not affect third party rights in rem situated in a territory of another Member State in accordance with Article 10 of the E.U. Insolvency Regulations. If the "centre of main interests" of a debtor is in one Member State (other than Denmark) under Article 3(2) of the E.U. Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "territorial proceedings" (secondary proceedings) only in the event that such debtor has an "establishment" (in the meaning of and as defined in Article 2(10) of the E.U. Insolvency Regulation) in the territory of such other Member State. An "establishment" means any place of operations where a debtor carries out or has carried out in the three month period prior to the request to open main insolvency proceedings a non transitory economic activity with human means and assets.

The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. If the company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the E.U. Insolvency Regulation. Irrespective of whether the insolvency proceedings are main or territorial proceedings, such proceedings will always, subject to certain exemptions, be governed by the lex fori concursus, i.e., the local insolvency law of the court which has assumed jurisdiction for the insolvency proceedings of the debtor.

The courts of all Member States must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. The insolvency administrator appointed by a court in a Member State which has jurisdiction to commence main proceedings (because the debtor's "centre of main interests" is there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets. The E.U. Insolvency Regulation has created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of our group's members.

In the event that any guarantor organized under the laws of Member States of the European Union experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings will be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the relevant guarantor or any other company. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other and there is no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

Effects of EU Directive 2019/1023 on Restructuring and Insolvency

On July 16, 2019, the Directive (EU) 2019/1023 of the European Parliament and the Council of June 20, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 ("E.U. Restructuring Directive") entered into force. Member States were required to pass national laws to implement the directive by July 17, 2021, at the latest, however not all Member States have done so.

The E.U. Restructuring Directive aims to harmonize the laws and procedures of Member States concerning preventive restructurings and insolvencies, to put in place key principles for all member states on effective preventive restructuring and second chance frameworks, and measures to make all types of insolvency procedures more efficient by reducing their length and associated costs and improving their quality. The key feature of the E.U. Restructuring Directive is the introduction of a preventive restructuring framework. The E.U. Restructuring Directive sets out minimum EU standards to be applied by the Member States (i.e., minimum harmonization). Whereas certain features of the E.U. Restructuring Directive need to be transposed into national legislation, the E.U. Restructuring Directive leaves a large degree of discretion regarding the implementation of certain other features. In particular, when implementing the E.U. Restructuring Directive, Member States must ensure that, under their national laws, companies will have access to a pre-insolvency restructuring framework which permits a haircut of debt and other restructuring measures on the basis of a majority vote with a majority of not more than 75% of the amount of claims in each class and where applicable a majority by numbers (meaning, for instance, that an opposing creditor can be outvoted by the majority). The E.U. Restructuring Directive also provides for cross-class cramdown, i.e., even if the creditors of one class voting on the restructuring plan did not consent to the restructuring plan with the required majority, the restructuring plan might still be adopted and take effect for the dissenting creditors. Further, the E.U. Restructuring Directive provides for a stay on enforcement, which is implemented via national legislation.

The on-going implementation of the E.U. Restructuring Directive into Member State national legislation might also include priority ranking for new financing. Although the E.U. Restructuring Directive also foresees a number of safeguards protecting creditors from abuse and although it is not clear how exactly the E.U. Restructuring Directive will be implemented in individual Member States, the current domestic insolvency law of some Member States may change – or have already changed – substantially if they lack any of the mechanisms that the E.U. Restructuring

Directive will make mandatory. This might have considerable repercussions for the position of creditors of a Member State legal entity. The description of the current Member State domestic insolvency regimes must, therefore, be read with the understanding that they may still change substantially.

Australia

Guarantees

As of the date of this offering circular, two of the guarantors are incorporated under the laws of the Commonwealth of Australia (the "Australian Guarantors"). A guarantee provided by a company incorporated under the Corporations Act 2001 (Cth) may be unenforceable if:

(a) the company does not have the power, under its constituent document, to provide the guarantee in the circumstances of the case; or

(b) the directors do not exercise their duty to act in good faith for the benefit of the company and for a proper purpose in giving the guarantee.

In determining whether there is sufficient benefit, all relevant facts and circumstances of the transaction need to be considered by the directors, including the benefits and detriments to the guarantor in giving the guarantee, and the respective benefits to the other parties involved in the transaction. The issue is particularly relevant where a company provides a guarantee in relation to the obligations of another member of its corporate family, as is the case for the guarantees given by the Australian Guarantors with respect to the notes offered hereby. In determining whether there is sufficient benefit, the directors need to give primary consideration to the benefits and detriments to the guarantor in giving the guarantee, in addition to the benefits to the other members of the corporate family.

Whether a guarantee entered into in breach of directors' duties can be avoided against a party relying on the guarantee depends on certain factors, including whether the party knew of or suspected the breach. Under Australian law, a person is entitled to assume that the directors have properly performed their duties to the company unless that person knows or suspects that they have not done so.

Insolvency

Insolvency proceedings with respect to the Australian Guarantors would be likely to proceed under, and be governed by, Australian insolvency law. The procedural and substantive provisions of Australian insolvency laws afford debtors and unsecured creditors only limited protection from the claims of secured creditors.

There are four principal corporate insolvency processes in Australia: administration (sometimes referred to as voluntary administration); deed of company arrangement; receivership; and liquidation (also referred to as winding up). There is also a fifth less common regime, which is a creditor's scheme of arrangement. A brief description of each is set out below.

Administration

Under Section 435A of the Corporations Act 2001 (Cth) (the "Corporations Act"), the object of administration is to provide for the business, property and affairs of an insolvent company to be administered in a way that maximizes the chances of the company, or as much as possible of its business, continuing in existence. Alternatively, if it is not possible for the company or its business to continue in existence, the object of the administration is to achieve a better return for the company's creditors and members than would result from an immediate winding up of the company. In the vast majority of cases, a company is put into administration by resolution of its board of directors if the board of directors resolves that the company is insolvent or is likely to become insolvent at some future time.

In some cases an administrator may be appointed by a secured creditor who is entitled to enforce its security over the whole or substantially the whole of the company's property. However, a secured creditor will usually prefer to appoint a receiver (pursuant to a contractual right in its security) who, unlike an administrator, will primarily act in the interests of the secured creditor to realize the secured property (even though a receiver also owes various duties to the company in its capacity as agent and an officer of the company). A secured creditor with a security interest over the whole or

substantially the whole of the company's property has a limited period following the appointment of an administrator in which to appoint a receiver, should it wish to do so.

Administration is only intended to last for a short period, during which time the administrator controls the company and acts as its agent. The powers of the directors and officers are suspended, though they remain in office and have a duty to assist the administrator. The administrator's role is to assess the company's situation and to report to creditors on the three available options (liquidation, execution of a deed of company arrangement or to return the company to the control of its directors) and report to creditors as to which option should be followed.

To permit the administrator the opportunity to do this, during the administration there is a moratorium on the enforcement of certain types of creditors' claims and actions against the company and its property (subject to certain exceptions) and a stay on legal proceedings that will prevent, among other things, security being enforced (subject to certain exceptions, including the right of a secured creditor to appoint a receiver in certain circumstances, as referred to above).

Deed of Company Arrangement

A deed of company arrangement is an agreement binding on the company and its creditors (and sometimes others) in the nature of a compromise. By force of the Corporations Act, the agreement is one which will bind unsecured creditors whose debts are provable whether or not those creditors vote in favor of it, provided that a simple majority (in number, unless a poll is conducted, in which case it is by number and value) votes in favor of the deed of company arrangement.

The Corporations Act is relatively flexible on the contents of the deed of company arrangement. Once the deed of company arrangement is executed, the administration terminates and the moratorium restrictions come to an end and are replaced by the provisions of the deed, which may include similar moratorium protections in respect of creditor claims.

The deed administrator may be tasked by the deed with realizing assets, closing down the business, restructuring the company or pursuing litigation with a view to the payment of dividends to creditors. The deed may apply a moratorium, compromise creditors' claims, provide for the payment of creditors by installment or specify that different creditors are to receive different treatment, provided that the deed is not unfairly prejudicial to a creditor or creditors as a whole. This is usually assessed by comparing the return that a creditor is entitled to receive under the deed with the return that the creditor could expect to receive if the company was liquidated.

Secured creditors may continue to deal with the property over which they have security and are not bound by the deed, unless the secured creditor voted in favor of the deed (and the deed restricts its ability to enforce its security) or it is prevented from enforcing by a court order.

In the event that a guarantor enters into a deed of company arrangement, creditors may lose various rights in respect of the guarantor, including their right to bring a claim against the guarantor. They may be left with a right to prove any claim against a fund established under a deed of company arrangement, which may not be sufficient to satisfy the guarantee.

Receivership

The right to appoint a receiver is a contractual right granted by the company to a creditor pursuant to its security. Whilst a receiver is appointed as agent of the company for liability purposes, the receiver's primary responsibility is to act in the best interests of its appointee. A receiver's appointment and powers are generally governed by the terms of the security agreement under which it is appointed. The receiver's principal task is to take possession and control of the secured property, realize the property subject to the security and pay the proceeds to the security holder. Receivership is a regime implemented for the benefit of the secured creditor that appoints the receiver. In contrast, both administration and liquidation are regimes aimed at securing the best outcome for all of the company's creditors and members as a whole.

As an officer of the company, a receiver owes certain duties to the company, unsecured creditors and shareholders. Where a company grants security over an asset, the proceeds of enforcement must generally be remitted to the holder of the security, unless there are claims ranking in priority to the holder of the security, as summarized below:

(1) if the proceeds are from contracts of insurance and the insurance policy is in respect of liability to third parties, the proceeds must be paid to the third party in respect of whom the liability was incurred;

(2) auditor's fees and expenses for the period between when the Australia Securities Investments Commission has refused consent to the auditor's resignation and the date the receiver was appointed;

(3) wages, superannuation contributions and superannuation guarantee charges payable by the company in respect of services rendered to the company by the employees prior to the date the receiver was appointed;

(4) all amounts due on or before the date the receiver is appointed in respect of leave of absence owing to employees;

(5) retrenchment payments; and

(6) all amounts that have been advanced by other parties to the company for the purpose of paying wages, superannuation contributions or payments in respect of leave of absence or termination of employment.

During a receivership, there is no moratorium in place and other creditors may pursue debts and claims against the company provided that the company is not also in administration or liquidation.

Liquidation

The purpose of a liquidation is to enable the realization of all of a company's assets, the calling up of partly paid shares and the distribution of the proceeds among the company's creditors and (if there is a surplus after paying creditors) a distribution of the surplus to members. The distribution of proceeds will be subject to statutory priority rules. The company's existence will then be brought to an end by deregistration.

Generally speaking, to the extent that their security is sufficient, secured creditors stand outside the liquidation and therefore do not have to prove their debts. Secured creditors also have the right to appoint a receiver and manager and enforce against the secured property during the liquidation. Secured creditors are generally entitled to sell the assets subject to their security or have them sold and to receive the proceeds (subject to the rights of any prior security holders).

Creditor's Scheme of Arrangement

A scheme of arrangement is an arrangement or compromise which binds the company and its creditors even though a minority of those creditors may oppose it. Schemes of arrangement are rarely used in an insolvency context, as they require an extended court approval process and the approval of 75% in value and 50% in number of each class of affected creditor. A scheme of arrangement is most commonly used where a company is seeking to restructure all or some of its term debt rather than to compromise the claims of creditors generally.

Voidable transactions

Under Australian law, if an order to wind-up were to be made against the Australian Guarantors and a liquidator was appointed, the liquidator would have the power to investigate the validity of past transactions and may seek various court orders, including orders to void certain transactions entered into prior to the winding-up of the Australian Guarantors and for the repayment of money. These include transactions entered into within a specified period of the winding-up that a court considers uncommercial transactions or transactions entered into when winding-up is imminent that have the effect of preferring a creditor or creditors or otherwise defeating, delaying or interfering with the rights of creditors.

In Australia, under the Corporations Act 2001 (Cth), a guarantee (or payment under a guarantee) may be set aside (subject to certain defences) if the guarantor is being wound up and the guarantee (or payment) is found by a court, on the application of the company's liquidator, to be an "insolvent transaction."

A transaction of a company is an insolvent transaction if it is:

(a) an "unfair preference" (as defined below) given by the company to a creditor of the company, or

(b) an "uncommercial transaction" (as defined below) of the company,

and the company was insolvent at the time or became insolvent because of the transaction (or an act or omission made for the purpose of giving effect to the transaction).

An unfair preference is given by a company to a creditor if a transaction to which the company and the creditor are parties results in the creditor receiving from the company, in respect of an unsecured debt that the company owes to the creditor, more than the creditor would otherwise receive from the company if it were to prove for the debt in a winding up.

Uncommercial transactions are those which a reasonable person in the company's circumstances would not have entered into having regard to any relevant matter including:

(a) the benefits (if any) to the company of entering into the transaction;

(b) the detriment to the company of entering into the transaction; and

(c) the respective benefits to other parties of entering into the transaction.

A liquidator is empowered to challenge any insolvent transaction if it was entered into, or an act was done for the purpose of giving effect to it, by the company in the six months ending on the "relation back day" (which will usually be the date on which any application to the court to wind-up the company was made or where immediately before the winding up order was made the company was under administration, the date of commencement of the administration). Any insolvent transaction which is also an uncommercial transaction of the company may be challenged if it was entered into, or an act was done for the purpose of giving effect to it, by the company in the two years ending on the relation back day.

Where a related entity of the company is a party to the insolvent transaction, the period of challenge is four years ending on the relation back day. If the transaction were entered into for a purpose including the purpose of defeating, delaying or interfering with the rights of any or all of the creditors of the company on a winding up, the period of challenge is ten years.

Where a company was under administration or subject to a deed of company arrangement immediately before the company resolved, or a court ordered, that the company be wound up, an uncommercial transaction or an unfair preference may be challenged by a liquidator if the transaction was entered into, or an act was done for the purpose of giving effect to it, by the company during the period from the relation back day and ending when the company made the resolution, or when the court made the order, that the company be wound up, and the transaction, or the act done for the purpose of giving effect to it, was not entered into, or done on behalf of, the company by, or under the authority of, the administrator of the company or the administrator of the deed of company arrangement (as applicable).

Canada

Several of the guarantors are organized under the laws of Canada. In the event of the insolvency of a Canadian guarantor, bankruptcy or insolvency proceedings may, therefore, be initiated in Canada and Canadian bankruptcy and insolvency law may govern those proceedings.

Insolvency Proceedings

Formal insolvency proceedings in Canada may be initiated in a number of ways, generally pursuant to the federal *Companies' Creditors Arrangement Act* (the "CCAA") (applicable to a company or affiliated companies having debts in excess of C$5,000,000) or the *Bankruptcy and Insolvency Act* (the "BIA") (applicable to all companies). Insolvency proceedings generally include a stay preventing creditors from taking direct enforcement action without leave of the supervising court. Claims of creditors are generally addressed within the proceeding.

Proceedings under the CCAA are commenced before a superior court, usually by a debtor company or creditor, and can be used to effect a sale of the debtor company/companies, its assets, and/or to propose a plan of compromise and arrangement (a "Plan") with creditors. Under a Plan, creditors with substantially similar interests are organized into classes and must vote on the Plan. If passed by the requisite threshold of creditors in each class, being a majority in

number representing 2/3 of value of the creditor claims voting in that class, and approved by the supervising court, the Plan is binding on all affected creditors. Accordingly, creditors of the Canadian guarantors may have their claims compromised by a Plan without their consent. Where an asset sale is effected through a CCAA proceeding, court approval is required, but a creditor vote is not. The court also has the authority to grant reverse vesting orders, which facilitate the conveyance of the equity interest of a debtor company to a purchasing entity free and clear of unwanted liens and encumbrances, and the assignment of unwanted liabilities and assets to a residual company or trust. Reverse vesting orders, like an asset sale, do not require a vote by creditors.

In addition, the CCAA grants broad jurisdiction for the supervising court to grant a variety of unique remedies depending on the circumstances, and it is not possible to predict what relief the court may grant and effect on the creditors of the Canadian guarantors. A CCAA court has broad discretion to grant charges having a priority over all other creditors, including charges securing the fees and disbursements of professionals, interim financing, and the indemnification of directors and officers. In such a circumstance, the court must consider a number of factors, including whether any creditor affected by the proposed charges may be materially prejudiced. The court may provide protections in the face of material prejudice. However, this power is discretionary, and we cannot predict whether, or to what extent, holders of the notes offered hereby would be compensated for any delay in payment or loss of value.

Proceedings under the BIA include a proposal to creditors, receivership or a bankruptcy. A proposal proceeding is similar to the CCAA, though the provisions of the BIA are generally more restrictive. While much of the relief available in a BIA proposal requires court approval, commencing a proposal proceeding (and thereby effecting a stay of proceedings) and presenting a proposal to creditors does not require court approval and can be done relatively quickly. In addition, distributions to creditors in a proposal are subject to a levy payable to the Superintendent of Bankruptcy, a government official. In the event that the debtor's proposal to its creditors is either rejected by any class of unsecured creditors at a meeting held to approve such proposal (with the same voting thresholds as the CCAA noted above) or by the court when the proposal is put before the court for approval, the debtor is deemed bankrupt. Notably, if a proposal is rejected by a class of secured creditors but accepted by each class of unsecured creditors, the proposal does not automatically fail. The secured class rejecting the proposal is left to pursue rights and remedies in respect of their security, while the proposal is submitted to the court for approval.

A bankruptcy under the BIA is a liquidation proceeding whereby a licensed insolvency trustee is appointed and all assets of the debtor company vest in the trustee, subject to the claims of secured creditors. The trustee then administers a claims process to determine the unsecured creditors of the bankrupt company, and distributes assets in accordance with the priority regime set out in the BIA (after the payment of secured creditors). Distributions in a bankruptcy are subject to a levy payable to the Superintendent of Bankruptcy, a government official.

A receiver and/or receiver-manager (collectively a "Receiver") appointed under the BIA takes control of some or all of the assets of a company under the supervision of a supervising superior court. The application to appoint a Receiver is brought by a secured creditor. The court is granted broad discretion to empower the Receiver, and it is not possible to innumerate all the powers a Receiver may be vested with. Generally it includes the power to operate the debtor's business if desirable, and to sell the business either as a going concern or piece-meal. The order appointing a Receiver generally includes a stay of proceedings, and may grant the Receiver a priority charge for its fees, disbursements and borrowings in priority to all other creditors, including secured creditors. In such a circumstance, the court must consider a number of factors, including whether any creditor affected by the proposed order may be materially prejudiced. The court may provide protections in the face of material prejudice. However, this power is discretionary, and we cannot predict whether, or to what extent, holders of the notes offered hereby would be compensated for any delay in payment or loss of value.

It is also possible for secured creditors to appoint a Receiver pursuant to the provisions of their security documents. While these Receivers are not generally supervised by a court and there is not a stay of proceedings, they often have the ability pursuant to the security document and relevant statutory regimes governing priority to sell the debtors assets free and clear of the claims of secured creditors subordinate to the appointing creditor and unsecured creditors.

Various federal and provincial corporate statutes provide the ability of companies to propose a plan of arrangement to their creditors and/or shareholders. The provisions of these statutes vary by jurisdiction, but generally allow for the compromise and restructuring of debts if approved by the requisite majority of creditors and under the supervision of the court. They also generally permit a stay of proceedings.

Priority of Payments

In an insolvency proceeding, the priority of payments among secured creditors is generally governed by various federal and provincial statutes providing security and other priority regimes. In addition, both the BIA and CCAA contain certain priority charges. The effect and priority of claims can also be affected by bankruptcy or other insolvency proceedings.

Generally, creditors having security over a particular asset of the debtor company are entitled to be paid in priority to unsecured creditors. The validity of the security and the priority as between creditors is governed by the applicable statute providing the security. Subject to certain preferred claims set out in the BIA, unsecured creditors generally share the distributions available to unsecured creditors *pari passu*.

In addition, certain other statutes, including those relating to taxation, pensions, and environmental matters, may provide for priority charges in favour of the federal or provincial governments for various obligations. These charges can have priority over secured and/or unsecured creditors in relation to certain assets, or the assets of a debtor company generally.

As noted above, it is also possible for the court to grant certain charges in insolvency proceedings, and to determine their priority.

Foreign Proceedings

In the event of a foreign insolvency proceeding, both the CCAA and the BIA allow a representative, authorized in a foreign proceeding in respect of a debtor, to seek recognition of the foreign insolvency proceeding in Canada (which is similar to a Chapter 15 type proceeding under the U.S. Bankruptcy Code). The CCAA and the BIA each provide for a modified version of the UNCITRAL model insolvency law (collectively, the "Recognition Provisions"). The Recognition Provisions allow an authorized representative to apply for recognition of the foreign insolvency proceeding as either a "foreign main proceeding" or a "foreign non-main proceeding." The determination of the type of proceeding is based upon the centre of main interest ("COMI") of the debtor. If the court determines that the foreign proceeding is a "foreign main proceeding", the court must grant a stay of proceedings in Canada and must prohibit the debtor from selling or otherwise disposing of any of its property in Canada outside the ordinary course of its business, and may grant additional relief permitted under the CCAA/BIA, including the recognition of relief granted in the foreign jurisdiction which may differ from the relief normally available in Canada. If the court determines that the foreign proceeding is a "foreign non-main" proceeding, the court may, but is not required to, grant a stay of proceedings in Canada, prohibit the debtor from selling any of its property in Canada outside the ordinary course of business, and grant any other relief permitted under the CCAA/BIA, including the recognition of relief granted in the foreign jurisdiction which may differ from the relief normally available in Canada. However, if a proceeding has already been commenced under the CCAA/BIA in relation to the same company, any recognition order must be consistent with the orders already granted in the CCAA/BIA proceeding. In the event that the foreign proceeding results in the approval of a restructuring plan, the Canadian court may grant an order providing that such plan and/or an order approving such plan shall be recognized and have full force and effect in Canada. Under the Recognition Provisions a court may issue an order on any terms and conditions that the court considers appropriate in the circumstances. Nothing in the Recognition Provisions prevents the court from refusing to do something that would be contrary to public policy.

Reviewable Transactions

The guarantees of the Canadian guarantors may be subject to review under applicable Canadian federal bankruptcy and insolvency laws and applicable provincial and territorial fraudulent conveyance, assignment and preference laws or comparable provisions of applicable laws. These reviews can occur if a bankruptcy, insolvency or arrangement proceeding is commenced, or a lawsuit pursuant to fraudulent conveyance, assignment and preference laws is commenced by or in respect of the Canadian guarantors. Under these laws, a court can void the obligations under the relevant guarantee or subordinate the guarantee to the Canadian guarantor's other debt, if, among other things, the Canadian guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- issued the guarantee with the intention to delay, hinder, defeat or defraud creditors or others, noting however that if such occurs in the context of a related party transaction, the intention may be, in certain circumstances, by statute, presumed or not be a necessary element;

- received no consideration, or consideration of less than fair market value for issuing the guarantee at the time it issued the guarantee;

- was insolvent at the time of issuing the guarantee or rendered insolvent by reason of issuing the guarantee, noting that under some provincial and territorial fraudulent conveyance and assignment laws, insolvency may not be a necessary element;

- intended to incur, or believed that it would incur, debts beyond its ability to pay as they mature or for other fraudulent reasons; or

- had the effect of giving the beneficiaries of the guarantee a preference over another creditor, and under federal bankruptcy and insolvency legislation and in the case of arm's length parties, the debtor's intention to prefer is not rebutted.

The test of insolvency for purposes of these fraudulent transfer and preference laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent or preference transfer has occurred. Under the BIA, a Canadian guarantor would be considered an insolvent person if:

- it is unable to meet its obligations as they generally become due;

- it has ceased paying its current obligations in the ordinary course of business as they generally become due; or

- the aggregate of its property is not, at fair valuation, sufficient, or if disposed at a fairly conducted sale under legal process, would not be sufficient to enable payment of all its obligations, due and accruing due.

The guarantee could also be subject to the claim that the guarantee was incurred for our benefit and only indirectly for the benefit of the relevant Canadian guarantor and that, as a result, the obligations of the relevant Canadian guarantor were incurred for less than fair consideration.

If a Canadian court were to find that the guarantee was a transfer at undervalue, preference, fraudulent conveyance or other similar voidable transaction, the Canadian court could, among other things, have the guarantee set aside or voided. In the event of such a finding, holders of the notes offered hereby may not receive any repayment on the notes. Further, the voiding of the guarantees made in connection with the offering of the notes hereunder could result in an event of default with respect to our other debt that could result in acceleration of such debt.

The Netherlands

Fraudulent transfer and its consequences under Dutch law

To the extent that Dutch law applies, a legal act performed by a debtor (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party and any other legal act having a similar effect) can be challenged in an insolvency proceeding or otherwise and may be nullified by any of its creditors or its liquidator in bankruptcy, if (i) it performed such acts without an obligation to do so (onverplicht), (ii) generally the creditor concerned or, in the case of its bankruptcy, any creditor was prejudiced as a consequence of the act, and (iii) at the time the act was performed both it and (unless the act was for no consideration (om niet)) the party with or towards which it acted, knew or should have known that one or more of its creditors (existing or future) would be prejudiced. In addition, in the case of such a bankruptcy, the liquidator may nullify the debtor's performance of any due and payable obligation (including (without limitation) an obligation to provide security for any of its or a third party's obligations) if (i) the payee knew that a request for bankruptcy had been filed at the moment of payment, or (ii) the performance of the obligation was the result of a consultation between the debtor and the payee with a view to give preference to the latter over the debtor's other creditors.

Bankruptcy proceedings under Dutch law

Under Dutch law, there are two corporate insolvency regimes:

(1) a moratorium of payments (surséance van betaling), which is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern, and

(2) bankruptcy (faillissement), which is primarily designed to liquidate and distribute the (value of the) assets of a debtor to its creditors.

Both insolvency regimes are set forth in the Dutch Bankruptcy Act (Faillissementswet).

Re 1: A moratorium of payments can be granted only at the request of the debtor. Upon such request, the court will generally grant a provisional moratorium and appoint an administrator (bewindvoerder) who, jointly with the company's management, will be in charge of the company and its business undertakings. A definitive moratorium will generally be granted unless there is an objection by creditors admitted to a vote of creditors which jointly represent either (i) at least one-fourth of the total amount of unsecured claims or (ii) at least one-third of all unsecured creditors.

In a moratorium of payments, a composition (akkoord) may be offered by the debtor to its creditors. Such a composition will be binding on all unsecured and non-preferential creditors, irrespective whether they voted in favor or against it or whether they were represented at the creditor's meeting called for the purpose of voting on the composition plan, if: (i) it is approved by more than 50% in number of the general unsecured and non-preferential creditors present or represented at the creditor's meeting, representing at least 50% in amount of the general unsecured and non-preferential claims admitted for voting purposes; and (ii) it is subsequently ratified by the court. Consequently, Dutch moratorium of payments proceedings could reduce the recovery of note holders.

Re 2: A debtor can be declared bankrupt by the competent Dutch court either at its own request or at the request of a creditor. When a company is declared bankrupt, the court will appoint a liquidator in bankruptcy proceedings (curator) whose primary task is to liquidate the assets of the company and to distribute the proceeds to the company's creditors on the basis of the relative priority of their respective claims and, to the extent claims of certain creditors have equal priority, in proportion to the amount of such claims.

The bankrupt debtor may offer a composition (akkoord) to the unsecured and non-preferential creditors. Such a composition will be binding upon all unsecured and non-preferential creditors, if: (i) it is approved by a simple majority of a meeting of the recognized and admitted unsecured and non-preferential creditors representing at least 50% of the amount of the recognized and admitted unsecured and non-preferential claims; and (ii) it is subsequently ratified by the court. Consequently, Dutch bankruptcy proceedings could reduce the recovery of holders of the notes offered hereby.

Re 1/2: A composition offered in a moratorium of payments or in bankruptcy proceedings is not binding on preferential and secured creditors.

Subject to certain exceptions, such as fraudulent conveyance (Actio Pauliana), holders of Dutch law security rights may generally enforce their rights in respect of the security separately from bankruptcy or moratorium of payments. In that respect a Dutch moratorium or bankruptcy differs from, e.g., Chapter 11 reorganizations in the United States. During bankruptcy or a moratorium of payments, enforcement by the holder of a security right may be suspended by the court, in each case for a maximum period of four months. A holder of security may be prevented from enforcing its security if such enforcement would be contrary to principles of reasonableness and fairness in the circumstances at hand.

Foreign creditors are, in general, not treated different from creditors that are incorporated or residing in the Netherlands.

Bankruptcy related proceedings in the Netherlands may be time consuming and subject to significant delays and incidental litigation.

Pre-bankruptcy proceeding under Dutch law: the Dutch Scheme

With the entry into force of the Act on Court Confirmation of Extrajudicial Restructuring Plans (Wet homologatie onderhands akkoord) ("CERP") on 1 January 2021, debtors now also have the possibility to offer a composition outside bankruptcy or moratorium of payments proceedings. The CERP provides for a proceeding to restructure debts of companies in financial distress outside insolvency proceedings (the "Dutch Scheme"). The CERP provides that a debtor or a (on the request of a party authorized to do so under the CERP) court-appointed restructuring expert may offer creditors (including secured creditors) and shareholders a composition plan. Upon confirmation by the court, such plan is binding on the creditors and shareholders to which it has been offered and changes their rights. A composition plan under the CERP can also extend to claims against group companies of the debtor on the account of guarantees for the debtor's obligations, if inter alia (i) the relevant group companies are reasonably expected to be unable to continue to pay their debts as they fall due and (ii) the Dutch courts would have jurisdiction if the relevant group company would offer its creditors and shareholders a composition plan under the CERP. Jurisdiction of the Dutch courts under the CERP may extend to entities incorporated or residing outside the Netherlands on the basis that there is a connection with the jurisdiction of the Netherlands.

Under the CERP, voting on a composition plan is done in classes. Approval by a class requires a decision adopted with a majority of two-third of the claims of that class that have voted on the plan or, in the case of a class of shareholders, two-thirds of the shares of that class that have voted on the plan. The CERP provides for the possibility for a composition plan to be binding on a non-consenting class (cross-class cram down). Under the CERP, the court will confirm a composition plan if at least one class of creditors (other than a class of shareholders) that can be expected to receive a distribution in case of a bankruptcy of the debtor approves the plan, unless there is a ground for refusal. The court can, inter alia, refuse confirmation of a composition plan on the basis of (i) a request by an affected creditor of a consenting class if the value of the distribution that such creditor receives under the plan is lower than the distribution it can be expected to receive in case of a bankruptcy of the debtor or (ii) a request of an affected creditor of a non-consenting class, if the plan provides for a distribution of value that deviates from the statutory or contractual ranking and priority to the detriment of that class.

Under the CERP, the court may grant a stay on enforcement of a maximum of 4 months, with a possible extension of 4 months. During such period, inter alia:

(a) all enforcement action against the assets of (or in the possession of) the debtor is suspended, including action to enforce security over the assets of the debtor. Accordingly, during such stay a pledgee of claims may not collect nor notify the debtors of such pledged claims of its rights of pledge;

(b) the debtor can continue to exercise any authority it had prior to the commencement of the cooling-down period to use, consume and dispose of assets (included secured assets) and to collect pledged claims, in each case in the ordinary course of business and subject to the requirement that the interests of parties affected thereby are sufficiently protected; and

(c) filings for bankruptcy or moratorium of payments of the debtor are suspended.

Under the CERP, claims of creditors against the Dutch guarantors can be compromised as a result of a composition plan adopted and confirmed in accordance with the CERP. A composition plan under the CERP can extend to claims against entities that are not incorporated under Dutch law and/or are residing outside the Netherlands. Accordingly, the CERP can affect the rights of the trustee and/or the holders of the notes under the indentures governing the notes and therefore the notes.

Limitation on enforcement

Under Dutch ultra vires rules, a legal entity (or its trustee in bankruptcy) may avoid any guarantee or security granted by it (or any other agreement entered into by it), if by granting that guarantee or security (or entering into that other agreement) it exceeded its objects and the beneficiary of the guarantee or security (or the other party to the agreement) knew or should have known (without investigation) that the objects were exceeded.

The objects of a Dutch legal entity are set out in its articles of association. To provide maximum comfort that granting guarantees and security do not exceed the entity's objects, it is recommended that the articles of association expressly

provide (and, where necessary, be amended to provide) that the entity may grant guarantees and security in respect of another (legal) person's obligations.

However, there is case law to the effect that the scope of an entity's objects cannot be determined solely on the basis of its articles of association, but that all circumstances must be taken into account. Thus, guarantees or security which are expressly permitted by the articles of association may nonetheless exceed an entity's objects if it is detrimental to the entity's corporate interests. What an entity's corporate interests require, will depend on the circumstances. Case law suggests that in relation to granting guarantees and security in respect of the debts of a target company of the entity concerned, two questions may be particularly relevant:

(a) when determining whether granting a guarantee or creating security violates the entity's objects, the entity's interests in the guarantee or security is to be taken into account, but weight may also be put to the interests of the group of which the entity is a member. How much weight may be put to the interests of the group, is influenced by the degree of interrelatedness between the group members: the more the group is interwoven, the more weight may be put to the interest of the group.

(b) the mere fact that an entity grants a guarantee or creates security for debts which exceed its financial capacity, does not necessarily imply that the guarantee or security violates its objects. Weight is to be put to the benefit which the entity may enjoy as a result of the guarantee or security. The relevant benefits may be direct, but also may be indirect and may include specific or general benefits which the entity enjoys as a result of it being a member of the relevant group. If there are such benefits, the guarantee or security will generally be valid, unless it is foreseeable that the guarantee or security will put the continued existence of the entity at risk or the guarantee or security disproportionally prejudices the entity in any other way.

Enforceability of U.S. judgments in the Netherlands

The Netherlands does not have a treaty with the United States providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, would not be directly enforceable in the Netherlands. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in the Netherlands, such party may submit to a Dutch court the final judgment that has been rendered in the United States. If the Dutch court finds that the jurisdiction of the court in the federal or state court in the United States has been based on grounds which are internationally acceptable and that proper legal procedures have been observed, and if recognition and/or enforcement of the judgment is not irreconcilable with a decision of a Dutch court rendered between the same parties or with an earlier decision of a foreign court rendered between the same parties in a dispute that is about the same subject matter and that is based on the same cause, provided that earlier decision can be recognized in the Netherlands, the Dutch court will, in principle, give binding effect to the final judgment which has been rendered in the United States unless such judgment contravenes public policy in the Netherlands.

England and Wales

Three of the guarantors are incorporated under the laws of England and Wales (the "English Guarantors"). Any insolvency proceeding by or against an English Guarantor are likely to, but may not necessarily, be based on English insolvency laws as each English Guarantor is incorporated in England, maintains its registered office and conducts the administration of its interests on a regular basis in England and Wales.

The U.K. Cross Border Insolvency Regulations 2006, which implement the UNCITRAL Model Law on Cross Border Insolvency in the United Kingdom, provides, however, that a foreign court may have jurisdiction where any English company has its "centre of its main interests" in such foreign jurisdiction, or where it has an "establishment" (being a place of operations in such foreign jurisdiction, where it carries out non transitory economic activities with human means and assets or services).

Accordingly, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced in respect of an English Guarantor or the outcome of such proceedings. The insolvency and other laws of different jurisdictions may be materially different from, or in conflict with, each other including in the areas of the rights of secured and other creditors, the ability to void preferential transfers, the priority

of governmental and other creditors, the ability to obtain post-petition interest and the duration of proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdictions' laws should apply or would adversely affect your ability to enforce your rights under the guarantee in these jurisdictions and limit any amounts that you may receive.

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar and it is not possible to predict with certainty the outcome of insolvency or similar proceedings with respect to an English Guarantor.

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company, its directors or a creditor making an application for administration, in or out of court, the company or the holder of a "qualifying floating charge" making an application for administration out of court, or by a creditor filing a petition to wind up the company or the company resolving to do so (in the case of liquidation). A company may be wound up if it is unable to pay its debts, and may be placed into administration if it is, or is likely, to become unable to pay its debts, and the administration is reasonably likely to achieve one of three statutory purposes.

A company is unable to pay its debts if it is insolvent either on a "cash flow" or "balance sheet" basis. A company is cash flow insolvent if it is unable to pay its debts as they fall due. A company is balance sheet insolvent if the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities.

Administration

Under English insolvency law, English courts are empowered to order the appointment of an administrator in respect of an English company in certain circumstances, at the application of, among others, the company itself, its directors or one or more of its creditors (including contingent and prospective creditors). An administrator can also be appointed (subject to specific conditions) out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor.

The administration of a company must achieve one of the following statutory objectives: (i) the rescue of the company (as distinct from the business carried on by the company) as a going concern (the primary objective); (ii) the achievement of a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration) (the second objective); or (iii) the realization of some or all of the company's property to make a distribution to one or more secured or preferential creditors (the third objective). An administrator must attempt to achieve the objectives of administration in order, unless he thinks either that it is not reasonably practicable to achieve the primary objective, or that the secondary objective would achieve a better result for the company's creditors as a whole. Therefore, the administrator cannot pursue the third objective unless he thinks that it is not reasonably practicable to achieve either the first objective or the second objective and that it will not unnecessarily harm the interests of the creditors of the company as a whole to pursue the third objective.

During the administration, in general, creditors cannot exercise their rights against the company, including, among other things, no proceedings or other legal process may be commenced or continued against the company, or security enforced over the company's property, except with leave of court or the consent of the administrator. The moratorium does not, however, apply to a "security financial collateral agreement" (such as a charge over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. During the administration of a company, a creditor would not be able to enforce any security interest (other than security financial collateral arrangements) or guarantee granted by it without the consent of the administrator or the court.

In limited circumstances a secured creditor will be entitled to appoint an administrative receiver and any already appointed must vacate office on the making of an administration order against the company in administration. If the company is already in administration no other receiver may be appointed. A receiver (including an administrative receiver) does not have duties to the general body of creditors in the same way as an administrator and will act solely to realize the assets over which his appointor has security, for the benefit of such appointor. If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying charge using the out of court procedure) in certain circumstances. If an administrator is appointed, any administrative receiver will vacate office, and any receiver of part of the company's property must

resign if required to do so by administrator.

Liquidation

Liquidation is a winding up procedure under which the assets of the company are realised and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act 1986 (being the act of parliament which governs insolvency proceedings in the UK, and hereafter the "UK Insolvency Act"). A liquidator has the power to bring or defend legal proceedings on behalf of the company; to carry on the business of the company as far as it is necessary for its beneficial winding up; to sell the company's property and execute documents in the name of the company; and to challenge antecedent transactions. There are three ways that an English Guarantor may be placed into liquidation or be "wound up"; these are: (i) members' voluntary liquidation (which is a procedure available to solvent companies only); (ii) creditors' voluntary liquidation; and (iii) compulsory winding-up (a court-based procedure).

At the end of the liquidation process the company will normally be dissolved. In the case of a liquidation commenced by way of a court order, no proceedings or other actions may be commenced or continued against the company except by leave of the court and subject to such terms as the court may impose (although security enforcement is not affected). There is no automatic stay in the case of a voluntary winding up—it is for the liquidator to apply to the court for a stay should he require a moratorium.

In addition to the various potential challenges to the guarantee that are outlined below, under English insolvency law, a liquidator has the power to disclaim any onerous property by serving the prescribed notice on the relevant party. Onerous property, for these purposes, is any unprofitable contract and any other property of the company which is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on the company which may be regarded as detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous, or because the company could have made, or could make, a better bargain. This power does not apply to a contract all the obligations under which have been performed nor can it be used to disturb accrued rights and liabilities. A person sustaining loss or damage as a result of the disclaimer is deemed to be a creditor of the company to the extent of the loss or damage and may prove for the loss or damage in the winding-up.

Priority of Claims

One of the primary functions of liquidation (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the insolvent company and to distribute the realizations made from those assets to its creditors. Under the UK Insolvency Act and Insolvency (England & Wales) Rules 2016, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the Prescribed Part (as defined and described below), distributions cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on a pari passu basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

The general priority of claims on insolvency is as follows (in descending order of priority):

> *First ranking claims*: holders of fixed charge security and creditors with a proprietary interest in specific assets in the possession (but not full legal and beneficial ownership) of the debtor, but only to the extent of the realizations from those secured assets or with respect to the asset in which they have a proprietary interest;
>
> *Second ranking claims*: moratorium and certain categories of pre-moratorium debts (known as "priority pre-moratorium debts") if a company goes into administration or proceedings for the winding-up of the company are commenced within the period of 12 weeks following the end of a moratorium (as to which see below);
>
> *Third ranking claims*: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);

Fourth ranking claims: first, ordinary preferential debts, being contributions to occupational pension schemes, employment claims (wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person and holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the insolvency date) and bank and building society deposits eligible for compensation under the Financial Services Compensation Scheme ("FSCS") up to the statutory limit; and secondly, secondary preferential debts, being bank and building society deposits eligible for compensation under the FSCS to the extent that the claims exceed the statutory limit, deposits made through a non-EEA branch of a credit institution that would otherwise have been eligible for FSCS compensation and claims by HMRC for certain amounts of tax held by the company on behalf of employees or customers, including VAT, PAYE income tax, employee NI contributions and Construction Industry Scheme deductions;

Fifth ranking claims: holders of any floating charge security, according to the priority of their security. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part must be set aside for distribution to unsecured creditors;

Sixth ranking claims: (i) provable debts of unsecured creditors and secured creditors to the extent of any unsecured shortfall (these rank equally among themselves unless there are subordination agreements in place between any of them); (ii) statutory interest that arises on debts after the insolvency at either the contractual or a statutory rate; and (iii) non-provable liabilities, being liabilities that do not fall within any of the categories above and which are therefore only recovered in the (unusual) event that all categories above are fully paid. To pay a shortfall, the insolvency officeholder can only use realizations from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part in respect of a shortfall unless the Prescribed Part is sufficient to pay out all unsecured creditors; and

Seventh ranking claims: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subordinated creditors will be ranked according to the terms of the subordination.

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring fence a certain percentage of the proceeds of enforcement of any floating charge security for the benefit of unsecured creditors (the "Prescribed Part"). For floating charges created after 6 April 2020, this applies to 50% of the first £10,000 of the relevant company's net property and 20% of the remainder over £10,000, with a maximum aggregate cap of £800,000. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of an English Guarantor's assets at the time that the floating charges are enforced will be a question of fact at that time.

Foreign currency

Under English insolvency law any debt of a company payable in a currency other than Pounds Sterling (such as euro or U.S. dollars) must be converted into Pounds Sterling at the "official exchange rate" prevailing at the date when the company went into liquidation or administration. This provision overrides any agreement between the parties. The "official exchange rate" for these purposes is the middle market rate in the London Foreign Exchange Market at close of business as published for the date in question or, if no such rate is published, such rate as the court determines. Accordingly, in the event that an English Guarantor goes into liquidation or administration, holders of the notes may be subject to exchange rate risk between the date that such English Guarantor went into liquidation or administration and receipt of any amounts to which such holders of the notes may become entitled.

Challenges to the guarantee

There are circumstances under English insolvency law in which the granting by an English company of guarantees can be challenged. In most cases this will only arise if an administrator or liquidator is appointed to the company within a specified period (as set out in more detail below) of the granting of the guarantee and, in addition, the company was "unable to pay its debts" when the guarantee was granted or "unable to pay its debts" as a result.

A company will be "unable to pay its debts" if a statutory demand for over £750 is served on the company and remains

unpaid for three weeks or the company has failed to secure or compound for it to the reasonable satisfaction of the relevant creditor within such period or if, in England and Wales, an execution on or other process issued on a judgment, decree or order of any court in favor of a creditor of the company is returned unsatisfied in whole or in part or it is proved to the court's satisfaction that (a) the company is unable to pay its debts as they fall due or (b) that the value of the company's assets is less than the amount of its liabilities (taking into account contingent and prospective liabilities).

If the guarantee granted by an English Guarantor is challenged under the laws of England and Wales, and the court makes certain findings (as described further below), it may be permitted to:

- avoid or invalidate all or a portion of such English Guarantor's obligations under the guarantee provided by such English Guarantor;
- direct that the holders of the notes return any amounts paid by or realised from such English Guarantor under a guarantee to the guarantor or to a fund for the benefit of such English Guarantor's creditors; and/or
- take other action that is detrimental to the holders of the notes.

The Issuer and the guarantors cannot be certain that, in the event that the onset of an English Guarantor's insolvency (as described further below) is within any of the requisite time periods set out below, the grant of a guarantee in respect of the notes would not be challenged or that a court would uphold the transaction as valid.

Onset of Insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue and preferences (as discussed below), depends on the insolvency procedure in question.

In administration, the onset of insolvency is the date on which (i) the court application for an administration order is issued, or (ii) the notice of intention to appoint an administrator is filed at court, or (iii) otherwise, the date on which the appointment of an administrator takes effect.

In a compulsory liquidation the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes a winding-up resolution. Where liquidation follows administration, the onset of insolvency will be the same as for the initial administration.

Connected Persons

If the given transaction at an undervalue or preference has been entered into by the company with a "connected person," then particular specified time periods and presumptions will apply to any challenge by an administrator or liquidator (as set out more particularly below).

A "connected person" of a company granting a guarantee for the purposes of transactions at an undervalue and preferences includes (among others):

- a party who is (i) a director of the company; (ii) a shadow director; (iii) an associate of such director or shadow director; or (iv) an associate of the relevant company;
- a party is associated with an individual if they are (i) a relative of the individual; (ii) the individual's husband, wife or civil partner; (iii) a relative of the individual's husband, wife or civil partner; or (iv) the husband, wife or civil partner of a relative of the individual;
- a party is associated with a company if they are employed by that company; and
- a company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates have control of the other, or if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same person by

treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

The following potential grounds for challenge may apply to guarantees:

Transaction at an undervalue

Under English insolvency law, a liquidator or administrator of a company could apply to the court for an order to set aside a guarantee granted by the company (or give other relief) on the grounds that the creation of such guarantee constituted a transaction at an undervalue. The grant of a guarantee will only be a transaction at an undervalue if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. For a challenge to be made, the guarantee must be granted within a period of two years ending with the onset of insolvency (as defined in section 240 of the UK Insolvency Act). In addition the company must be "unable to pay its debts" when it grants the guarantee or become "unable to pay its debts" as a result. A court will not make an order in respect of a transaction at an undervalue if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. Subject to this, if the court determines that the transaction was a transaction at an undervalue the court can make such order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into (which could include reducing payments under the guarantee or setting aside any guarantee although there is protection for a third party which benefits from the transaction and has acted in good faith for value). In any challenge proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a "connected person" (as defined in the UK Insolvency Act), in which case there is a presumption the company was unable to pay its debts and the connected person must demonstrate the company was not unable to pay its debts in such proceedings.

Preference

Under English insolvency law, a liquidator or administrator of a company could apply to the court for an order to set aside a guarantee granted by such company (or give other relief) on the grounds such guarantee constituted a preference. The grant of a guarantee is a preference if it has the effect of placing a creditor (or a surety or guarantor of the company) in a better position in the event of the company's insolvent liquidation than if the guarantee had not been granted. For a challenge to be made, the decision to prefer must be made within the period of six months ending with the onset of insolvency (as defined in section 240 of the UK Insolvency Act) if the beneficiary of the guarantee is not a connected person or two years (if the beneficiary is a connected person). A court will not make an order in respect of a preference of a person unless it is satisfied the company was influenced in deciding to give it by a desire to produce the "better position" for that person. Case law suggests there must be a desire to prefer one creditor over another and not just other commercial motives even if they had the inevitable result of producing the better position. Subject to this, if the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the position to what it would have been if that preference had not been given (which could include reducing payments under the guarantee or setting aside the guarantee). There is protection for a third party which benefits from the transaction and acted in good faith for value. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction (with leave of the court if the company is in liquidation or administration) and is not therefore limited to liquidators or administrators and the company does not need to be in insolvency proceedings for such an action to be commenced nor does the relevant company need to be insolvent at the time of the transaction. Further, there is no statutory time limit within which the challenge must be made (although

general statutory limitation periods will apply). If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction. However, such an order: (i) cannot prejudice any interest in property which was acquired from a person other than the debtor in good faith, for value and without notice of the relevant circumstances; and (ii) cannot require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances, to pay any sum unless such person was a party to the transaction.

Maintenance of capital

The granting of upstream (or cross-stream) guarantees or security by an English company could be subject to challenge if it results in a reduction in that company's net assets as properly recorded in its books or, to the extent that it does, the company does not have sufficient distributable reserves to cover that reduction.

PSC Regime

Pursuant to Part 21A of the Companies Act 2006 (and related Schedules 1A and 1B to that Act), from 6 April 2016 certain UK incorporated companies, societates europaeae and limited liability partnerships (each a company) must keep a register of certain registrable individuals and legal entities that have significant control over them. Failure of such registrable individuals or legal entities or other persons specified in Part 21A of (and Schedule 1B to) the Companies Act 2006 (each a notifying party) to comply with the requirements of that Part may give companies the right to issue a restrictions notice to such notifying party for the purposes of Schedule 1B to the Companies Act 2006. Subject to certain exceptions, the effect of a restrictions notice is that in respect of any relevant interest in the company (as defined in Schedule 1B to the Companies Act 2006, for example, a share in the company): (A) any transfer of (or agreement to transfer) the interest is void; (B) no rights are exercisable in respect of the interest; (C) no shares may be issued in right of the interest or in pursuance of an offer made to the interest-holder; and (D) except in a liquidation, no payment may be made of sums due from the company in respect of the interest, whether in respect of capital or otherwise. Such restrictions could adversely affect the validity of security given over shares in companies incorporated in the UK and the ability of the Security Agent to enforce its rights in respect of that security.

Dispositions after winding up

Any dispositions of an English company's property made after a winding up has commenced is void, unless the court orders otherwise. The compulsory winding up of a company is deemed to start when a winding up petition is presented by a creditor against the company, rather than the date that the court makes the winding up order (if any).

Limitation on enforcement

The grant of a guarantee by an English Guarantor in respect of the obligations of another member of the Group must satisfy certain legal requirements. More specifically, such transaction must be allowed by such English Guarantor's memorandum and articles of association. To the extent these do not allow such an action, there is the risk that the grant of the guarantee can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with such English Guarantor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for such English Guarantor in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote success of such English Guarantor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

The guarantee granted by an English Guarantor is also subject to limitations to the extent they would result in unlawful financial assistance within the meaning of the Companies Act 2006.

Schemes of arrangement

Pursuant to Part 26 of the Companies Act 2006 the English courts have jurisdiction to sanction the compromise of a company's liabilities where such company (i) is liable to be wound up under the UK Insolvency Act and (ii) has

"sufficient connection" to the English jurisdiction.

In practice, any foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied by the English courts where, amongst other things, the company's "centre of main interests" is in England, or the company's finance documents are English law governed, or the company's finance documents have been amended in accordance with their terms to be governed by English law. The law in this area is being closely considered by the English courts and the fact that the second limb has been found to be satisfied in such cases previously does not necessarily mean that this will be satisfied in all such cases as each case will be considered on its particular facts and circumstances.

Before the court considers the sanction of a scheme of arrangement, affected creditors will vote on a detailed debt compromise or arrangement in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed scheme and any new rights that such creditors are given under the scheme. Such compromise can be proposed by the company or its creditors. If a majority in number representing 75% or more by value of those creditors present and voting at the creditor meeting(s) vote in favour of the proposed compromise, irrespective of the terms and approval thresholds contained in the finance documents, that compromise will be binding on all affected creditors, including those affected creditors who did not participate in the vote on the scheme of arrangement and those who voted against the scheme of arrangement. The scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has the discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made to the scheme, or reject the scheme.

Restructuring plan

Pursuant to Part 26A of the Companies Act the English courts have a further jurisdiction to sanction a compromise of a company's liabilities (a "Restructuring Plan"). A company can propose a restructuring plan to its creditors (and/or its shareholders). Creditors will be divided into classes based on the similarity or otherwise of their rights prior to the restructuring plan and following implementation of the plan. The court must approve the class formation and the convening of restructuring plan meetings. Each class will then vote on whether they accept the plan and provided that sufficient creditors approve the plan and the court considers it a proper exercise of its discretion to sanction the plan, then the plan will be binding on all creditors regardless of whether they, individually or as a class, approved the plan. The restructuring plan will be available not just to companies incorporated in the UK but to any company with a sufficient connection to the UK.

There are two additional conditions a company must meet in order to use a restructuring plan: (a) the company must have encountered or be likely to encounter financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern; and (b) a compromise or arrangement must be proposed between the company and its creditors (or any class of them) and the purpose of such compromise or arrangement must be to eliminate, reduce, prevent or mitigate the effect of any of the financial difficulties the company is facing.

Before the court considers the sanction of a restructuring plan, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed restructuring plan and any new rights that such creditors are given under the restructuring plan. Creditors whose rights are affected by the compromise or arrangement must be permitted to participate in the meeting and vote on the plan but there is no need to include creditors whose rights are not affected. Furthermore, a court may exclude even a creditor whose rights are affected where it is satisfied that none of the members of that class has a genuine economic interest in the company.

In respect of a consensual restructuring plan (i.e. one where each class votes in favor) to be capable of being sanctioned by the court, 75% in value of creditors present and voting (in person or by proxy) in each class must agree the compromise or arrangement. In respect of a "cram-down" restructuring plan (i.e. a restructuring plan where there is a dissenting class of creditors), the court may still sanction a plan, provided that (a) the court is satisfied that none of the dissenting classes are any worse off under the plan than they would be in the event of the "relevant alternative" (referred to below); and (b) the plan has been agreed by a number representing 75% in value of a class of creditors, present and voting (in person or by proxy) who would receive a payment, or have a genuine economic interest in the company, in the event of the relevant alternative. The relevant alternative is whatever the court considers would be most likely to occur in relation to the company if the compromise or arrangement were not sanctioned by the court.

The restructuring plan must then be sanctioned by the court at a sanction hearing where the court will review the fairness of the restructuring plan and consider whether it is reasonable. The court has discretion as to whether to sanction the restructuring plan as approved, make an order conditional upon modifications being made or reject the restructuring plan.

Unlike an administration proceeding, the commencement of a restructuring plan does not trigger a moratorium on claims or proceedings.

Company Voluntary Arrangements

Pursuant to Part I of the UK Insolvency Act, a company can request that its unsecured creditors consent to a compromise of their debts. The company may propose whatever compromise they consider appropriate in accordance with the duties of the directors or administrator (as applicable) and, provided that compromise is approved by the requisite majority of creditors at a creditors' meeting, it will bind all unsecured creditors of the company who were entitled to vote or would have been entitled to vote had they had notice of the creditors' meeting.

In order for the company voluntary arrangement to be passed, it must be approved by 75% or more in value of creditors present and voting on the resolution to approve the arrangement, provided that those who vote against it represent less than 50% in value of those creditors who had notice of the meeting and who are not connected to the company.

Moratorium

Part A1 of the UK Insolvency Act provides for a free-standing moratorium process which is intended to allow a company in financial distress a breathing space in which to explore its rescue and restructuring options free from creditor action. The moratorium will be overseen by an insolvency practitioner acting as a monitor although the directors will remain in charge of running the business on a day-to-day basis. Certain types of financial services companies are ineligible for the moratorium, including parties to capital market arrangements.

The effect of the moratorium will be to provide the company with a "payment holiday" in respect of its "pre-moratorium debts". In other words, the company will not be obliged to pay those debts during the moratorium. A "pre-moratorium debt" is any debt or other liability of the company that has fallen due prior to the commencement of the moratorium or which becomes due during the moratorium but under an obligation incurred by the company prior to the commencement of the moratorium. A "moratorium debt" is any debt or other liability that the company becomes subject to during the moratorium (other than by reason of an obligation entered into prior to the moratorium) or to which the company may become subject after the end of the moratorium because of an obligation incurred during the moratorium.

Moratorium debts and certain categories of pre-moratorium debts attract super-priority in a subsequent liquidation or administration of the company that commences within 12 weeks of the end of the moratorium.

Japan

As of the date of this offering circular, two of the guarantors are corporations in Japan and subject to Japanese laws and procedures affecting debtors and creditors, such as bankruptcy, corporate reorganization, civil rehabilitation or special liquidation proceedings. Under the Bankruptcy Act of Japan (Act No. 75 of 2004, as amended), a petition for the commencement of bankruptcy proceedings may be filed with a court by a company or any of its directors or creditors if a company is generally and continuously unable to pay its debts as they become due because of a lack of ability to pay or if its liabilities exceed its assets. Under the Corporate Reorganization Act of Japan (Act No. 154 of 2002, as amended), a petition for the commencement of corporate reorganization proceedings may be filed with a court by a company or certain qualified shareholders or creditors if it is likely that any of the grounds for bankruptcy as described above will arise. In addition, a company may file a petition for the commencement of corporate reorganization proceedings if it is likely that the payment of a debt which becomes due would cause serious impediments to its continued business operations. Under the Civil Rehabilitation Act of Japan (Act No. 225 of 1999, as amended), a petition for the commencement of civil rehabilitation proceedings may be filed with a court by a company or any of its creditors if it is likely that any of the grounds for bankruptcy as described above will arise. A petition for civil rehabilitation may be also filed by a company if the company is unable to make any payments as they become due without causing any material obstruction to the continuation of its business. Under the Companies Act of Japan (Act No. 86 of 2005, as amended, "Companies Act of Japan"), a petition for the commencement of special liquidation proceedings may be filed with a court by any of a company's creditors, liquidators, statutory auditors or shareholders if, after liquidation proceedings have commenced, circumstances exist which would seriously impede the carrying out of its liquidation or if there exists any possibility or doubt that its liabilities exceed its assets. The court will be required to order the commencement of bankruptcy proceedings at its initiative if, after a special liquidation has been commenced, the court determines that there exists a fact which constitutes a cause of commencement of the bankruptcy proceedings while: (i) there is no prospect of entering into a settlement agreement; (ii) there is no prospect of performing a settlement agreement; or (iii) the special liquidation conflicts with the general interest of the creditors.

In any of the insolvency proceedings mentioned above, the company's liabilities under the guarantee would, in general, be paid to holders of the guarantee and creditors ranking equally with such holders in right of payment on a pro rata basis, only after all of its debts that are entitled to a preferred status (*yuusen ken*) under the insolvency laws (such as employment remuneration claims, expenses of insolvency proceedings and taxes) have been paid. Also, the rights of the holders of the guarantee will be effectively subordinated to those of secured creditors (*tanpo-kensha*). In solvency proceedings other than corporate reorganization proceedings, secured creditors will be entitled to exercise their rights over the guarantor's assets outside of the insolvency proceedings, although the exercise of such rights by the secured creditors may be suspended upon a special order of the court in civil rehabilitation proceedings. Moreover, in corporate reorganization proceedings, secured creditors will be required to participate in such proceedings, and their rights could be impaired or modified in accordance with a reorganization plan. However, claims of general creditors, including holders of the guarantee, would be subordinated under the plan to secured claims to the extent of the net value of the security interest at the commencement of the proceedings.

Under Japanese insolvency laws, no party (including, without limitation, any director of a company) is expressly obligated to file for the commencement of insolvency proceedings in any particular circumstance (except that liquidators are required to file for the commencement of special liquidation proceedings or the commencement of bankruptcy proceedings in certain circumstances). However, a company's directors are subject to general fiduciary duties (*zenryouna kanrisha no chuuigimu*) under the Companies Act of Japan, which may in certain circumstances require them to take appropriate steps, including filing for the commencement of insolvency proceedings when a cause for insolvency arises. If a company's directors do not take appropriate action in such circumstances, they could be subject to civil liabilities.

If, based on a petition for the commencement of bankruptcy proceedings, a court orders the commencement of such bankruptcy proceedings, a trustee in bankruptcy (*hasan kanzainin*) will be appointed to administer the company's operations, realize all assets belonging to the bankruptcy estate and make distributions to creditors. If, based on a petition for the commencement of corporate reorganization proceedings, a court orders the commencement of such reorganization proceedings, a reorganization administrator (*kousei kanzainin*) will be appointed to take over the company's operations, assess all assets and liabilities, propose a reorganization plan and, if the plan is approved by a company's creditors and confirmed by the court, transfer management responsibilities to the new management under the plan. If, based on a petition for the commencement of civil rehabilitation proceedings, a court orders the commencement of such rehabilitation proceedings, a company's directors will remain in position (subject to supervision by a court appointed rehabilitation supervisor (*kantoku iin*)) to propose a rehabilitation plan and, if approved by the creditors and confirmed by the court, execute the plan. If, based on a petition for the commencement of special liquidation proceedings, a court orders the commencement of such special liquidation proceedings, a liquidator (*seisan-nin*) will, under court supervision, liquidate all remaining assets and liabilities and make distributions to creditors under a settlement agreement approved by its creditors and confirmed by the court.

The issuance of the guarantee and payments made to the holders of the guarantee may be avoided in insolvency proceedings (except for special liquidation proceedings) by the bankruptcy trustee, reorganization administrator or rehabilitation supervisor pursuant to their "right of avoidance" (*hi-nin ken*) as a fraudulent conveyance or voidable preference.

The acts that are subject to this right of avoidance (*hi-nin ken*) include:

- any act (except the creation of a security interest or the extinguishment of obligations) by the debtor taken with the knowledge that such act will prejudice creditors and the beneficiary of such act was aware, at the time of the act, of the fact that such act will prejudice creditors;

- any act (except the creation of a security interest or the extinguishment of obligations) by the debtor that prejudices creditors and occurs after the debtor has suspended payments or after the filing of a petition, and the beneficiary of such act was aware, at the time of the act, that the debtor has suspended payments or the filing of a petition has been made, and of the fact that such act will prejudice creditors;

- any act that relates to the creation of a security interest or the extinguishment of obligations as to the already existing obligations and that;

    - (i) occurs after the debtor has become unable to pay debts in general and the creditor was aware, at the time of the act, of such debtor's inability or suspension of payments by the debtor or (ii) occurs after the filing of a petition and the creditor was aware, at the time of the act, of such filing; or

    - is not within the scope of the debtor's obligation or the time of the payment is not such that is required as the debtor's obligation, and occurs within 30 days prior to the debtor becoming unable to pay debts in general and the creditor was aware, at the time of the act, of the fact that such act will prejudice other creditors; and

- any gratuitous act (or act deemed to be gratuitous) by the debtor after, or within six months prior to, either the suspension of payments by the debtor or the filing of a petition.

For example, the issuance of or payment on the guarantee may be avoided if: (i) with respect to the issuance, a company is deemed to have been aware at the time of the issuance that it would be to the detriment of its creditors and the holders of the guarantee are deemed to have had notice of such fact at that time; (ii) the payment takes place after it have become unable to pay its debts in general, or a petition for insolvency proceedings has been filed, and the holders of the guarantee are deemed to have been aware of such fact at that time; or (iii) where the payment is not within the scope of the debtor's obligation or the time of the payment is not such that is required as the debtor's obligation, and the payment takes place within 30 days prior to the debtor becoming unable to pay debts in general and the holders of the guarantee were aware, at the time of the payment, of the fact that such payment will prejudice other creditors. Creditors may also demand the court to rescind act taken by the debtor pursuant to their "right to demand for rescission of fraudulent act" (*sagaikoui torikeshiken*) under Civil Code of Japan (Act No. 89 of 1896, as amended) even if insolvency proceedings have not commenced yet.

The acts that are subject to this right to demand for rescission of fraudulent act (*sagaikoui torikeshiken*) include:

- any act by the debtor taken with the knowledge that such act will prejudice the creditor, and the beneficiary of such act was aware, at the time of the act, of the fact that such act will prejudice the creditor; and

- any act that relates to the creation of a security interest or the extinguishment of obligations as to the already existing obligations and that:

  - (i) occurs while the debtor is, due to lack of ability to pay, generally and continuously unable to pay its debts as they become due and (ii) is committed by the debtor in collusion with the beneficiary of the act with the intention to prejudice other creditors; or

  - (i) is not within the scope of the debtor's obligation or the time of the act is not such that is required as the debtor's obligation, (ii) occurs within 30 days prior to the debtor, due to lack of ability to pay, becoming generally and continuously unable to pay its debts as they become due and (iii) is committed by the debtor in collusion with the beneficiary of the act with the intention to prejudice other creditors.

United States

Certain subsidiaries are organized under the laws of the United States, have their registered offices in the United States and have property in the United States. In the event of insolvency, insolvency proceedings may, therefore, be initiated in the United States. U.S. law would then govern those proceedings. A voluntary bankruptcy case may be commenced by us, or an involuntary bankruptcy case could be commenced by certain unsecured creditors as provided in the U.S. Bankruptcy Code.

Fraudulent Transfer

Under U.S. federal bankruptcy laws and comparable provisions of state fraudulent transfer or conveyance laws, the notes offered hereby or any guarantee could be voided (that is, cancelled) as a fraudulent transfer or conveyance if a court determined that the Issuer, at the time it issued the unsecured notes offered hereby, or any guarantor organized in the United States, at the time it issued the guarantee (or, in some jurisdictions, when payment becomes due under the guarantee), (i) issued the unsecured notes offered hereby or incurred the guarantee with actual intent of hindering, delaying or defrauding creditors or (ii) the Issuer or a guarantor organized in the United States, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes offered hereby or incurring the guarantee and, in the case of (ii) only, one of the following is also true at the time thereof:

- the Issuer or any guarantor organized in the United States, as applicable, was insolvent or rendered insolvent by reason of the issuance of the unsecured notes offered hereby or the incurrence of the guarantee;

- the issuance of the unsecured notes offered hereby or the incurrence of the guarantee left the Issuer or such guarantor, as applicable, with an unreasonably small amount of capital to carry on our or its business; or

- the Issuer or such guarantor intended to, or believed that the Issuer or guarantor would, incur debts beyond the Issuer's or such guarantor's ability to pay such debts as they mature.

A U.S. court would likely find that the Issuer or a guarantor did not receive reasonably equivalent value or fair consideration for the notes offered hereby or such guarantee if the Issuer or such guarantor did not benefit directly or indirectly from the issuance of the notes or the applicable guarantee.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer or a guarantor was solvent at the relevant time or, regardless of the standard that a court uses, that payments to holders of the notes offered hereby constituted fraudulent transfers on other grounds. Generally, however, an entity would be considered insolvent by a U.S. court if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as they become due.

If the unsecured notes offered hereby or guarantees were avoided or limited under fraudulent transfer or other laws, any claim you may make against the Issuer or any guarantor for amounts payable on the notes offered hereby would be unenforceable to the extent of such avoidance or limitation. Moreover, the court could order you to return any payments previously made by the Issuer or any guarantor.

Although any guarantee entered into in connection with the issuance of the unsecured notes offered hereby will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect such guarantee from being voided under fraudulent transfer law, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless.

Mexico

As of the date of this offering circular, one of the guarantors is a limited liability company in Mexico and subject to Mexican laws and procedures affecting debtors and creditors, such as bankruptcy and corporate reorganization. Mexico's bankruptcy statute, the Commercial Insolvency Law (*Ley de Concursos Mercantiles*) ("CIL"), provides for a judicial process where a Mexican subsidiary whose insolvency has been declared by a district court (federal jurisdiction). In an initial hearing, the Mexican subsidiary may negotiate an agreement with its creditors for the financial reorganization or liquidation of its assets in order to pay its monetary obligations. The agreement must be approved by all creditors and, if no agreement is reached, a second hearing is carried out through a purchase and sale of assets. The declaration of insolvency may be requested by the Mexican subsidiary its creditors, the Institute of Goods and Assets Management (*Instituto de Administración de Bienes y Activos)* or the district attorney. District Courts may order assets to be frozen during the duration of the judicial procedure to avoid potential dilution of assets. The issuance of the insolvency resolution entails the acknowledgement and effectiveness of a general retroactive claw-back period of 270 calendar days from the issuance of such insolvency resolution (or 540 days for transactions with affiliates, the company's directors or senior officers, or their relatives) from the issuance of such insolvency resolution; the conciliator appointed in the procedure or any creditor acknowledged by the district judge may request the district court to set a longer claw-back period in justified circumstances if the existence of a general breach of obligations can be demonstrated on a prior date (the "Clawback Date"). Certain transfers of assets and other acts unjustifiably and adversely affecting the company's financial position that occurred during this period may be considered fraudulent and therefore, rendered ineffective. Pursuant to the CIL, the following are considered as fraudulent actions if made after the Clawback Date:

(i) actions free of charge;

(ii) actions and sales in which the company pays a consideration notably high or receives a consideration notably low to the consideration of its counterpart;

(iii) operations transacted by the company in which conditions or terms are agreed that are significantly different to market conditions;

(iv) waiver of debt;

(v) payment of non-matured obligations by the company; and

(vi) the discounts made by the company after the Clawback Date will be considered as an advance payment.

In addition, any operations performed after the Clawback Date between the Mexican Subsidiary and (x) any entity that is directly or indirectly controlled by the company, (y) any entity that controls the company or (z) any entity that is controlled by the same company that controls the company shall be deemed as fraudulent acts.

Under this last hypothesis, any claim you might make under the guarantees offered by the Mexican subsidiary in connection with the notes offered hereby would be unenforceable to the extent such guarantees were granted by the Mexican subsidiary as of the Clawback Date.

According to the CIL, creditors in a bankruptcy case may be characterized as follows, each with a position in the corresponding credits waterfall:

(a) Uniquely privileged creditors. Funeral expenses of the merchant, in cases that the Bankruptcy Resolution is being issued after the decease of the merchant, and medical expenses incurred as a result of the disease that caused the death of the merchant, in the event that the Bankruptcy Resolution be issued after merchant's death;

(b) Secured creditors. Creditors having as security of their debts either a lien or collateral covering property of debtor that could be garnished for collection of a debt (pledges and mortgages only). This, however, in the understanding that securities must be properly registered at the public registry of commerce, as they otherwise will be considered as unsecured debt;

(c) Creditors holding a special privilege. Creditors holding a special privilege are those holding a security interest over the debtor's (or a third party's) property. Normally special privileged creditors have rights to withhold (with similar rights to those of the secured creditors), whenever a secured creditor considers that on the date the debtor is declared insolvent, the amount of the collateral is less than the amount due as principal and related financial surcharges, such creditor may request the district court to be acknowledged as *secured creditor* for the amount such creditor assigns to the collateral, and as *unsecured creditor* for the balance;

(d) Common creditors. All creditors that are not considered in the catalogue above; and

(e) Subordinated creditors. The following are considered as subordinated creditors: (i) creditors that have agreed the subordination of their rights with respect with common loans and (ii) unsecured creditors.

Any qualified labor claims established under applicable labor law will be paid before any of the abovementioned creditors. This includes labor salaries and benefits accrued since two years prior to the declaration of bankruptcy, as well as any pending unpaid severance packages, if any.

The district court may declare the insolvency procedure as concluded if the estate is deemed insufficient to cover all payments in accordance with the credits waterfall. However, the procedure can still be reopened for up to two years after its conclusion if any creditor demonstrates the existence of assets to cover outstanding debts.

Ireland

One of the guarantors is a company incorporated under the laws of Ireland. As Ireland is a member of the European Union and the E.U. Insolvency Regulation is in force in Ireland, please see the section entitled "European Union" above.

The following is a general discussion of insolvency proceedings and other matters governed by Irish law for informational purposes only and does not address all the Irish legal considerations that may be relevant to holders of the notes.

Preferred Creditors Under Irish Law

Under Section 621 of the Irish Companies Act 2014 (as amended) (the "2014 Act"), in a winding-up of an Irish company certain preferential debts are required to be paid in priority to all debts other than those secured by a fixed charge.

Such preferential debts would typically comprise, among other things, certain amounts owed in respect of local rates and certain amounts owed to the Irish Revenue Commissioners for income/corporation/capital gains tax, VAT,

employee-related taxes, social security and pension scheme contributions and salaries, wages and benefits of employees.

In addition, there is a further limited category of "super-preferential" claims which take priority over ordinary preferential claims, as well as unsecured creditors and holders of floating security. These super-preferential debts comprise, among other things certain social welfare claims in respect of employment contributions that have been deducted from employees' remuneration, which have not, in fact, been paid to those employees. The debts in question are treated as trust monies and the Irish Revenue Commissioners are regarded as the beneficial owners of such monies.

The costs and expenses of a winding-up and the remuneration, costs and expenses of the liquidator rank ahead of preferential creditors, the holders of floating charges and unsecured creditors. In addition, priority will be afforded (including over the holders of fixed charges) to the remuneration, costs and expenses properly incurred by any examiner of the company which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment that have been approved by the Irish courts, (see "*Examinership*" below) and any capital gains tax payable on the disposition of an asset of the company by a liquidator, receiver or mortgagee in possession.

Unfair preferences

Under Irish insolvency law, if an Irish company goes into liquidation, a liquidator may apply to the High Court to have certain transactions set aside on the basis that the transaction in question amounted to an unfair preference. Section 604 of the 2014 Act provides that any conveyance, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against an Irish company, which is unable to pay its debts as they become due in favor of any creditor or any person on trust for any creditor, with a view of giving such creditor (or any guarantor for the debt due to such creditor) a preference over the other creditors within six months (or in the case of a connected person, two years) of the commencement of a winding up of the Irish company, shall be invalid. Case law relevant to Section 604 indicates that a dominant intent on the part of the entity concerned to prefer a creditor over its other creditors is necessary in order for Section 604 to apply. However, unless the contrary is shown, a preferential transaction made in favor of a connected person is deemed to have been made with a view to giving such a person a preference over other creditors and to be an unfair preference. Consequently, the burden of proof is on the connected person to show that the transaction was not an unfair preference. Section 604 is only applicable if, at the time of the conveyance, mortgage or other relevant act, the Irish company was unable to pay its debts as they became due.

Disclaimer of onerous contracts

Section 615 of the 2014 Act confers power on a liquidator, with leave of the High Court, at any time within twelve months after the commencement of the winding up or such extended period as may be allowed by the Court, to disclaim any property of the Irish company being wound up which consists of, among other things, (i) land burdened with onerous covenants, (ii) unprofitable contracts or (iii) any property which is unsaleable or not readily saleable by reason of its binding the possessor to the performance of any onerous act or to the payment of money. The liquidator's hand may be forced, in that any person interested in the property may require him to decide whether or not he will disclaim and if the liquidator wishes to disclaim in such circumstances, he must give notice within 28 days or such further period as may be allowed by the Court that he intends to apply to Court for leave to disclaim.

A liquidator must disclaim the whole of the property, he may not keep part and disclaim part. A disclaimer terminates as and from the date of the disclaimer the rights, interest and liabilities of the company in the contract or the property, but, the disclaimer does not affect the rights or liabilities of any other person, except so far as necessary for the purpose of releasing the company from liability. Any person damaged by the operation of a disclaimer shall be deemed a creditor of the company to the amount of the damages and may prove that amount as a debt in the winding up.

The meaning given to an unprofitable contract is one that would involve the liquidator in some liability. There must be some "burden" associated with the contract; the mere fact that the insolvent company's estate would be better off by disclaimer is not enough.

Improperly transferred assets

Under Section 608 of the 2014 Act, if it can be shown on the application of a liquidator, creditor or contributory of a company which is being wound up, to the satisfaction of the High Court that any property of such company was disposed of (which would include by way of transfer, mortgage or security) and the effect of such a disposal was to perpetrate a fraud on the company, its creditors or members, the High Court may, if it deems it just and equitable, order any person who appears to have use, control or possession of such property or the proceeds of the sale or development thereof to deliver it or pay a sum in respect of it to the liquidator on such terms as the High Court sees fit. The ability to challenge the improper transfer of assets has been extended to receivers and examiners. Section 608 does not apply to a disposal that would constitute an unfair preference for the purpose of Section 604 of the 2014 Act.

Lastly, it may also be noted that where a company is being wound by the High Court, any disposition of the property of the company, including things in action, and any transfer of shares or alteration in the status of the members of the company, made after the commencement of the winding-up and without the sanction of the liquidator (or in certain very limited circumstances, the sanction of a director), shall, unless the Court otherwise orders, be void.

Examinership

Examinership is a court procedure available under the 2014 Act to facilitate the survival of the whole or part of an Irish company or companies in financial difficulties.

In circumstances where a company either (a) has its COMI for the purpose of the E.U. Insolvency Regulation in Ireland or (b) is a company incorporated under the 2014 Act and has its COMI for the purposes of the E.U. Insolvency Regulation outside the EU Member States to which the E.U. Insolvency Regulation apply (each an "Irish Examinership Company") is unable, or likely to be unable to pay its debts, then that Irish Examinership Company, the directors of that Irish Examinership Company, a contingent, prospective or actual creditor of that Irish Examinership Company, or shareholders of that Irish Examinership Company holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of that Irish Examinership Company are each entitled to petition the court for the appointment of an examiner to that Irish Examinership Company. Provided the Irish Examinership Company can demonstrate viability, and can satisfy certain tests, the Irish High Court or, in the case of certain small companies, the Irish Circuit Court (each, a "Court") appoints an independent examiner whose function is to supervise the restructuring process.

Where the Court appoints an examiner to an Irish Examinership Company, it may, at the same or any time thereafter, make an order appointing the examiner to be examiner for the purposes of the 2014 Act to a related company (as defined by section 2(10) of the 2014 Act) in accordance with section 517 of the 2014 Act, where that related company has a sufficient connection to Ireland such as to be capable of being wound up in Ireland. There can be no assurance that the Issuer or any guarantor would be exempt from an extension of the examinership. During the protection period the day-to-day business of the company remains under the control of the directors of the Irish Examinership Company or related company, subject to certain rights of the examiner to apply to the Court. The examiner, once appointed, under section 557 of the 2014 Act may apply to court during the examinership period to have certain transactions set aside and, in certain circumstances, can avoid a negative pledge given by the Irish Examinership Company prior to this appointment. Furthermore, the examiner may sell assets of the company which are the subject of security. Where such assets are the subject of a fixed security interest, the examiner must account to the holders of the fixed security interest for the amount realized and discharge the amount due to the holders of the fixed security interest out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the Irish Examinership Company, or of a related company, or both, and the whole or any part of its or their undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when it is satisfied that:

a) a majority in number of creditors whose interests or claims would be impaired by implementation of the proposals, representing a majority in value of the claims that would be impaired by implementation of the proposals, have accepted the proposals; or

b) a majority of the voting classes of creditors whose interests or claims would be impaired by the scheme of arrangement have accepted them, provided that at least one of those creditor classes is a class of secured creditors

or is senior to the class of ordinary unsecured creditors (for example, creditors whose claims are afforded preferential status pursuant to statute); or

where the condition prescribed in (i) above has not been satisfied, at least one voting class of creditors whose interests or claims would be impaired by the scheme of arrangement and who would be an "in the money creditor" in a liquidation has voted in favour of the scheme of arrangement.

If a guarantor which is an Irish Examinership Company is placed in examinership, you may not be able to enforce your rights under its guarantee of the Notes.

The effect of the appointment of an examiner is to suspend the enforcement rights of creditors for the protection period. For as long as an Irish Examinership Company is under the protection of the Court, no attachment, sequestration, distress or execution shall be put into force against the property or effects of the relevant Irish Examinership Company except with the consent of the examiner.

No other proceedings in relation to the company may be commenced except by leave of the Court and subject to such terms as it may impose. In addition, no payment may be made by a company during the period when it is under protection of the Court by way of satisfaction or discharge of the whole or any part of a liability incurred by the company before the date of presentation of the petition for the appointment of the examiner, unless the report of the independent accountant contains a recommendation to that effect, or unless the court, on application being made by the examiner or any interested party, shall so authorize it, if the Court is satisfied that a failure to do so would considerably reduce the prospects of the company or the whole or any part of its undertaking surviving as a going concern.

The 2014 Act provides, inter alia, that no proceedings of any sort may be commenced against a guarantor in respect of the debts of the Irish Examinership Company in examinership (unless the guarantor is also under the protection of the Court). A creditor must serve notice on the guarantor, permitting the guarantor to exercise the creditor's right to vote on the examiner's proposed scheme of arrangement. If this is not done within the prescribed time limit, the guarantee will be unenforceable.

The moratorium under the 2014 Act runs for an initial period of 70 days (and may be extended to 100 days at the discretion of the court) from the date of the presentation of the petition to the court for the appointment of the examiner. In addition to the extensions referenced above, the period may be further extended by the Court for such period as the court considers necessary to decide whether or not to confirm the proposals.

The examiner's proposals may generally provide for the forced write down of the Irish Examinership Company's liabilities (including under a guarantee) to creditors and the High Court has determined that amounts due to secured creditors may also be written down.

Challenges to and Limitations of Guarantees

The following potential grounds for challenge may apply to guarantees:

If an Irish guarantor becomes subject to an Irish law insolvency proceeding and that Irish guarantor has obligations to creditors (other than noteholders) that are treated under Irish law as senior relative to the Irish guarantor's obligations to the noteholders, the noteholders may suffer losses as a result of their subordinated status during such insolvency proceeding.

We believe that in the case of the guarantees given by an Irish guarantor, these will be given in good faith for the purposes of carrying on each of their businesses and that there are reasonable grounds for believing that they will benefit each such Irish guarantor. There can be no assurance, however, that the provision of the guarantees by an Irish guarantor would not be challenged by a liquidator, on the basis that the relevant Irish guarantor did not receive any benefit, or that a court would support this analysis.

The guarantees to be granted by the Irish guarantor for the benefit of the holders of the notes will be limited so that they do not extend to or include any liability or sum which would cause such guarantee to be illegal including, without

limitation, pursuant to Section 82 (Financial assistance for acquisition of shares) or Section 239 (Prohibition of loans, etc., to directors and connected persons) of the 2014 Act.

PLAN OF DISTRIBUTION

The Issuer, the Company and the initial purchasers named below have entered into a purchase agreement with respect to the notes. Subject to certain conditions, each initial purchaser has severally agreed to purchase the principal amount of notes indicated in the following table.

Initial Purchaser	Principal Amount of Secured Notes	Principal Amount of Unsecured Notes
Goldman Sachs & Co. LLC	$	$
BofA Securities, Inc.		
RBC Capital Markets, LLC		
Wells Fargo Securities, LLC		
Scotia Capital (USA) Inc.		
CIBC World Markets Corp.		
U.S. Bancorp Investments, Inc.		
MUFG Securities Americas Inc.		
Truist Securities, Inc.		
HSBC Securities (USA) Inc.		
Citizens Capital Markets, Inc.		
Total	**$** 550,000,000	**$** 800,000,000

The initial purchasers are committed to take and pay for all of the notes being offered, if any are taken. The initial offering price is set forth on the cover page of this offering circular. After the notes are released for sale, the initial purchasers may change the offering prices and other selling terms. The offering of the notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part. The initial purchasers may offer and sell the notes through certain of their respective affiliates.

The notes have not been and will not be registered under the Securities Act. Each initial purchaser has agreed that it will only offer or sell the notes (A) to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act, (B) to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. In addition, each initial purchaser has agreed that it or its broker-dealer affiliate will only offer and sell the notes in Canada to purchasers that have represented, or been deemed to have represented, that they qualify as "accredited investor" as defined in NI 45-106 that are also "permitted clients" as defined in NI 31-103 and that are not individuals. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act. See "Notice to Investors."

In connection with sales outside the United States, the initial purchasers have agreed that they will not offer, sell or deliver the notes to, or for the account or benefit of, U.S. persons (i) as part of the initial purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the notes are originally issued. The initial purchasers will send to each dealer to whom they sell such notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the notes are originally issued, an offer or sale of such notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

We have agreed in the purchase agreement, subject to certain exceptions, that for a period of 90 days after the closing date of the offering of the notes, neither we, nor any of our subsidiaries or other affiliates over which we exercise management or voting control, nor any person acting on our behalf will, without the prior written consent of Goldman

Sachs & Co. LLC, offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the notes.

Each series of notes are a new issue of securities with no established trading market. Neither we nor the Issuer intend to list any series of notes on any national securities exchange. We cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. We have been advised by certain of the initial purchasers that the initial purchasers intend to make a market in the notes, but they are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes. If an active trading market for any series of notes does not develop, the market price and liquidity of the notes may be adversely affected. The ability of the initial purchasers to make a market in the notes may be impacted by changes in any regulatory requirements (including as a result of regulatory developments such as the SEC's interpretation of Rule 15c2-11 and its application to debt securities) applicable to the marketing, holding and trading of, and issuing quotations with respect to, the notes. If we were to cease being a reporting company under the SEC's rules and regulations, the amendments to Exchange Act Rule 15c2-11 and regulatory interpretations thereof by the SEC could restrict the ability of brokers and dealers to publish quotations on the notes being offered hereby on any interdealer quotation system or other quotation medium after January 4, 2025. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The initial purchasers also may impose a penalty bid. This occurs when a particular initial purchaser repays to the initial purchasers a portion of the underwriting discount received by it because Goldman Sachs & Co. LLC or its affiliates have repurchased notes sold by or for the account of such initial purchasers in stabilizing or short-covering transactions.

These activities by the initial purchasers, as well as other purchases by the initial purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the initial purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise. Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes.

The initial purchasers are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Specifically, affiliates of certain of the initial purchasers act as arrangers, agents and lenders under our Credit Agreement, and may enter into certain hedging transactions with us that are secured under our Credit Agreement. The initial purchasers and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us and our affiliates from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments and those of our affiliates. Affiliates of the initial purchasers have also provided us with certain finance commitments in connection with the execution of the Merger Agreement, for which they have received or will receive customary fees and reimbursement of expenses. Goldman Sachs Bank USA, an affiliate of Goldman Sachs & Co. LLC, and RBC Capital Markets, LLC are also acting as the Company's financial advisors with respect to the Mergers and will receive customary fees and reimbursement of expenses. In addition, affiliates of certain of the initial purchasers are acting as arrangers, agents and lenders under our Credit Agreement and IAA's existing indebtedness,

and may receive certain of the proceeds used by the Company to refinance the Credit Agreement or repay such indebtedness. An affiliate of BofA Securities, Inc. is the administrative agent and a lender under the Credit Agreement. U.S. Bancorp Investments, Inc., one of the initial purchasers, is an affiliate of the trustees and the escrow agent.

If the initial purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

We have agreed to indemnify the several initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Settlement

We expect that delivery of the notes will be made to investors on or about , 2023, which will be the business day following the date of this offering circular (such settlement being referred to as "T+ "). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the second business day immediately preceding the delivery of the notes by the initial purchasers will be required, by virtue of the fact that the notes initially settle in T+ , to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery by the initial purchasers should consult their advisors.

Notice to Prospective Investors in the European Economic Area

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of notes in any member state of the EEA (a "Member State") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the Prospectus Regulation.

Each person located in a Member State to whom any offer of notes is made or who receives any communication in respect of any offer of notes, or who initially acquires any notes, will be deemed to have represented, warranted, acknowledged and agreed to and with each initial purchaser and the Issuer that (1) it is a "qualified investor" (as defined in Article 2 of the Prospectus Regulation); and (2) in the case of any notes acquired by it as a financial intermediary as that term is used in the Prospectus Regulation, the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any circumstances which may give rise to an offer of any notes to the public other than their offer or resale in a Member State to qualified investors, as so defined in the Prospectus Regulation, or in circumstances in which the prior consent of the initial purchasers has been given to the offer or resale; or where notes have been acquired by it on behalf of persons in any member state of the EEA other than qualified investors, the offer of those notes to it is not treated under the Prospectus Regulation as having been made to such persons.

Notice to Prospective Investors in the United Kingdom

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (as amended, the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of notes in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation and the FSMA from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Each person located in the United Kingdom to whom any offer of notes is made or who receives any communication in respect of any offer of notes, or who initially acquires any notes, will be deemed to have represented, warranted, acknowledged and agreed to and with each initial purchaser and the Issuer that (1) it is a "qualified investor" (as defined in Article 2 of the UK Prospectus Regulation); and (2) in the case of any notes acquired by it as a financial intermediary as that term is used in the UK Prospectus Regulation, the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any circumstances which may give rise to an offer of any notes to the public other than their offer or resale in the United Kingdom to qualified investors as so defined in the UK Prospectus Regulation, or in circumstances in which the prior consent of the initial purchasers has been given to the offer or resale; or where notes have been acquired by it on behalf of persons in the United Kingdom other than qualified investors, the offer of those notes to it is not treated under the UK Prospectus Regulation as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only to, persons who are "qualified investors" (as defined in the UK Prospectus Regulation) who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order") or (ii) are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will only be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This offering circular does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange.

Therefore, this offering circular may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the initial purchaser from time to time.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering circular relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering circular is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering circular nor taken steps to verify the information set forth herein and has no responsibility for the offering circular. The notes to which this offering circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this offering circular, you should consult an authorized financial advisor.

Notice to Prospective Investors in Hong Kong

This offering circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The securities to be sold under this offering circular may not be offered or sold by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance; or (b) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong); or (c) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong); and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the notes. Accordingly, the notes may not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes have not been and may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289, of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor; then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except: (i) to an institutional investor

under Section 274 of the SFA, or to a relevant person under Section 275(2) of the SFA, or any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is given for the transfer; (iii) by operation of law; or (iv) as specified in Section 276(7) of the SFA.

LEGAL MATTERS

The validity of the notes offered hereby will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California. Canadian legal matters in connection with this offering will be passed upon for us by McCarthy Tétrault LLP. Certain legal matters in connection with the offering of the notes will be passed upon for the initial purchasers by Latham & Watkins LLP, New York, New York and Blake, Cassels & Graydon LLP.

INDEPENDENT AUDITORS

Ritchie Bros.' consolidated financial statements as of December 31, 2022 and 2021 and for the three years in the period ended December 31, 2022, incorporated by reference into this offering circular, have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing therein.

IAA's consolidated financial statements as of January 1, 2023 and January 1, 2022 and for the three fiscal years ended January 1, 2023, January 1, 2022 and December 27, 2020, incorporated by reference in this offering circular, have been audited by KPMG LLP, independent auditors, as stated in their report appearing therein.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

This offering circular contains summaries of certain of our agreements. The descriptions contained in this offering circular of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of this offering circular, the indentures governing the notes or the other agreements summarized in this offering circular may be obtained by request to us.

Ritchie Bros. is a publicly-traded company and is subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual, quarterly and current reports, proxy statements and other information. Such reports include the audited financial statements of Ritchie Bros. Ritchie Bros.' publicly available filings can be found on the SEC's website at www.sec.gov. Ritchie Bros.' filings, including the audited financial and additional information that Ritchie Bros. has made public to investors may also be found on its websites at www.rbauction.com and investor.ritchiebros.com. No information contained on or that can be accessed through any of Ritchie Bros.' websites is incorporated by reference herein. Except as discussed below, none of Ritchie Bros.' filings are incorporated by reference herein.

All reports and other documents that Ritchie Bros. subsequently files pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this offering circular and prior to the termination of the offering of securities hereunder will be deemed to be incorporated by reference into this offering circular and to be part of this offering circular from the date of the filing of such reports and documents; *provided* that, unless otherwise indicated in the applicable report, we are not incorporating any information furnished under Item 2.02 or Item 7.01 of Form 8-K, any exhibit relating to Item 2.02 or Item 7.01 or other information "furnished," and not filed, with the SEC. Any statement contained herein or in a document incorporated or deemed to be incorporated herein by reference will be deemed to be modified or superseded for the purposes of this offering circular to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this offering circular. Unless the context requires otherwise, all references to this offering circular include the documents incorporated by reference herein.

INFORMATION WE INCORPORATE BY REFERENCE

The SEC allows us to "incorporate by reference" information into this offering circular. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this offering circular, except for any information that is superseded by information that is included directly in this document.

This offering circular incorporates by reference the documents listed below that we have filed with the SEC but have not been included or delivered with this offering circular (other than portions of these documents that are deemed to have been furnished and not filed). These documents contain important information about us and our business, prospects and financial condition.

- Our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 21, 2023;

- Those portions of our Definitive Proxy Statement on Schedule 14A that was filed on March 15, 2022 and are incorporated by reference into Part III of our Form 10-K for the year ended December 31, 2021;

- Our Current Reports on Form 8-K filed on January 17, 2023 (two filings), January 23, 2023 (two filings) (Items 1.01, 3.02, 5.02 and Exhibit 10.01 only with respect to the second filing), February 1, 2023 and February 21, 2023 (Item 8.01 only).

In addition, we also incorporate by reference the following information from the periodic filings that have been prepared and filed by IAA with the SEC:

- the information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Controls and Procedures" of, and the consolidated financial statements of IAA (including the notes related thereto) included in, IAA's Annual Report on Form 10-K for the fiscal year ended January 1, 2023 filed with the SEC on February 24, 2023;

- the non-GAAP financial information as of and for the year ended January 1, 2023, included within Exhibit 99.1 of IAA's Current Report (excluding any information and exhibits furnished under Item 2.02) on Form 8-K filed with the SEC on February 22, 2023; and

We also incorporate by reference any future filings we make with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, between the date of this offering circular and the date of the closing of this offering. These additional documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K (other than information furnished and not filed by us under any item of any current report on Form 8-K, including the related exhibits, which is deemed not to be incorporated by reference in this offering circular), as well as proxy statements (other than information identified in them as not incorporated by reference). You should review these filings as they may disclose changes in our business, prospects, financial condition or other affairs after the date of this offering circular. The information that we file later with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Exchange Act and before the closing of this offering will automatically update and supersede previous information incorporated by reference in this offering circular.

You can obtain any of the documents incorporated by reference in this offering circular from us without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference in this offering circular. You can obtain documents incorporated by reference in this offering circular by requesting them in writing or by e-mail from us at the following address:

Ritchie Bros.
Investor Relations
9500 Glenlyon Parkway
Burnaby, British Columbia, Canada V5J 0C6
IR@ritchiebros.com

The Issuer does not currently file and is not expected to be required to file any reports with the SEC.

$550,000,000 % Senior Secured Notes due , 2028

$800,000,000 % Senior Notes due , 2031

Ritchie Bros. Holdings Inc.

guaranteed by

Ritchie Bros. Auctioneers Incorporated

and upon consumment of the Mergers, guaranteed by certain of its subsidiaries

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OFFERING CIRCULAR

Joint Book-Running Managers

Goldman Sachs & Co. LLC **BofA Securities** **RBC Capital Markets** **Wells Fargo Securities**

Co-Managers

Scotiabank **CIBC Capital Markets** **US Bancorp** **MUFG**
Truist Securities **HSBC** **Citizens Capital Markets**